

STATE OF MINNESOTA

SEVENTY-SEVENTH SESSION—1992

NINETIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 2, 1992

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

Prayer was offered by Pastor Lowell Dallmen, Zion Lutheran Church, Anoka, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Bettermann, Gruenes and Vanasek were excused.

The Chief Clerk proceeded to read the Journals of the preceding days. Frederick moved that further reading of the Journals be

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

REPORTS OF CHIEF CLERK

S. F. No. 1693 and H. F. No. 2488, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wenzel moved that the rules be so far suspended that S. F. No. 1693 be substituted for H. F. No. 2488 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2191, A bill for an act relating to metropolitan government; authorizing the acquisition and betterment of transit facilities and equipment and providing financing for their cost; amending Minnesota Statutes 1990, section 473.39.

Reported the same back with the following amendments:

Page 3, line 8, delete "\$116,500,000" and insert "\$62,000,000"

Page 3, line 9, delete "\$87,400,000" and insert "\$44,000,000"

Page 3, line 10, delete "\$29,100,000" and insert "\$18,000,000"

Page 3, line 17, delete "\$63,000,000" and insert "and \$30,000,000" and delete everything after "1995"

Page 3, line 18, delete everything before the period

Page 3, after line 27, insert:

"Sec. 2. [REPORT.]

By February 1, 1994, the metropolitan transit commission shall submit a report to the legislature analyzing whether ridership in areas served by the commission has increased as a result of implementing customer-oriented policies."

Page 3, line 28, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 4, after the semicolon insert "stating the intent of the legislature; requiring a report;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2219, A bill for an act relating to transportation; providing tax and other incentives for the use of alternative means of commuting; directing the regional transit board to establish a program to reduce traffic congestion; prohibiting right turns in front of buses; providing public transit operations priority in the event of an energy supply emergency; establishing a demonstration enforcement project for high occupancy vehicle lane use; amending Minnesota Statutes 1990, sections 161.1231, subdivisions 1 and 2; 169.01, by adding a subdivision; 216C.15, subdivision 1; and 290.01, subdivision 19b, and by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 169.346, subdivision 1; and 290.01, subdivision 19d; proposing coding for new law in Minnesota Statutes, chapters 169; 290; and 473.

Reported the same back with the following amendments:

Page 3, line 1, after the period insert "A small child who is an occupant of a vehicle is deemed to be visible from 50 feet."

Pages 3 to 8, delete sections 5, 6, 7, and 8

Page 8, lines 25 and 26, delete "9 to 12" and insert "5 to 8"

Page 9, line 1, delete "11" and insert "7"

Page 9, line 4, delete "10" and insert "6"

Page 10, line 19, delete "10" and insert "6"

Page 11, lines 30, 32, 35, and 36, delete "10" and insert "6"

Page 12, line 15, delete "9 to 13" and insert "5 to 9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "tax and other"

Page 1, line 6, delete "right turns in front of buses" and insert "persons from parking in certain areas used as transit bus stops"

Page 1, line 12, after the first semicolon insert "and" and delete "and 290.01,"

Page 1, delete line 13

Page 1, line 14, delete "sections" and insert "section"

Page 1, line 15, delete "and 290.01, subdivision 19d;"

Page 1, line 17, delete "290;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Transportation to which was referred:

H. F. No. 2605, A bill for an act proposing an amendment to the Minnesota Constitution, article XIV; dedicating and allocating motor vehicle excise tax proceeds to highway and transit purposes; creating Minnesota mobility trust fund and surface transportation fund; increasing gasoline tax; making technical changes; amending Minnesota Statutes 1990, sections 174.32; and 296.02, subdivision 1b; Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 174; and 297B; repealing Minnesota Statutes 1991 Supplement, sections 161.041; and 297B.09.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 174.32, is amended to read:

174.32 [TRANSIT ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A transit assistance program ~~is and transit assistance fund are~~ established to provide transit assistance within the state ~~from the fund created in subdivision 2~~ to eligible recipients for transit service activities as provided in this section.

Subd. 2. [TRANSIT ASSISTANCE FUND; DISTRIBUTION.] (a) The transit assistance fund receives money distributed under section 297B.09. Eighty percent of the receipts of the fund must be placed into a metropolitan account for distribution to recipients located in the metropolitan area and 20 percent into a separate account for distribution to recipients located outside of the metropolitan area. Except as otherwise provided in this subdivision, the regional transit board created by section 473.373 is responsible for distributing assistance from the metropolitan account, and the commissioner is responsible for distributing assistance from the other account. Money placed in the metropolitan account is available for distribution to regional railroad authorities established under chapter 398A in the metropolitan area, by the commissioner of transportation as provided in paragraph (b).

(b) The commissioner shall request applications from all eligible regional railroad authorities. The commissioner shall establish a reasonable deadline for submittal of applications. The commissioner may not distribute more than 60 percent of the available funds to a single recipient. Before distributing money to any regional railroad authority, the commissioner shall submit the applications to the regional transit board for approval. The commissioner may distribute funds only with the approval of the board. Before approving any application for funds for construction, the board shall report to the legislature on the use and planned distribution of construction funds.

Subd. 3. [ELIGIBLE RECIPIENTS.] A legislatively established public transit commission; a public authority organized and existing under chapter 398A; a county or statutory or home rule charter city operating, intending to operate, or providing financial assistance to a transit service; a rail authority; or a private operator of public transit is eligible for assistance under the program. The National Railroad Passenger Corporation, known as Amtrak, and any trolley system outside the metropolitan area rail transit system are not eligible for assistance under the program.

Subd. 4. [ELIGIBLE SERVICES.] Transit services eligible for assistance under the program include but are not limited to:

- (1) public transit;
- (2) light rail transit;

- (3) commuter van, car pool, ride share, and park and ride; and
- (4) (3) other services that further the purposes of section 174.21.

Subd. 5. [ELIGIBLE ACTIVITIES.] Activities eligible for assistance under the program include but are not limited to:

- (1) planning and engineering design for transit services;
- (2) capital assistance to purchase or refurbish transit vehicles, ~~purchase rail lines and associated facilities for light rail transit, purchase rights-of-way,~~ and other capital expenditures necessary to provide a transit service; and
- (3) other assistance for public transit services.

Subd. 6. [INVESTMENT OF TRANSIT ASSISTANCE FUND.] For money deposited in the transit assistance fund on or after January 15, 1985, the commissioner of transportation shall certify to the state board of investment the amount of the transit assistance fund that in the judgment of the commissioner is not required for immediate use. The certified amount of the transit assistance fund not currently needed shall be invested by the state board of investment subject to section 11A.25. All investment income and all investment losses attributable to the investments must be credited to the transit assistance fund. The commissioner of finance is the custodian of securities purchased under this section.

Sec. 2. Minnesota Statutes 1990, section 296.01, is amended by adding a subdivision to read:

Subd. 26. [EXCISE TAX.] "Excise tax" refers to the taxes imposed under sections 296.02 and 296.025.

Sec. 3. Minnesota Statutes 1990, section 296.01, is amended by adding a subdivision to read:

Subd. 27. [SALES TAX.] "Sales tax" means a tax imposed under section 296.015.

Sec. 4. [296.015] [WHOLESALE SALES TAX.]

Subdivision 1. [TAX IMPOSED.] A sales tax is imposed on gasoline at the rate determined under subdivision 4.

Subd. 2. [TAX; WHEN IMPOSED.] The sales tax on gasoline under subdivision 1 is imposed at the time of the first sale of gasoline by a distributor to another person.

Subd. 3. [EXEMPT SALES.] The taxes imposed under subdivision 1 do not apply to sales of gasoline:

(1) for export from the state, other than export in the supply tank of a motor vehicle or aircraft;

(2) to the United States government;

(3) for storage in an on-farm bulk storage tank; or

(4) sold as aviation gasoline or as substitutes for aviation gasoline.

Subd. 4. [CALCULATION OF TAX RATE.] (a) The commissioner shall determine on May 31 and November 30 of each year the average price per gallon at which gasoline is sold by distributors throughout the state for the months of May and November of each year. The commissioner shall determine the price on the basis of (1) information furnished the commissioner by distributors under subdivision 5, or (2) other information available through independent statistical surveys of distributor prices for gasoline and special fuel. In determining average prices for gasoline under this subdivision, the commissioner shall deduct the tax imposed under section 296.02, subdivision 1, and any tax imposed on gasoline on a per-gallon basis by the United States.

(b) The commissioner shall determine the rate of the tax imposed under subdivision 1 by multiplying the average selling price of gasoline by 2.6 percent and converting the product into a rate of cents per gallon. In determining the tax rate, the commissioner shall round off the tax to the nearest one-tenth of a cent. The commissioner shall notify all licensed distributors of gasoline and special fuel by June 10 and December 10 of each year of the tax rate as determined under this paragraph. A tax rate determined under this paragraph becomes effective the first day of the month following the month in which it is communicated to distributors and remains effective for that month and the next five months.

Subd. 5. [DISTRIBUTOR RECORDS.] A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices, of gasoline received and of all sales of gasoline made, except sales to the ultimate consumer. These records must show the names and addresses of buyers, the inventory of special fuel on hand at the close of each period for which a return is required, and other pertinent papers and documents relating to the purchase, sale, or disposition of gasoline and special fuel. When a licensed distributor sells gasoline and special fuel exclusively to the ultimate consumer at the address given in the license, no invoice of those sales is required, but itemized invoices must be made of gasoline and special fuel transferred to other retail outlets owned or controlled by the distributor. Books, records, and other papers and documents required by this

chapter, or by rule of the commissioner to be kept, must be preserved for a period of at least one year after the date of the transactions giving rise to the documents or the date of the entries on the transactions appearing in the records, unless the commissioner, in writing, authorizes their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner or duly authorized agents or employees may enter a place of business of a distributor, without a search warrant, and inspect the premises, the records required to be kept, and the gasoline, to determine whether or not this section is being fully complied with. If the commissioner, agent, or employee of the commissioner is denied free access or is hindered or interfered with in making an examination, the license of the distributor at the premises is subject to revocation by the commissioner.

Subd. 6. [DISTRIBUTOR TO PRESERVE INVOICES.] A person who sells gasoline to persons other than the ultimate consumer shall render with each sale itemized invoices showing the seller's name and address, purchaser's name and address, date of sale, and prices and discounts. The person shall preserve legible copies of the invoices for one year from the date of sale.

Subd. 7. [RETAILER TO PRESERVE PURCHASE INVOICES.] A retailer shall procure itemized invoices of gasoline bought. The invoices must show the name and address of the seller and the date of purchase. The retailer shall preserve a legible copy of each invoice for one year from the date of purchase. Invoices must be available for inspection by the commissioner, authorized agents, or employees at the retailer's place of business.

Subd. 8. [MONTHLY RETURN FILED WITH COMMISSIONER.] On or before the 25th day of each calendar month, a distributor with a place of business in this state shall file a return with the commissioner showing the quantity and sale price of gasoline received or bought during the preceding calendar month and the quantity and sale price of gasoline sold or otherwise disposed of in this state and outside this state during that month. Every licensed distributor outside this state shall, in like manner, file a return showing the quantity and sale price of gasoline shipped or transported into this state during the preceding calendar month. Returns must be made upon forms furnished and prescribed by the commissioner and contain other information that the commissioner may require. The return must be accompanied by a remittance for the full liability for the taxes imposed under this section.

Subd. 9. [COMMISSIONER TO EXAMINE AND CORRECT RETURN; COLLECTION OF DEFICIENCY.] As soon as practicable after a return is filed, the commissioner shall examine the return and correct it if necessary according to the commissioner's best judgment and information. The return, together with the commissioner's corrections, if any, is prima facie correct and is prima facie

evidence of the correctness of the amount of tax due as shown. Proof of correction by the commissioner may be made at a hearing before the commissioner or in a legal proceeding by submitting a copy of pertinent record of the commissioner under the certificate of the custodian of the original official record. This certified copy, without further proof, must be admitted into evidence before the commissioner or in a legal proceeding and is prima facie proof of the correctness of the amount of tax due as shown. The commissioner, on finding that an amount of tax due is from the distributor and unpaid, shall notify the distributor of the deficiency, stating an intention to assess the amount due together with interest and penalties as provided in section 296.15. If a deficiency disclosed by the commissioner's examination cannot be allocated to a particular month or months, the commissioner shall notify the distributor of the deficiency stating an intention to assess the amount due for a given period without allocating it to a particular month or months, together with the penalty provided in the case of other corrected returns. If a distributor making a return dies or becomes incompetent before the commissioner issues the notice of intention to assess an amount due, that notice must be issued to the administrator, executor, or other legal representative of the distributor.

Subd. 10. [DISTRIBUTOR MAY PROTEST; HEARING.] If, within 20 days after mailing of notice of the proposed assessment, the distributor or a legal representative files a protest to the proposed assessment and requests a hearing, the commissioner shall notify the distributor or legal representative of the time and place fixed for the hearing, shall hold a hearing, and shall issue a final assessment to the distributor or legal representative for the amount found to be due as a result of the hearing. The hearing must be held within 45 days after the protest is filed. If a protest is not filed within the time prescribed, the commissioner shall issue a final assessment to the distributor or legal representative. Tax due and owing after a final assessment order has been issued to the distributor or legal representative must be paid within 60 days.

Subd. 11. [MONTHLY TAX PAYMENTS; PENALTY.] The sales tax is due and payable not later than the 25th day of the month following the calendar month in which it was incurred, and after that time bears interest at the rate specified in section 296.15, subdivision 1. The commissioner may extend the time for paying the tax without penalty for good cause shown.

Subd. 12. [RECOVERY BY COMMISSIONER.] The commissioner may recover the tax due and unpaid, the interest, and any penalty under the procedures of section 296.15.

Subd. 13. [REVENUE DISPOSITION.] Revenues derived from sales taxes, penalties, and interest under this section must be deposited by the commissioner in the state treasury and credited as follows: four-tenths of one percent must be credited to the general

fund, 59.8 percent must be credited to the transit assistance fund, and 39.8 percent must be credited to the trunk highway fund.

Sec. 5. Minnesota Statutes 1990, section 296.02, subdivision 1b, is amended to read:

Subd. 1b. [RATES IMPOSED.] The gasoline excise tax is imposed at the following rate:

For the period on and after May 1, 1988, gasoline is taxed at the rate of 20 22 cents per gallon.

Sec. 6. Minnesota Statutes 1990, section 296.025, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED FOR MOTOR VEHICLE USE.] There is hereby imposed an excise tax of the same rate per gallon as the gasoline excise tax on all special fuel at the rate of 23.6 cents per gallon. This tax shall be payable at the time, in the manner and by persons specified in this chapter.

Sec. 7. Minnesota Statutes 1990, section 296.14, subdivision 3, is amended to read:

Subd. 3. [REFUND TO DEALER; DESTRUCTION BY ACCIDENT.] Notwithstanding ~~the provisions of~~ subdivision 2, the commissioner shall allow a dealer a refund of the ~~tax sales and excise taxes~~ paid on gasoline or special fuel destroyed by accident while in the possession of the dealer.

Sec. 8. Minnesota Statutes 1990, section 296.14, subdivision 4, is amended to read:

Subd. 4. [PAYMENT AND TRANSFER OF TAX ON GASOLINE SOLD FOR STORAGE IN ON-FARM BULK STORAGE AND ETHYL ALCOHOL FOR PERSONAL USE.] Notwithstanding ~~the provisions of~~ this section, the producer of ethyl alcohol which is produced for personal use and not for sale in the usual course of business and a farmer who uses gasoline on which a ~~tax has sales or excise taxes, or both, have not been paid~~ shall report and pay the tax or taxes on all ethyl alcohol or gasoline delivered into the supply tank of a licensed motor vehicle during the preceding calendar year. The tax or taxes shall be reported and paid together with any refund claim filed by the taxpayer under section 296.18. If no refund claim is filed, the tax or taxes shall be reported and paid annually by March 15 or more frequently, as the commissioner may prescribe. Any producer, qualifying under this subdivision, shall be exempt from the licensing requirements contained in section 296.06, subdivision 1.

Sec. 9. Minnesota Statutes 1990, section 296.15, subdivision 1, is amended to read:

Subdivision 1. [PENALTY, INTEREST.] (a) In case a properly licensed distributor, special fuel dealer, bulk purchaser or motor carrier does not pay any tax or inspection fee under this chapter when due, a penalty of one percent per day for the first ten days of delinquency shall accrue, and thereafter the tax, fees and penalty shall bear interest at the rate specified in section 270.75.

(b) If any person operates as a distributor, special fuel dealer, bulk purchaser or motor carrier without first securing the license required under this chapter, any tax or inspection fee imposed by this chapter shall become immediately due and payable. A penalty of 25 percent shall be imposed upon the tax and fee due thereon. The tax, fees and penalty shall bear interest at the rate specified in section 270.75.

Sec. 10. Minnesota Statutes 1990, section 296.15, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO PAY TAXES; PROCEEDINGS.] Upon the failure of any person to pay any tax or inspection fees within the time provided by sections 296.01 to 296.421, all taxes and inspection fees imposed by this chapter shall become immediately due and payable, whether or not the person has previously reported the tax and inspection fees to the commissioner, and after the default in payment the commissioner may deliver to the attorney general a certified statement of the amount due from each person hereunder whose ~~exise~~ tax and inspection fees are delinquent. The statement shall give the address of the person owing such tax and inspection fees, the month for which the tax and inspection fees are due, the date of the delinquency, and such other information as may be required by the attorney general. It shall be the duty of the attorney general, upon receipt of the statement, to bring an action in the district court of Ramsey county, or of the county in which the delinquent taxpayer resides, to recover the amount of such tax and inspection fees, with penalty, interest and costs and disbursements, and the action may be tried in the county in which it is brought. The judgment of the court when so obtained shall draw interest at the rate specified in section 270.75 and shall be enforceable in the manner provided by law for the enforcement of judgments obtained in civil actions.

Sec. 11. Minnesota Statutes 1990, section 296.15, subdivision 6, is amended to read:

Subd. 6. [LIMITATION OF ACTIONS.] No action shall be brought for the collection of delinquent ~~exise~~ taxes and inspection fees under the provisions of this chapter unless commenced within five years after the date of assessment of the taxes and fees. In the case

of a false or fraudulent report with intent to evade tax or inspection fee or of a failure to file a report, the taxes or fees may be assessed at any time, and a proceeding in court for their collection must be begun within five years after the assessment.

The period of time during which a tax or fee must be assessed under this chapter or collection proceedings commenced under this subdivision is suspended during the period from the date of filing of a petition in bankruptcy until 30 days after the commissioner of revenue receives notice that the bankruptcy proceedings have been closed or dismissed or the automatic stay has been terminated or has expired.

The suspension of the statute of limitations under this subdivision applies to the person against whom the petition in bankruptcy is filed and all other persons who may also be wholly or partially liable for the tax under this chapter.

Sec. 12. Minnesota Statutes 1990, section 296.16, subdivision 1, is amended to read:

Subdivision 1. [INTENT.] All gasoline received in this state and all gasoline produced in or brought into this state except aviation gasoline and marine gasoline shall be determined to be intended for use in motor vehicles in this state.

Approximately 1-1/2 percent of all gasoline received in this state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of motorboats on the waters of this state and of the total revenue derived from the imposition of the gasoline fuel ~~tax~~ excise taxes for uses other than for aviation purposes, 1-1/2 percent of such revenues is the amount of ~~tax~~ excise taxes on fuel used in motorboats operated on the waters of this state.

Approximately three-fourths of one percent of all gasoline received in and produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state, and of the total revenue derived from the imposition of the gasoline ~~fuel~~ excise tax for uses other than for aviation purposes, three-fourths of one percent of such revenues is the amount of ~~tax~~ excise taxes on fuel used in snowmobiles operated in this state.

Approximately 0.15 of one percent of all gasoline received in or produced or brought into this state, except gasoline used for aviation purposes, is being used for the operation of all-terrain vehicles in this state, and of the total revenue derived from the imposition of the gasoline ~~fuel~~ excise tax, 0.15 of one percent is the amount of excise tax on fuel used in all-terrain vehicles operated in this state.

Sec. 13. Minnesota Statutes 1991 Supplement, section 296.16, subdivision 1a, is amended to read:

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

Sec. 14. Minnesota Statutes 1990, section 296.17, subdivision 1, is amended to read:

Subdivision 1. [UNREPORTED GASOLINE AND SPECIAL FUEL.] It shall be the duty of every distributor, dealer, and person who sells or uses gasoline manufactured, produced, received, or stored by the distributor, dealer, or person, and of every person using gasoline in motor vehicles or special fuel in licensed motor vehicles, if the same has not been reported or if the tax on account thereof has not been paid to the commissioner, to report to the commissioner the quantity of such gasoline so sold or used or such special fuel used, and such person shall become liable for the payment of the tax. All provisions of sections 296.01 to 296.421 relating to the calculation, collection and payment of the tax shall be applicable to any such person, dealer or distributor. For purposes of this section, "tax" includes sales and excise taxes.

Sec. 15. Minnesota Statutes 1990, section 296.17, subdivision 3, is amended to read:

Subd. 3. [REFUNDS ON GASOLINE AND SPECIAL FUEL USED IN OTHER STATES.] Every person regularly or habitually operating motor vehicles upon the public highways of any other state or states and using in said motor vehicles gasoline or special fuel purchased or obtained in this state, shall be allowed a credit or refund equal to the sales and excise tax on said gasoline or special fuel paid to this state on the gasoline or special fuel actually used in the other state or states. No credit or refund shall be allowed under this subdivision for taxes paid to any state which imposes a sales or excise tax upon gasoline or special fuel purchased or obtained in this state and used on the highways of such other state, and which does not allow a similar credit or refund for the sales or excise tax paid to this state on gasoline or special fuel purchased or acquired in such other state and used on the highways of this state. Every person claiming a credit or refund under this subdivision shall file a claim on a form prescribed by the commissioner or take the credit on a subsequent tax return within one year of the last day of the month following the end of the quarter when the overpayment occurred.

Sec. 16. Minnesota Statutes 1990, section 296.17, subdivision 6, is amended to read:

Subd. 6. [RECIPROCAL AGREEMENTS.] The commissioner of public safety or the commissioner of revenue may enter into reciprocal agreements with the appropriate officials of any other state under which either commissioner may waive all or any part of the requirements imposed by this section relating to sales or excise taxes upon those who use in Minnesota gasoline or other motor vehicle fuel upon which the sales or excise tax has been paid to such other state, provided that the officials of such other state grant equivalent privileges with respect to gasoline or other motor vehicle fuel used in such other state but upon which the tax has been paid to Minnesota.

The commissioner of public safety or the commissioner of revenue may enter into reciprocal agreements with the appropriate officials of other states, exempting vehicles licensed in such other states from the license and use tax provisions contained in this section, which otherwise would apply to vehicles licensed by such other state, provided that such other state grant equivalent privileges with respect to vehicles licensed by Minnesota.

Sec. 17. Minnesota Statutes 1990, section 296.17, subdivision 8, is amended to read:

Subd. 8. [ROAD TAX IMPOSED.] (a) Every motor carrier shall pay a road tax calculated on the amount of motor fuel consumed in the motor carrier's operations on highways within this state. The tax shall be at the same rate as the sales and excise tax applicable to the purchase of the same motor fuel within this state.

(b) The amount of motor fuel consumed in the operations of any motor carrier on highways within this state shall be determined by dividing the miles traveled within Minnesota by the average miles per gallon. The average miles per gallon shall be determined by dividing the miles traveled within and without Minnesota by the total motor fuel consumed within and without Minnesota.

Sec. 18. Minnesota Statutes 1990, section 296.17, subdivision 14, is amended to read:

Subd. 14. [KEEPING AND PRESERVATION OF RECORDS.] (a) Every motor carrier shall keep such records as may be necessary for the administration of subdivisions 7 to 22 and for the reporting and justification of the amount of tax liability pursuant hereto. Such records shall be kept in such form as the commissioner reasonably may prescribe. All such records shall be safely preserved for a period of three years in such manner as to insure their security and availability for inspection by the commissioner. Upon application in writing stating the reasons therefor, the commissioner may consent

to the destruction of such records at an earlier time if the commissioner has completed an audit of the records in question.

(b) The commissioner or authorized agents or representatives shall have the right at any reasonable time to inspect the books and records of any motor carrier subject to the tax sales and excise taxes imposed by this chapter.

Sec. 19. Minnesota Statutes 1990, section 296.18, subdivision 1, is amended to read:

Subdivision 1. [GASOLINE OR SPECIAL FUEL USED IN OTHER THAN MOTOR VEHICLES.] Any person who shall buy and use gasoline for a qualifying purpose other than use in motor vehicles, snowmobiles, or motorboats, or special fuel for a qualifying purpose other than use in licensed motor vehicles, and who shall have paid the Minnesota excise tax directly or indirectly through the amount of the tax being included in the price of the gasoline or special fuel, or otherwise, shall be reimbursed and repaid the amount of the tax paid upon filing with the commissioner a signed claim in writing in the form and containing the information the commissioner shall require and accompanied by the original invoice thereof. By signing any such claim which is false or fraudulent, the applicant shall be subject to the penalties provided in this section for knowingly making a false claim. The claim shall set forth the total amount of the gasoline so purchased and used by the applicant other than in motor vehicles, or special fuel so purchased and used by the applicant other than in licensed motor vehicles, and shall state when and for what purpose it was used. When a claim contains an error in computation or preparation, the commissioner is authorized to adjust the claim in accordance with the evidence shown on the claim or other information available to the commissioner. The commissioner, on being satisfied that the claimant is entitled to the payments, shall approve the claim and transmit it to the commissioner of finance. No repayment shall be made unless the claim and invoice shall be filed with the commissioner within one year from the date of the purchase. The postmark on the envelope in which the claim is mailed shall determine the date of filing. The words "gasoline" or "special fuel" as used in this subdivision do not include aviation gasoline or special fuel for aircraft. For purposes of this section, "tax" includes sales and excise taxes. Gasoline or special fuel bought and used for a "qualifying purpose" means:

(1) Gasoline or special fuel used in carrying on a trade or business, used on a farm situated in Minnesota, and used for a farming purpose. "Farm" and "farming purpose" have the meanings given them in section 6420(c)(2), (3), and (4) of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(2) Gasoline or special fuel used for off-highway business use. "Off-highway business use" means any use by a person in that

person's trade, business, or activity for the production of income. "Off-highway business use" does not include use as a fuel in a motor vehicle which, at the time of use, is registered or is required to be registered for highway use under the laws of any state or foreign country.

(3) Gasoline or special fuel placed in the fuel tanks of new motor vehicles, manufactured in Minnesota, and shipped by interstate carrier to destinations in other states or foreign countries.

Sec. 20. Minnesota Statutes 1990, section 296.20, is amended to read:

296.20 [GASOLINE TAXES IN LIEU OF OTHER TAXES.]

Gasoline sales and excise taxes shall be in lieu of all other taxes imposed upon the business of selling or dealing in gasoline, whether imposed by the state or by any of its political subdivisions, but shall be in addition to all ad valorem taxes now imposed by law. Nothing in sections 296.01 to 296.421 shall be construed as prohibiting the governing body of any city of this state from licensing and regulating such business wherever authority therefor is, or may hereafter be, conferred by state law or city charter.

Sec. 21. Minnesota Statutes 1990, section 296.23, is amended to read:

296.23 [CERTAIN BLENDING OF GASOLINE PROHIBITED.]

The blending of gasoline on which the sales or excise tax has been paid or the liability accrued, with any substance on which the sales or excise tax has not been paid or the liability thereafter accrued, is prohibited.

This section does not preclude the addition of any of the various inhibitors which in total do not exceed one-half of one percent by volume of the product treated, nor the addition to fuel for two-cycle gasoline engines of a lubricant not exceeding five percent by volume of the product treated; nor does this section preclude the addition of fuel oil to gasoline for the purpose of generating power for the propulsion of farm tractors.

Sec. 22. Minnesota Statutes 1990, section 296.421, subdivision 4, is amended to read:

Subd. 4. [DISTRIBUTION OF UNREFUNDED TAX FOR MOTOR BOAT PURPOSES.] The amount of unrefunded ~~tax~~ excise taxes paid on gasoline used for motor boat purposes as computed in subdivision 5 shall be paid into the state treasury and credited to a water recreation account in the special revenue fund for acquisition,

development, maintenance, and rehabilitation of sites for public access and boating facilities on public waters; lake and river improvement; state park development; and boat and water safety.

Sec. 23. Minnesota Statutes 1990, section 296.421, subdivision 5, is amended to read:

Subd. 5. [COMPUTATION OF UNREFUNDED TAX.] The amount of unrefunded ~~tax~~ excise taxes shall be a sum equal to 1-1/2 percent of all revenues derived from the sales and excise taxes on gasoline, except on gasoline used for aviation purposes, together with interest thereon and penalties for delinquency in payment, paid or collected pursuant to the provisions of sections 296.02 to 296.17. The amount of such ~~tax~~ taxes shall be computed for each six-month period commencing January 1, 1961, and shall be paid into the state treasury on November 1 and June 1 following each six-month period.

Sec. 24. Minnesota Statutes 1991 Supplement, section 296.421, subdivision 8, is amended to read:

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

Sec. 25. [APPROPRIATION.]

Subdivision 1. [TRUNK HIGHWAY FUND.] \$..... is appropriated to the commissioner of transportation from the trunk highway fund for fiscal year 1993. Of this amount:

(1) \$..... is for trunk highway development; and

(2) \$..... is for construction support.

Subd. 2. [COUNTY STATE-AID HIGHWAY FUND.] \$..... is appropriated to the commissioner of transportation from the county state-aid highway fund for fiscal year 1993 for county state-aid highways.

Subd. 3. [MUNICIPAL STATE-AID STREET FUND.] \$..... is appropriated to the commissioner of transportation from the municipal state-aid street fund for fiscal year 1993 for municipal state-aid streets.

Subd. 4. [TRANSIT ASSISTANCE FUND; STATEWIDE TRANSIT.] \$..... is appropriated to the commissioner of transportation from the transit assistance fund for fiscal year 1993 for the purposes of Minnesota Statutes, section 174.24. Of this appropriation:

(1) \$..... is for assistance to systems that are receiving assistance from the commissioner under that section on the effective date of this section; and

(2) \$..... is for assistance to other public transit systems located outside the metropolitan area. The commissioner shall prepare a plan for spending this appropriation and subsequent appropriations from the transit assistance fund to insure that by December 31, 1995, each county in the state will receive service from a public transit system. The commissioner shall report on the plan to the chairs of the house of representatives and senate committees on transportation by March 1, 1993.

Subd. 5. [TRANSIT ASSISTANCE FUND; METROPOLITAN TRANSIT.] \$..... is appropriated from the transit assistance fund to the regional transit board for fiscal year 1993 for transit assistance in the metropolitan area.

Subd. 6. [TRANSIT ASSISTANCE FUND; ADMINISTRATION.] \$..... is appropriated to the commissioner of revenue from the general fund for administration of Minnesota Statutes, section 296.015. The complement of the department of revenue is increased by ... positions.

Sec. 26. [EFFECTIVE DATE.]

Sections 2 to 4 and 7 to 24 are effective September 1, 1992. Section 5 is effective June 1, 1992, and applies to gasoline in distributor storage on that date. Section 6 is effective June 1, 1992. Sections 1 and 25 are effective July 1, 1992."

Delete the title and insert:

"A bill for an act relating to transportation; specifying purposes of the transit assistance fund; imposing a wholesale sales tax on gasoline and providing for calculation of its rate; providing for deposit of revenues from the tax; increasing rates of excise tax on gasoline and special fuel; appropriating money; amending Minnesota Statutes 1990, sections 174.32; 296.01, by adding subdivisions; 296.02, subdivision 1b; 296.025, subdivision 1; 296.14, subdivisions

3 and 4; 296.15, subdivisions 1, 2, and 6; 296.16, subdivision 1; 296.17, subdivisions 1, 3, 6, 8, and 14; 296.18, subdivision 1; 296.20; 296.23; and 296.421, subdivisions 4 and 5; Minnesota Statutes 1991 Supplement, sections 296.16, subdivision 1a; and 296.421, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 296."

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

The report was adopted.

Simoneau from the Committee on Appropriations to which was referred:

H. F. No. 2694, A bill for an act relating to health; appropriating money to the commissioner of health to review proposals from occupations and professions seeking to be licensed or regulated.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1 HIGHER EDUCATION

Section 1. [HIGHER EDUCATION APPROPRIATIONS]

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 1991, chapter 356, or other law to the specified agencies. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure 1992 or 1993 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1992, or June 30, 1993, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1993 unless the context intends another fiscal year.

SUMMARY BY FUND

	1992	1993	TOTAL
General	(\$55,000)	(\$32,645,000)	(\$32,700,000)

SUMMARY BY AGENCY - ALL FUNDS

	1992	1993	TOTAL
Higher Education Coordinating Board	(70,000)		(70,000)
State Board for Technical Colleges		(6,455,000)	(6,455,000)
State Board for Community Colleges		(3,908,000)	(3,908,000)
State University Board	15,000	(4,750,000)	(4,735,000)
Board of Regents of the University of Minnesota		(17,532,000)	(17,532,000)

APPROPRIATIONS
Available for the Year
Ending June 30
1992 1993
\$ \$

Sec. 2. HIGHER EDUCATION CO-ORDINATING BOARD

Subdivision 1. Total Appropriation Changes (70,000)

This reduction is the transfer of an unexpended balance from the higher education coordinating board's special revenue account to the general fund.

Subd. 2. Agency Administration

Money and positions for the regulation of private proprietary schools under Minnesota Statutes, chapter 141, are transferred from the department of education to the higher education coordinating board under Minnesota Statutes, section 15.039. An additional .5 complement is added to the agency

	1992	1993
	\$	\$
for the same purpose and must be funded through internal reallocation.		

Subd. 3. State Grants

The legislature intends that the HECB make full grant awards in fiscal year 1993. The board may request the necessary appropriation in the 1993 legislative session if the fiscal year 1993 appropriation is insufficient to make full awards.

To provide continuity in student financial aid, students enrolled for six or seven credits during the 1992-1993 academic year shall be eligible to apply for state grants under Minnesota Statutes, section 136A.121.

Sec. 3. STATE BOARD OF TECHNICAL COLLEGES

Subdivision 1. Total Appropriation Changes	(6,455,000)
--------------------------------------------	-------------

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

Subdivision 1. Total Appropriation Changes	(3,908,000)
--------------------------------------------	-------------

Subd. 2. Worthington Community College

The appropriation in Laws 1990, chapter 610, article 1, section 3, subdivision 12, to renovate and construct space at Worthington community college, may be used to construct a new learning resource center.

Sec. 5. STATE UNIVERSITY BOARD

Subdivision 1. Total Appropriation Changes	15,000	(4,750,000)
--------------------------------------------	--------	-------------

	1992	1993
	\$	\$
Subd. 2. General Reduction		
	(7,085,000)	
Subd. 3. Kummer Landfill		
	2,335,000	

This appropriation is to assist in the cleanup of the Kummer sanitary landfill in Bemidji, Minnesota. In making this appropriation neither the state, the state university board, nor the legislature admits the state university board's liability for the release of hazardous substances, pollutants, or contaminants from this site. This appropriation is not an admission of liability for the cleanup costs associated with this site and may not be construed as an admission of liability. This appropriation is made solely for purposes of settling all claims the United States Environmental Protection Agency or the Pollution Control Agency might make against the state university board.

Subd. 4. Future Funding Task Force
15,000

This appropriation, in fiscal year 1992, is for expenses associated with the task force on post-secondary funding.

Subd. 5. Bemidji State University

The state university board may demolish and replace the Anishinabe Center on the Bemidji State University campus. The demolition and replacement must be carried out with Bemidji State University Foundation or other non-state money. The new center must be on state university land and must be state owned.

The Bemidji State University Foundation may provide money for the design

	1992	1993
	\$	\$
and construction of a bookstore on the Bemidji State University campus. The state board shall repay the principal and interest on the loan within five years. The interest must be at a rate not to exceed the rate the state would pay on its bonds if issued for the same purpose.		

Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Subdivision 1. Total Appropriation Changes	(17,532,000)
--------------------------------------------	--------------

Subd. 2. Instructional Expenditures	(10,199,000)
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Subd. 3. Noninstructional Expenditures and Special Appropriations	(7,333,000)
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Subd. 4. Continuing Education and Extension	
---------------------------------------------	--

The board of regents is requested to reevaluate the distribution policy for its continuing education and extension bulletins to determine the costs, efficacy and effects of the policy and possible alternatives to mass distribution. The legislature intends that bulletins not be mailed to other systems' college dormitories or to areas where individuals are unlikely to enroll in continuing education and extension courses offered by the University.

Sec. 7. POST-SECONDARY SYSTEMS

Each post-secondary governing board shall work with its campuses to develop institutional missions that complement the system missions established in Minnesota Statutes, section 135A.052. The legislature intends that

	1992	1993
	\$	\$
core programs and services be protected, to the extent possible, by directing budget reductions at areas peripheral to the system and institutional missions.		

When calculating the budget for the 1994-1995 biennium, a comparison shall be made between the reductions due to enrollment declines and those in this article. The calculation that yields the greater reduction shall be used for determining the base budget.

Each governing board must apply budget reductions to central administration in at least the same proportion as they apply them to instructional expenditures.

Sec. 8. Minnesota Statutes 1991 Supplement, section 121.936, subdivision 1, is amended to read:

Subdivision 1. [MANDATORY PARTICIPATION.] (a) Every district shall perform financial accounting and reporting operations on a financial management accounting and reporting system utilizing multidimensional accounts and records defined in accordance with the uniform financial accounting and reporting standards adopted by the state board pursuant to sections 121.90 to 121.917.

(b) Every school district shall be affiliated with one and only one regional management information center. This affiliation shall include at least the following components:

(1) the center shall provide financial management accounting reports to the department of education for the district to the extent required by the data acquisition calendar;

(2) the district shall process every detailed financial transaction using, at the district's option, either the ESV-IS finance subsystem through the center or an alternative system approved by the state board.

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly

to the state as of January 1, 1987, or is a joint vocational technical district established under section 136C.60.

(c) The provisions of this subdivision shall not be construed to prohibit a district from purchasing services other than those described in clause (b) from a center other than the center with which it is affiliated pursuant to clause (b).

Districts operating an approved alternative system may transfer their affiliation from one regional management information center to another. At least one year prior to July 1 of the year in which the transfer is to occur, the district shall give written notice to its current region of affiliation of its intent to transfer to another region. The one year notice requirement may be waived if the two regions mutually agree to the transfer.

Sec. 9. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 1a, is amended to read:

Subd. 1a. [APPROPRIATIONS FOR CERTAIN ENROLLMENTS.] The state share of the cost of instruction shall be 32 percent for ~~the following categories:~~

~~(1) enrollment in credit bearing courses at an off-campus site or center, except those courses at Cambridge and Fond du Lac centers; the Arrowhead and Rochester 2 + 2 programs; those offered through telecommunications; those offered by the technical colleges; and those offered as part of a joint degree program; and~~

~~(2) enrollment of students who are concurrently enrolled in a secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act.~~

Sec. 10. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 3a, is amended to read:

Subd. 3a. [EXCLUSIONS FROM ENROLLMENT.] Student enrollment for the purposes of average cost funding shall not include:

(1) any undergraduate students who do not meet the residency criteria established under subdivision 7;

(2) enrollment in extension at the technical colleges; ~~and~~

(3) students enrolled in recreational or leisure-time activity courses, except for those students enrolled in a degree-granting program for whom the credits would apply toward a baccalaureate degree; and

(4) students enrolled under the post-secondary enrollment options act.

Sec. 11. Minnesota Statutes 1991 Supplement, section 135A.03, subdivision 7, is amended to read:

Subd. 7. [RESIDENCY RESTRICTIONS.] In calculating student enrollment for appropriations, only the following may be included:

(1) students who resided in the state for at least one calendar year prior to applying for admission;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere; ~~and~~

(3) residents of other states who are attending a Minnesota institution under a tuition reciprocity agreement; and

(4) students who have been in Minnesota as migrant farmworkers, as defined in Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.

If a public post-secondary institution counts a student for appropriations under clause (4), it may only charge the student resident tuition rates.

Sec. 12. Minnesota Statutes 1991 Supplement, section 136A.121, subdivision 6, is amended to read:

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

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

(2) for private institutions, an allowance for tuition and fees equal to the lesser of the actual tuition and fees charged by the institution, or the instructional costs per full-year equivalent student in comparable public institutions.

(b) For the purpose of paragraph (a), clause (2), a private, two-year, residential, exclusively liberal arts degree-granting institution shall have its allowance for tuition and fees determined in the same manner as four-year private institutions.

(c) ~~For students a student~~ attending less than full time, the board shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

Sec. 13. Minnesota Statutes 1990, section 136A.121, is amended by adding a subdivision to read:

Subd. 18. [EXCLUSION OF CERTAIN AMOUNTS FROM ELIGIBILITY CALCULATIONS.] In determining student eligibility for a state grant, shares in the higher education savings incentive fund established in section 26 shall be excluded from determination of family assets, and the cash received upon redemption shall be excluded from income. Interest on United States savings bonds used to finance higher education shall also be excluded up to the amount excluded from federal income taxation.

Sec. 14. Minnesota Statutes 1991 Supplement, section 136A.1353, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the schools, colleges, or programs of nursing applying to participate in the nursing grant program based on the last academic year's enrollment of students in educational programs that would lead to licensure as a registered nurse. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested schools, colleges, or programs of nursing. Initial applications are due by ~~January 1, 1991,~~ and by January 1 of each later year. By ~~March 1, 1991,~~ and by ~~March 1~~ June 30 of each later year, the board shall notify each applicant school, college, or program of nursing of its approximate allocation of funds in order to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the schools, colleges, or programs of nursing by ~~August 1, 1991,~~ and by August 1 of each later year.

Sec. 15. Minnesota Statutes 1990, section 136A.1354, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the schools or colleges of nursing, or programs of advanced nursing education, applying to participate in the nursing grant program based on the last academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education. Money not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested

schools or colleges of nursing, or programs of advanced nursing education. Initial applications are due by ~~January 1, 1991, and by January 1 of each later year.~~ By ~~March 1, 1991, and by March 1 June 30 of each later year,~~ the board shall notify each applicant school or college of nursing, or program of advanced nursing education, of its approximate allocation of money to allow the school, college, or program to determine the number of students that can be supported by the allocation. The board shall distribute money to the schools or colleges of nursing, or programs of advanced nursing education, by ~~August 1, 1991, and by August 1 of each later year.~~

Sec. 16. Minnesota Statutes 1990, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$250,000,000~~ \$350,000,000 and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 17. Minnesota Statutes 1990, section 136C.04, is amended by adding a subdivision to read:

Subd. 19a. [METHODS OF ACQUISITION.] If money has been appropriated to the technical colleges board to acquire lands or sites for public buildings or real estate, the acquisition may be by gift, purchase, or condemnation proceedings. Condemnation proceedings must be under chapter 117.

Sec. 18. Minnesota Statutes 1990, section 136C.05, subdivision 5, is amended to read:

Subd. 5. [USE OF PROPERTY.] (a) A school board must not sell, lease, or assign technical college property for purposes other than technical college activities without the approval of the chancellor. ~~A school board need not obtain approval for uses that are incidental.~~

(b) Notwithstanding section 123.36, subdivision 13, proceeds from the sale, exchange, lease, or assignment of technical college land or buildings shall be used to repay any remaining debt service on the land or buildings. Subject to the approval of the chancellor, any remaining proceeds shall be placed in the post-secondary capital expenditure, repair and replacement, or construction fund.

(c) The proceeds of any arbitration or litigation resulting from claims involving technical college property shall be placed in the technical college repair and replacement fund.

Sec. 19. [136C.51] [WORKPLACE LITERACY RESOURCE CENTER; ESTABLISHMENT; PURPOSE.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A workplace literacy resource center and workplace literacy skills enhancement program is established through Northeast Metro Technical College, in partnership with the Minnesota Teamsters Service Bureau. The resource center must act as a clearinghouse for Minnesota and neighboring states or entities to provide information on workplace skills enhancement curricula, available services, and methods of delivery.

Subd. 2. [PILOT PROJECT.] The resource center established in subdivision 1, must establish a pilot project in conjunction with organizations whose clients need services of the workplace literacy program. The pilot project must serve a diverse cultural group on a metro-wide basis while establishing a model that can be duplicated elsewhere if the pilot project is proven to be successful.

The pilot project must have at least the following elements: (1) formal classroom workplace literacy training; (2) functional literacy training; (3) workplace skills enhancement; (4) prevocational training and upgrading; (5) assessment and evaluation; (6) career exploration; and (7) preapprenticeship counseling.

Sec. 20. [137.17] [CENTER FOR AMERICAN INDIAN LAW AND SOCIAL JUSTICE.]

The University of Minnesota is requested to establish a policy center for American Indian law and social justice on its Duluth campus. The policy center will have three primary objectives:

- (1) policy analysis;
- (2) research, data collection, information dissemination, and resource material acquisition; and
- (3) archive and clearinghouse responsibilities.

In accomplishing its objectives, the policy center shall influence the direction of academic curriculum, advance University of Minnesota diversity goals, and solidify tribal-University partnerships. The policy center shall also research, analyze, and gather data on topics and issues of importance to Indian tribes and citizens of the state to ensure equitable social justice prevails.

Sec. 21. Minnesota Statutes 1990, section 141.21, is amended by adding a subdivision to read:

Subd. 1a. [BOARD.] "Board" means the higher education coordinating board.

Sec. 22. Minnesota Statutes 1991 Supplement, section 168.129, subdivision 1, is amended to read:

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The commissioner of public safety shall issue special collegiate license plates to an applicant who:

(1) is an owner or joint owner of a passenger automobile, pickup truck, or van;

(2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.12;

(4) pays the fees required under this chapter;

(5) contributes at least ~~\$100~~ \$25 annually to the scholarship account established in subdivision 6; and

(6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Sec. 23. Minnesota Statutes 1991 Supplement, section 168.129, subdivision 2, is amended to read:

Subd. 2. [DESIGN.] After consultation with each participating college, university or post-secondary system, the commissioner shall design the special collegiate plates.

In consultation with the commissioner, a participating college or university annually shall indicate the anticipated number of plates needed. ~~Plates will be produced when the commissioner has received at least 200 applications.~~

Sec. 24. Minnesota Statutes 1990, section 169.965, is amended by adding a subdivision to read:

Subd. 8. [ALLOCATION OF FINES.] The fines collected shall be paid into the treasury of the University of Minnesota, except that the portion of the fines necessary to cover all costs and disbursements incurred in processing and prosecuting the violations in the court shall be transferred to the court administrator.

Sec. 25. Minnesota Statutes 1990, section 202A.19, subdivision 3, is amended to read:

Subd. 3. The University of Minnesota may not schedule an event which or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the board of regents. No state university may schedule an event which or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state university board. No community college may schedule an event which or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state board for community colleges. No technical college may schedule an event or class that will take place after 6:00 p.m. on the day of a major political party precinct caucus unless permission to do so has been received from the state board of technical colleges.

Sec. 26. [290.163] [HIGHER EDUCATION SAVINGS PLAN.]

Subdivision 1. [POLICY.] The governor and legislature believe higher education is becoming more important to survival and success in an increasingly competitive and complex job market. Future jobs will require more education beyond the high school level. Given this, the earlier parents start saving for their children's education, the better prepared they will be to provide for their children's future. Providing information and opportunities to increase family saving for higher education is in the public interest.

Subd. 2. [OPTION FOR TAKING INCOME TAX AND PROPERTY TAX REFUNDS IN THE FORM OF UNITED STATES SAVINGS BONDS.] A taxpayer eligible for a refund on an original Minnesota individual income tax return filed by October 15 of the year the return is due or on an original and timely filed property tax refund return may elect to have some or all of the refund paid in the form of United States savings bonds. For purposes of this section a refund is the income tax refund, or property tax refund, after all reductions, offsets and recaptures authorized by law.

The commissioner, in consultation with the higher education coordinating board, shall include, in the individual income tax and property tax refund instruction booklets, information about the present and future costs of higher education, the importance of beginning early to save for these expenses, alternative strategies for saving, and a description of current federal law relating to the taxation of earnings on United States savings bonds used for financing higher education.

Subd. 3. [HIGHER EDUCATION SAVINGS INCENTIVE FUND.] (a) There is created in the state treasury a higher education savings incentive fund managed by the state board of investment. Assets of the fund may come from gifts from corporations, individuals, or foundations. The state pledges to use such gifts solely for providing incentives to individuals for saving for the future costs of higher

education. The state board of investment may invest the assets of the fund in those securities it deems appropriate.

(b) Assets of the fund may only be used to provide savings incentive shares to:

(1) individuals who elect to have some or all of their refund paid in United States savings bonds pursuant to subdivision 2, and

(2) individuals who purchase United States savings bonds and were residents of Minnesota during part or all of the year that the bonds were purchased.

(c) The executive director of the higher education coordinating board shall determine eligibility for savings incentive shares, maintain all records relating to the assignment of shares of the fund, and manage all disbursements from the fund.

(d) Individuals eligible for a savings incentive share must establish their eligibility with the higher education coordinating board, on a form prescribed by the executive director, by October 15 of the year that the refund is paid or between January 1 and October 15 of the year following the year that the bonds were purchased.

(e) To be eligible for savings incentive shares:

(1) an individual must either purchase, or be refunded, qualified United States bonds as defined by section 135(c)(1) of the Internal Revenue Code of 1986, as amended through December 31, 1991; and

(2) an individual's modified adjusted gross income, as defined by section 135(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1991, for the taxable year in which the bonds were purchased or for the taxable year for which the refund was paid, cannot exceed the amount for which full exclusion of savings bond interest is allowed under section 135(b)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1991.

(f) The total value of shares awarded in a year cannot exceed the amount contributed to the higher education savings incentive fund in the year the bonds were purchased or the year before the refund was paid, plus the value of shares in that year that were forfeited to the fund, plus investment earnings in that year associated with unassigned shares. Each share shall have an original value of \$1.

(g) The number of savings awards awarded in each year per \$1 face value of United States savings bonds purchased is the smaller of:

(1) .5; or

(2) the value of shares available to be distributed as determined in paragraph (f) divided by the total face value of United States savings bonds purchased by or refunded to individuals eligible for annual savings share awards who file the form required by paragraph (d).

(h) Annual savings share awards shall be announced by January 31 of the year following the year the refund is paid.

(i) Savings share awards are redeemable only upon submission of proof to the executive director that interest from United States savings bonds was used for qualified higher education expenses as defined in section 135(c)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1991, and that some or all of that interest was exempt from federal taxation pursuant to section 135 of the Internal Revenue Code of 1986, as amended through December 31, 1991. The value of the savings share awards redeemed by an individual for a year cannot exceed the value of the bonds that were used by the individual for qualified higher education expenses for that year. Shares not redeemed within 25 years of assignment shall be forfeited to the higher education savings incentive fund.

Sec. 27. Laws 1991, chapter 356, article 1, section 5, subdivision 4, is amended to read:

Subd. 4. Campus Initiatives

The state university board may begin implementation of its quality education plans through campus initiatives that enhance the quality of student and institutional performances. The state university board may internally allocate up to \$250,000 for money during the biennium to provide funding for these initiatives. The board shall evaluate the results of the initiatives and report its findings to the education divisions of the appropriations and finance committees by January 15, 1993.

Sec. 28. Laws 1991, chapter 356, article 2, section 6, subdivision 3, is amended to read:

Subd. 3. [REPORT.] The task force shall report its recommendations to the appropriations and finance committees of the legislature by September 1, 1992 1993.

Sec. 29. Laws 1991, chapter 356, article 6, section 4, is amended by adding a subdivision to read:

Subd. 3a. [CURRENT EMPLOYEES.] It is the policy of the state of Minnesota that restructuring of peace officer education be accomplished while ensuring that fair and equitable arrangements are carried out to protect the interests of higher education system employees, and while facilitating the best possible service to the public. The affected governing boards shall make every effort to train and retrain existing employees for a changing work environment.

Options presented to employees whose positions might be eliminated by integrating peace officer education programs must include, but not be limited to, job and training opportunities necessary to qualify for another job within their current institution or a similar job in another institution.

Sec. 30. [VIOLENCE AND SEXUAL HARASSMENT.]

Subdivision 1. [PLANS.] Each public and private post-secondary institution, as defined in Minnesota Statutes, section 136A.101, subdivision 4, shall prepare and begin to implement plans to respond to problems of violence and sexual harassment on campus. The plans shall indicate the current status of the components in subdivision 2, the means planned to improve that status, a timeline for implementation of the improvements, and an estimated cost of implementing each.

Subd. 2. [COMPONENTS.] Each campus plan shall address at least the following components:

(1) security – type and level of security systems on campus, including physical plant, escort services, and other human resources;

(2) training – programs or other efforts to provide mandatory training to faculty, staff, and students regarding campus policies and procedures relating to incidents of violence and sexual harassment; and

(3) curriculum – courses or integration of materials into courses or programs that educate students for careers in fields relevant to violence and sexual harassment.

Subd. 3. [IMPLEMENTATION.] Each campus shall begin implementation of its plans following the review of its governing board. Except for capital improvements, full implementation must be accomplished by the beginning of the 1994-1995 academic year.

Subd. 4. [REPORT.] Each campus shall present its plan to its governing board by November 15, 1992. The governing boards shall review the plans with campus administrators and report the plans by January 15, 1993, to the higher education coordinating board and

the attorney general for review and comment. The higher education coordinating board and the attorney general jointly shall provide their review and comment to the legislature by March 15, 1993.

Sec. 31. [LICENSING PRIVATE BUSINESS, TRADE, AND CORRESPONDENCE SCHOOLS; RESPONSIBILITIES TRANSFERRED.]

The responsibilities of the commissioner of education, the department of education, and the state board of education conferred and specified under Minnesota Statutes, chapter 141, are transferred under Minnesota Statutes, section 15.039, to the higher education coordinating board.

Sec. 32. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the terms "commissioner," "commissioner's," "department," and "state board of education" wherever they appear in Minnesota Statutes, chapter 141, to "board" or "board's," as appropriate, in Minnesota Statutes 1992, chapter 141, and subsequent editions of the statutes.

Sec. 33. [REPEALER.]

Minnesota Statutes 1990, sections 136A.143; 136C.13, subdivision 2; and 141.21, subdivision 2, are repealed.

Sec. 34. [EFFECTIVE DATES.]

(a) Section 13 is effective July 1, 1994.

(b) Section 26, subdivision 2, is effective July 1, 1994, for refunds and forms issued beginning in 1993.

(c) Section 26, subdivision 3, is effective July 1, 1994, only if the following conditions are met:

(1) the executive director of the higher education coordinating board has received all of the following determinations from the Internal Revenue Service:

(i) that the board of investment will not be required to pay taxes on any income earned from contributions to the higher education savings incentive fund;

(ii) individual, corporate, or foundation contributions to the higher education savings incentive fund will be exempt from federal taxation under applicable federal law relating to contributions to charitable organizations; and

(iii) savings incentive shares allocated to individuals under the conditions established in section 26, subdivision 3, will be exempt from federal taxation until they are redeemed; and

(2) the legislative commission on planning and fiscal policy has determined that:

(i) the annual costs of administering individual accounts and managing assets in the higher education savings incentive fund will not exceed one percent of the value of estimated assets; and

(ii) there is a high probability that annual contributions to the fund will be at least \$5,000,000.

(d) Section 24 is effective July 1, 1992, for offenses committed on or after that date. Sections 29 and 30 are effective the day following final enactment.

ARTICLE 2

STATE GOVERNMENT

Section 1. [STATE GOVERNMENT; APPROPRIATIONS.]

Unless otherwise indicated, all sums set forth in the columns designated "1992 and 1993 APPROPRIATION CHANGE" are to be added to or reduced from general fund appropriations made by Laws 1991, chapter 345, or another named law, for the fiscal years ending June 30, 1992, and June 30, 1993, respectively. Amounts to be reduced are designated by parentheses.

SUMMARY BY FUND

	1992	1993	TOTAL
APPROPRIATION CHANGE	\$(2,934,000)	\$(16,817,200)	\$(19,751,200)
GENERAL FUND	\$(2,934,000)	\$(17,017,200)	\$(19,951,200)
SPECIAL REVENUE FUND	\$ -0-	\$ 200,000	\$ 200,000

APPROPRIATION CHANGE

1992	1993
\$	\$

Sec. 2. LEGISLATURE

(3,064,000)

\$500,000 is for the legislative commission on planning and fiscal policy. Of

	1992	1993
	\$	\$

this amount, \$300,000 is to support enhanced collection activities in the departments of finance, human services, and revenue, and \$200,000 is for a study to identify long-term options on restructuring the state of Minnesota accounts receivable process and recommending changes to the commissioner of finance in policies governing management of receivables. The study should address organizational changes that may improve collections, accounting mechanisms that would better monitor agency performance, and incentive structures to improve the level of performance. The management analysis group of the department of administration shall manage the study for the commission.

After the effective date of this section, the information policy office is responsible for the administration of the state information systems project. By November 1, 1992, the information policy office will evaluate the usefulness of continuing this information systems directory and report its findings to the legislature and the commissioner of administration.

Sec. 3. SUPREME COURT

680,000

\$5,000 is for alternative dispute resolution in Anoka county.

\$50,000 is for a judges workload and telecommunications study.

\$625,000 is to be distributed to qualified legal services programs according to the percentages in Minnesota Statutes, section 480.242, subdivision 2, paragraphs (a) and (b).

Sec. 4. BOARD OF PUBLIC DEFENSE

450,000

\$140,000 is for an automated data collection system and transfer of fiscal

	1992	1993
	\$	\$
agent functions from the counties to the state.		

\$150,000 is for the costs of caseload increases.

\$160,000 is for costs associated with defense of persons involved in the sting operation at Stillwater correctional facility.

The board of public defense may forward to the respective host counties in the multicounty judicial districts one-half of the individual districts' allotted funding for fiscal year 1993 as close to July 1, 1992, as possible. Expenses of district public defender offices in the multicounty districts shall be paid from these funds through December 31, 1992. The host counties may use interest earnings on these funds for public defense related expenses which occur prior to January 1, 1993, but which may be paid after January 1, 1993. After December 31, 1992, the board may only pay expenses which occur on or after January 1, 1993.

Notwithstanding any law to the contrary, district public defenders in multicounty districts who currently have fringe benefits provided through a county program shall continue to be eligible to receive these benefits after December 31, 1992. Persons hired in these positions after the effective date of this section are eligible to receive these benefits under the same conditions as those hired before. Participation is subject to Minnesota Statutes, section 611.26, subdivision 9. After December 31, 1992, premiums may be billed by the counties to the board of public defense in a manner prescribed by the board.

	1992	1993
	\$	\$
District public defenders in multi-county districts who currently participate in the public employee retirement association may continue their participation after December 31, 1992. District public defenders in multicounty districts hired after the effective date of this section may participate in the public employees retirement association under the same conditions as those hired before.		

The board may transfer funds among appropriations and programs.

Sec. 5. GOVERNOR AND LIEUTENANT GOVERNOR	503,000	(251,000)
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\$503,000 in fiscal year 1992 is for plaintiffs' fee award for attorneys' fees and expenses in the case of Jane Hodgson et al. vs. State of Minnesota.

Sec. 6. STATE AUDITOR	(50,000)
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Sec. 7. STATE TREASURER	(103,000)
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Sec. 8. ATTORNEY GENERAL	50,000	(1,603,000)
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\$50,000 is to pay the costs of appealing the trial court decision in the case of Sheridan and Dianne Skeen vs. State of Minnesota.

Sec. 9. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING	(400,000)
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No reductions may be made to the environmental quality board.

A reduction of \$400,000 is from the Minnesota millstone project.

Sec. 10. ADMINISTRATION	(2,590,000)	(2,005,000)
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		1992	1993
		\$	\$
Summary by Fund			
General Fund	(2,000,000)	(1,983,000)	
Parking Fund		73,000	
General Projects Fund	(300,000)		
Revolving Fund	(40,000)	(45,000)	
Enterprise Fund	(250,000)	(50,000)	

The balance of the appropriation made to the commissioner of administration by Laws 1991, chapter 345, article 1, section 17, subdivision 4, for the development of a framework for an integrated infrastructure management system is available until June 30, 1993, and shall also be used to develop a strategic long-range plan to study and fund adequate office space for state agencies in the metropolitan area and in the capitol complex. The study shall include an analysis of how information technology can be used for more efficient space utilization. This appropriation includes planning funds for the capitol area architectural and planning board.

\$85,000 of the appropriation in fiscal year 1993 is to be used to manage the costs of freight for state purchases.

Reductions of \$934,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.

No reductions may be made for the intergovernmental information systems advisory council.

No reductions may be made to the land management information center.

\$13,781,000 of the appropriation for costs relating to agency relocation, consolidation, and colocation in Laws 1991, chapter 345, article 1, section 17,

	1992	1993
	\$	\$
subdivision 4, is available until expended. \$75,000 of this amount is for a grant to Itasca county to plan and do other preliminary work for construction of the Itasca Center.		

Up to \$50,000 of this amount is for a grant to the city of St. Paul for the stabilization and renovation of the Warren Burger House, available upon receipt of dollar-for-dollar nonstate funds as a cash match or in-kind contribution of materials and supplies.

The commissioner of administration is directed to review existing general project fund accounts for repairs, betterments and relocation of agencies, to cancel unobligated funding no longer required for specific projects, and to transfer \$300,000 to the general fund by June 30, 1992.

\$240,000 is for matching grants to public television stations.

\$840,000 is for public television equipment needs. Equipment grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

\$132,000 is for public educational radio stations, which must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations for equipment needs.

\$355,000 is for grants to affiliate stations of Minnesota Public Radio, Incorporated. Equipment grant allocations must be made after consideration of the recommendations of Minnesota Public Radio, Incorporated.

The commissioner of administration is directed to transfer \$82,000 in fiscal

	1992	1993
	\$	\$
year 1992 and \$186,000 in fiscal year 1993 from the special revenue parking fund to the general fund and to provide for a reserve for replacement of parking facilities from the proceeds of the fee increases.		

The commissioner of administration is directed to transfer travel provider rebates of \$40,000 in fiscal year 1992 and \$45,000 in fiscal year 1993 from the motor pool to the general fund. Future rebates will be transferred annually.

The commissioner of administration is directed to transfer book store excess earnings of \$250,000 in fiscal year 1992 and \$50,000 in fiscal year 1993 to the general fund. Future excess earnings exceeding amounts necessary for cash flow purposes will be transferred annually.

The bookstore staff shall study the possible purchase and staffing of a bookmobile; rental of space in St. Paul, Minneapolis, or other high traffic locations; advertising, participation in book fairs, and displays at events. Consideration may be given to use of future excess revenues as debt service for a new retail location.

Due to the inability of the department of administration to meet the matching requirements in Laws 1991, chapter 345, article 1, section 17, subdivision 9, the matching requirements need not be met in either year of the biennium.

\$200,000 is to be divided equally between the Northeast STARS region and the Southeast STARS region to install and administer a regional telecommunications network pilot project to validate the STARS telecommunications regions development study findings in the regions and continue work on the master plan for regional telecommuni-

	1992	1993
	\$	\$
cations. The funds must be matched in-kind or monetarily dollar-for-dollar by the region.		

The master plan must include a technology assessment that compares the function, performance, benefits, and costs of available telecommunications technologies, including full and fractional DS1 narrowband communications, DS3 wideband communications, and AM and FM video on fiber optics. The master plan should review regional requirements for telecommunications and make recommendations on the standardization of telecommunications architecture in relation to the technology assessment. The master plan must establish a policy for participation in a communications system.

Selection of participants shall be based on geographical proximity and natural connections within the general regional areas surrounding Duluth and Rochester. Participants shall be selected from the following categories: education, state and local governments, and other public service entities including but not limited to libraries, courts and criminal justice agencies, health and human services, community and economic development entities, and cultural and nonprofit organizations or institutions. Participants shall demonstrate collaboration with one or more other entities in making their connections to the regional system. Participants in the pilot project and master plan must be represented on the regional advisory organization and together determine the design of the pilot and future master plan of regional telecommunications network systems.

If successful, this matching fund program for pilot projects and master planning must be considered for replication

	1992	1993
	\$	\$
statewide in the next biennium.		
Sec. 11. FINANCE	(176,000)	896,000

Approved complement addition:

General fund – 1

\$1,000,000 in fiscal year 1993 is for the continuation of the statewide systems project. This appropriation is available until expended.

Reductions of \$176,000 in fiscal year 1992 and \$176,000 in fiscal year 1993 are from administrative expenditures.

The position of deputy commissioner is reestablished in the department of finance.

An estimated \$166,000 will be returned to the general fund in fiscal year 1993 through a comprehensive review of statewide indirect costs. One new staff position and \$42,000 in fiscal year 1993 is for implementation of a comprehensive review of statewide indirect cost allocation policies and collection methodologies to increase recoveries to the general fund.

\$1,450,000 shall be reimbursed to the general fund in fiscal year 1993 through a six-month write-off cycle for unclaimed warrants. \$20,000 in fiscal year 1993 is for temporary staff to handle one-time additional workload to process claims for warrants.

\$10,300 is for a refund to the city of Redwood Falls of the application fee and deposit for allocation No. 378 received by the department of finance during calendar year 1991 from the city under Minnesota Statutes, section 474A.091.

Sec. 12. EMPLOYEE RELATIONS (1,309,000) (10,169,000)

	1992	1993
	\$	\$
Summary by Fund		
General Fund	(845,000)(7,184,000)	
Special Revenue Fund	200,000	
Other Funds	(516,000)(3,200,000)	

Approved complement addition:

Special revenue – 3

The estimated savings to the general fund pursuant to removing dedication of the excess state aid contribution collected by the public employees retirement association is \$1,600,000 in fiscal year 1993.

In order to control bureaucratic bloat, i.e., top-heavy bureaucracies, the department shall present an analysis of a span of control ratio (number of employees per manager) throughout state government. The commissioner shall prepare a report indicating the ratio of managers and supervisors to other employees in state government by agency program. The department shall report to the appropriate committees of the legislature by January 1, 1993. The report must recommend an appropriate ratio and a plan to control bureaucratic bloat where it exists.

The commissioner of employee relations is directed to develop and coordinate implementation procedures to enhance agency registrations of state employees' prior injuries and illnesses. The commissioner shall also develop and implement procedures for medical claim file reviews, intensive monitoring of potential second injury claims, and expedition of second injury and supplemental reimbursement applications from the special compensation fund administered by the commissioner of labor and industry. Implementation of the procedures required under this section are expected to yield savings to

	1992	1993
	\$	\$

the general fund of \$708,000 in fiscal year 1992 and \$465,000 in fiscal year 1993. Any other law to the contrary notwithstanding, reimbursements in excess of the total obtained in fiscal year 1991 shall be deposited in a special account within the special fund and transferred to the appropriate funds from which associated claims originate according to procedures and by dates specified by the commissioner of finance.

Reductions of \$358,000 in fiscal year 1993 shall be allocated at the discretion of the department.

Sec. 13. REVENUE

(700,000)

Reductions of \$700,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.

The revolving fund which is used to pay the initial costs of local property tax assessment ordered by the department of revenue is abolished and the balance of \$250,000 in fiscal year 1993 is transferred to the general fund.

The department of revenue is directed to add collection activities and to increase or redirect collections initiatives as necessary to increase revenue collections by \$1,800,000 in fiscal year 1993.

Sec. 14. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. Total Appropriation Changes

(833,000) 2,197,000

Subd. 2. Community Development

(200,000) 3,784,000

The appropriation reduction in fiscal year 1992 includes a reduction of \$200,000 for a grant to the World Trade

	1992	1993
	\$	\$

Center Corporation for establishment of an annual medical exposition, trade fair, and health care congress to begin in 1993. The remainder of this appropriation does not cancel but is available to the World Trade Center Corporation until expended.

Any amounts appropriated in Laws 1991, chapter 345, article 1, section 23, subdivision 2, for the establishment of an annual medical exposition, trade fair, and health care congress that have not been matched by January 1, 1993, shall be transferred to the community development division for grant programs.

\$50,000 of the unobligated balance in the economic recovery grant account in the special revenue fund shall be transferred to the general fund by June 30, 1992.

\$1,422,000 is for grants to the cities of Minneapolis and St. Paul for debt service payments due on bonds issued for metropolitan area parks.

\$1,512,000 is for a grant to the metropolitan council for operation and maintenance of metropolitan area parks.

\$1,000,000 is for grants that the commissioner shall make available in amounts up to \$50,000 to assist in the purchase of advanced technology used in production operations located in facilities outside the seven-county metropolitan area. The amount of each grant shall not exceed 50 percent of the purchase price of eligible equipment. Requests for the grants must be accompanied by a synopsis of a plan for any necessary employee retraining. The commissioner shall develop criteria for awarding grants and is encouraged to coordinate the awards with other programs such as the job skills

	1992	1993
	\$	\$
partnership program under Minnesota Statutes, chapter 116L. A company may receive no more than one grant per year.		

Subd. 3. Minnesota Trade Office

(100,000)	(100,000)
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The appropriation for grants to non-profit organizations to support international cultural and educational exchange programs and to make grants to and loans to qualifying Minnesota businesses for the support of the international partnership program is reduced by \$20,000.

Any balance in excess of \$1,000,000 in the export finance working capital account on June 30 of each year must be transferred by the commissioner to the general fund. It is estimated that \$225,000 will transfer in fiscal year 1992, and \$70,000 will transfer in fiscal year 1993.

Subd. 4. Tourism

(200,000)

The office of tourism shall meet with representatives from department of natural resources-operated parks, hotel and motel associations, Indian gaming associations, and other organizations to plan a unified state-based telephone/electronic mail reservation system. The office shall report to the appropriate legislative committees by January 15, 1993.

The department shall propose a method of defining beneficiaries of state appropriations for the promotion of significant tourism-related events and for recovery of those appropriations.

	1992	1993
	\$	\$
The department shall assist in the re-establishment and promotion of the Northern League, a baseball minor league, which will begin operations in the Upper Midwest in 1993.		

Subd. 5. Business Development and Analysis

(419,000)	(130,000)
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\$50,000 is reduced from the fiscal year 1992 appropriation for Minnesota jobs skills partnership grants.

\$125,000 is reduced from the fiscal year 1992 appropriation for a grant to Advantage Minnesota, Inc.

The unobligated appropriation balance in Laws 1983, chapter 334, section 6, for jobs skills partnership grants shall cancel to the general fund. The estimated cancellation is \$43,000.

The unobligated appropriation balance in Laws 1987, chapter 386, article 10, section 9, with carry forward authority in Laws 1989, chapter 335, article 1, section 25, subdivision 3, for jobs skills partnership grants shall cancel to the general fund. The estimated cancellation is \$20,500.

No reductions may be made to the Minnesota motion picture board.

The Minnesota motion picture board shall investigate and promote the use of rural Minnesota as a setting for video, film, and television production and location.

The Minnesota motion picture board shall study and make recommendations for the establishment of an annual Asian film festival. The board shall report and make recommenda-

	1992	1993
	\$	\$
tions to the appropriate committees of the legislature by January 15, 1993.		

Subd. 6. Administration

(114,000)	(47,000)
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Reductions of \$1,110,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.

Sec. 15. MEDIATION SERVICES	(60,000)
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The reduction is to the appropriation for grants to area labor-management committees in the second year. Any unencumbered balance remaining in the first year does not cancel but remains available for the second year.

Sec. 16. MILITARY AFFAIRS	(542,000)	(947,000)
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The reduction of \$542,000 in fiscal year 1992 and \$542,000 in fiscal year 1993 is associated with the closing of armories and the expenses attributed to maintenance and operation of armories. The department will substitute other cost reductions if total reductions are not realized from the closing of armories.

Except for reduction of the tuition reimbursement for enlistment or reenlistment, reductions totaling \$405,000 in either fiscal year 1992 or 1993 shall be allocated at the discretion of the department.

Sec. 17. VETERANS AFFAIRS	(250,000)
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The reduction of \$250,000 in fiscal year 1993 is from a grant to the Vinland National Center.

Sec. 18. POLICE AND FIRE AMORTIZATION AID	(2,020,000)
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	1992	1993
	\$	\$

This reduction is due to excess investment earnings.

Sec. 19. MINNESOTA STATE RETIREMENT SYSTEM – General Plan

The commissioner of finance shall reduce agencies' fiscal year 1993 annual spending plans by the amount of the savings attributable to reductions to the employer retirement contribution rate to the state employees retirement fund. It is estimated that the savings to the general fund will be \$1,731,000 in fiscal year 1993.

Sec. 20. JUDGES' RETIREMENT FUND

(245,000)

This reduction is due to excess investment earnings.

Sec. 21. TORT CLAIMS

259,000

\$259,000 is for the payment of a total judgment of principal and interest in the Gillette Hospital malpractice lawsuit.

Sec. 22. FREIGHT EXPENSE REDUCTION

The commissioner of administration through executive authority is directed to improve management of freight costs by developing an aggressive freight management program. The commissioner of administration shall identify projected savings from this program and provide a listing to the commissioner of finance. The commissioner of finance shall direct the agencies to reduce allotments as these savings occur and cancel them to the general fund at the end of the fiscal year. Projected saving for this program is \$1,901,000 in fiscal year 1993.

Sec. 23. INTERTECH REBATE

1992

1993

\$

\$

The department of finance shall unallot from state agency budgets the \$1,000,000 general fund portion of the December 1991 rebate from the Intertech internal service fund. The department of finance shall also unallot from state agency budgets an additional \$1,000,000 from the general fund portion of an Intertech rebate to be given to state agencies in fiscal year 1993. This unallotted money shall be returned to the general fund.

Sec. 24. PLANT MANAGEMENT RETAINED EARNINGS

The commissioner of administration is directed to refund in fiscal year 1993 \$1,400,000 of excess earnings in the plant management internal service fund of which \$1,000,000 shall be transferred to the general fund. The commissioner of administration shall furnish a list of the general fund refunds prior to preparation of agencies' 1993 annual budget plans and the commissioner of finance shall direct the agencies to reduce their fiscal year 1993 allotments.

Sec. 25. IMPROVE WORKERS' COMPENSATION CASE MANAGE- MENT

The commissioner of employee relations is directed to conduct comprehensive medical utilization reviews of state employee workers' compensation medical claims. Any other law to the contrary notwithstanding, reductions to original medical billings resulting from utilization reviews shall be accounted for by the commissioner and deposited in a separate account within the special revenue fund according to procedures specified by the commissioner of finance. Deposits to this account shall be transferred to the appropriate funds in proportion to the

	1992	1993
\$		\$

claims savings attributable. The commissioner shall provide staff to administer a return-to-work unit within the health, safety, and workers' compensation program to enhance procedures and agency personnel practices in order to facilitate the return of claimants to suitable state employment. It is estimated that the general fund savings attributable to this program will yield a net savings of \$222,000 in fiscal year 1992 and \$1,350,000 in fiscal year 1993, which will be transferred to the general fund. Three new positions are to staff and implement a return-to-work unit which will manage internal file review and reduce costs.

Sec. 26. PRETAX FICA AND MEDICARE SAVINGS

The commissioner of employee relations, in conjunction with the commissioner of finance, shall develop and implement procedures to account for the savings accruing to agency budgets due to reductions to federal old age, survivors, disability, and health insurance program and supplemental Medicare obligations that occur as a result of reductions to taxable gross income for employees participating in health, dental, and life plans administered by the commissioner of employee relations. The savings that accrue to agencies' budgets shall be accounted for, unallotted, and canceled to the appropriate funds according to the procedures and dates specified by the commissioner of finance. It is expected that savings to the general fund resulting from the actions required under this section will be \$576,000 in fiscal year 1993.

Sec. 27. INSURANCE TRUST FUND

(623,000)	(4,900,000)
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This reduction is to agency budgets to account for premium holidays to be

	1992	1993
\$		\$

declared by the commissioner of employee relations. For periods deemed appropriate by the commissioner of employee relations to adjust balances in the accounts of the insurance trust fund, the commissioner shall declare premium holidays in the basic life and dental insurance plans in the health and benefits program within the current biennium. The commissioner of finance shall reduce agency allotments and cancel to the respective funds savings accruing to agency budgets as a result of premium holidays or reductions made effective by the commissioner of employee relations.

Sec. 28. BUILDING PROJECT

Effective July 1, 1992, no state agency or department shall propose and the legislature shall not consider building or relocation projects without reviewing implications of utilizing information technology on space utilization.

Sec. 29. Minnesota Statutes 1990, section 3.736, subdivision 8, is amended to read:

Subd. 8. [LIABILITY INSURANCE.] A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. Procurement of the insurance is a waiver of the defense limits of governmental immunity liability under subdivisions 4 and 4a only to the extent of the liability stated in the policy but that valid and collectible insurance, including where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers the claim. Purchase of insurance has no other effect on the liability of the agency and its employees beyond the coverage provided by the policy. Procurement of commercial insurance, participation in the risk management fund under section 16B.85, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any governmental immunities or exclusions.

Sec. 30. [4A.04] [COOPERATIVE CONTRACTS.]

(a) The director may apply for, receive, and expend money from municipal, county, regional, and other planning agencies; apply for, accept, and disburse grants and other aids for planning purposes from the federal government and from other public or private sources; and may enter into contracts with agencies of the federal government, local governmental units, the University of Minnesota, and other educational institutions, and private persons as necessary to perform the director's duties. Contracts made pursuant to this section are not subject to the provisions of chapter 16B, as they relate to competitive bidding.

(b) The director may apply for, receive, and expend money made available from federal sources or other sources for the purposes of carrying out the duties and responsibilities of the director relating to local and urban affairs.

(c) All money received by the director pursuant to this section shall be deposited in the state treasury and is appropriated to the director for the purposes for which the money has been received. The money shall not cancel and is available until expended.

Sec. 31. Minnesota Statutes 1991 Supplement, section 16A.45, subdivision 1, is amended to read:

Subdivision 1. [CANCEL; CREDIT.] Once each fiscal year the commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants, except warrants issued for federal assistance programs, that have been issued and delivered for more than five years six months prior to that date and credit to the general fund the respective amounts of the canceled warrants. These warrants are presumed abandoned under section 345.38 and are subject to the provisions of sections 345.31 to 345.60. The commissioner and the treasurer shall cancel upon their books all outstanding unpaid commissioner's warrants issued for federal assistance programs that have been issued and delivered for more than the period of time set pursuant to the federal program and credit to the general fund and the appropriate account in the federal fund, the amount of the canceled warrants.

Sec. 32. Minnesota Statutes 1990, section 16A.45, is amended by adding a subdivision to read:

Subd. 4. [LOCATING UNPAID WARRANTS.] A person may not seek or receive from another person, or contract with a person for, a fee or compensation for locating outstanding unpaid commissioner's warrants prior to the time the warrants have been reported to the commissioner of commerce under section 345.41.

Sec. 33. Minnesota Statutes 1990, section 16A.48, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] A verified claim may be submitted to the concerned agency head for refund of money in the treasury to which the state is not entitled. The claimant must submit with the claim a complete statement of facts and reasons for the refund. The agency head shall consider and approve or disapprove the claim, attach a statement of reasons, and forward the claim to the commissioner for settlement. ~~No claim may be approved unless the agency head first obtains from the attorney general written certification that the refund will not jeopardize any rights of setoff or recoupment held by the state and any subdivision thereof, including local governments. Upon the exercise of any setoff or recoupment, the attorney general shall certify the amount of the remainder, if any, that may be appropriated and paid.~~

Sec. 34. Minnesota Statutes 1991 Supplement, section 16A.723, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATION.] The reimbursements collected under subdivision 1 are appropriated for payment of residence expenses relating to, including dry cleaning, carpet cleaning, and the repair and replacement of household equipment and supplies used for events conducted at the governor's residence.

Sec. 35. Minnesota Statutes 1990, section 16B.85, subdivision 5, is amended to read:

Subd. 5. [RISK MANAGEMENT FUND NOT CONSIDERED INSURANCE.] A state agency, including an entity defined as a part of the state in section 3.732, subdivision 1, clause (1), may procure insurance against liability of the agency and its employees for damages resulting from the torts of the agency and its employees. The procurement of this insurance constitutes a waiver of the limits ~~or of governmental liability under section 3.736, subdivisions 4 and 4a, only to the extent of the liability stated in the policy but that valid and collectible insurance, including where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers the claim. Purchase of insurance has no other effect on the liability of the agency and its employees beyond the coverage as provided.~~ Procurement of commercial insurance, participation in the risk management fund under this section, or provisions of an individual self-insurance plan with or without a reserve fund or reinsurance does not constitute a waiver of any of the governmental immunities or exclusions ~~under section 3.736.~~

Sec. 36. Minnesota Statutes 1991 Supplement, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [PUBLIC EMPLOYEE INSURANCE TRUST FUND.] The public employee insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the plan ~~and transfers from the public employees insur-~~

ance reserve holding account established by section 353.65, subdivision 7. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums paid by employers to the fund are exempt from the tax imposed by sections 60A.15 and 60A.198. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Sec. 37. Minnesota Statutes 1990, section 69.031, subdivision 5, is amended to read:

Subd. 5. [DEPOSIT OF STATE AID.] (1) The municipal treasurer, on receiving the fire state aid, shall within 30 days after receipt transmit it to the treasurer of the duly incorporated firefighters' relief association if there is one organized and the association has filed a financial report with the municipality; but if there is no relief association organized, or if any association dissolve, be removed, or has heretofore dissolved, or has been removed as trustees of state aid, then the treasurer of the municipality shall keep the money in the municipal treasury as provided for in section 424A.08 and shall be disbursed only for the purposes and in the manner set forth in that section.

(2) The municipal treasurer, upon receipt of the police state aid, shall disburse the police state aid in the following manner:

(a) For a municipality in which a local police relief association exists and all peace officers are members of the association, the total state aid shall be transmitted to the treasurer of the relief association within 30 days of the date of receipt, and the treasurer of the relief association shall immediately deposit the total state aid in the special fund of the relief association;

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the public employees insurance reserve holding account of the public employees retirement association; or

(c) For a municipality other than a city of the first class with a population of more than 300,000 in which both a police relief association exists and police retirement coverage is provided in part by the public employees police and fire fund, the municipality may elect at its option to transmit the total state aid to the treasurer of

the relief association as provided in clause (a), to use the total state aid to apply toward the municipality's employer contribution to the public employees police and fire fund subject to all the provisions set forth in clause (b), or to allot the total state aid proportionately to be transmitted to the police relief association as provided in this subdivision and to apply toward the municipality's employer contribution to the public employees police and fire fund subject to the provisions of clause (b) on the basis of the respective number of active full-time peace officers, as defined in section 69.011, subdivision 1, clause (g).

For a city of the first class with a population of more than 300,000, in addition, the city may elect to allot the appropriate portion of the total police state aid to apply toward the employer contribution of the city to the public employees police and fire fund based on the covered salary of police officers covered by the fund each payroll period and to transmit the balance to the police relief association.

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the ~~public employees insurance reserve~~ excess contributions holding account of the ~~public employees retirement association~~.

Sec. 38. Minnesota Statutes 1990, section 116J.9673, subdivision 4, is amended to read:

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. All premiums and interest collected under subdivision 3, clause (6), must be deposited into this account. Fees collected must be credited to the general fund. The balance in the account may exceed \$1,000,000 through accumulated earnings. Any balance in excess of \$1,000,000 on June 30 of every year must be transferred to the general fund. Money in the account including interest earned and appropriations made by the legislature for the purposes of this section, is appropriated annually to the finance authority for the purposes of this section. The balance in the account may decline below \$1,000,000 as required to pay defaults on guaranteed loans.

Sec. 39. Minnesota Statutes 1990, section 270.063, is amended to read:

270.063 [COLLECTION OF DELINQUENT TAXES.]

For the purpose of collecting delinquent state tax liabilities, there is appropriated to the commissioner of revenue an amount repre-

senting the cost of collection, ~~not to exceed one-third of the amount collected by contract with collection agencies, revenue departments of other states, or attorneys to enable the commissioner to reimburse these agencies, departments, or attorneys for this service, or provide for the operating costs of collection activities of the department of revenue.~~ The commissioner shall report quarterly on the status of this program to the chair of the house tax and appropriation committees and senate tax and finance committees.

Notwithstanding section 16A.15, subdivision 3, the commissioner of revenue may authorize the prepayment of sheriff's fees, attorney fees, fees charged by revenue departments of other states, or court costs to be incurred in connection with the collection of delinquent tax liabilities owed to the commissioner of revenue.

Sec. 40. Minnesota Statutes 1990, section 270.71, is amended to read:

270.71 [ACQUISITION AND RESALE OF SEIZED PROPERTY.]

For the purpose of enabling the commissioner of revenue to purchase or redeem seized property in which the state of Minnesota has an interest arising from a lien for unpaid taxes, or to provide for the operating costs of collection activities of the department of revenue, there is appropriated to the commissioner an amount representing the cost of such purchases ~~or~~ redemptions, or collection activities. Seized property acquired by the state of Minnesota to satisfy unpaid taxes shall be resold by the commissioner. The commissioner shall preserve the value of seized property while controlling it, including but not limited to the procurement of insurance. For the purpose of refunding the proceeds from the sale of levied or redeemed property which are in excess of the actual tax liability plus costs of acquiring the property, there is hereby created a levied and redeemed property refund account in the agency fund. All amounts deposited into this account are appropriated to the commissioner of revenue. The commissioner shall report quarterly on the status of this program to the chairs of the house taxes and appropriations committees and senate taxes and tax laws and finance committees.

Sec. 41. Minnesota Statutes 1990, section 352.04, subdivision 2, is amended to read:

Subd. 2. [EMPLOYEE CONTRIBUTIONS.] The employee contribution to the fund must be equal to ~~4.15~~ 3.99 percent of salary. These contributions must be made by deduction from salary as provided in subdivision 4.

Sec. 42. Minnesota Statutes 1990, section 352.04, subdivision 3, is amended to read:

Subd. 3. [EMPLOYER CONTRIBUTIONS.] (a) The employer contribution to the fund must be equal to ~~4.29~~ 4.12 percent of salary.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 43. Minnesota Statutes 1990, section 353.27, subdivision 13, is amended to read:

Subd. 13. [CERTAIN WARRANTS CANCELED.] A warrant payable from the retirement fund remaining unpaid for a period of ~~five years~~ six months must be canceled into the retirement fund and not into the general fund.

Sec. 44. Minnesota Statutes 1990, section 353.65, subdivision 7, is amended to read:

Subd. 7. Within the general fund, the public employees insurance reserve excess contributions holding account is established in the public employees retirement association. Excess contributions established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3) must be deposited in the account. These contributions and all investment earnings associated with them must be regularly transferred to the insurance trust fund established by section 43A.316, subdivision 9 cancel to the fund at the close of each fiscal year.

Sec. 45. Minnesota Statutes 1990, section 356.65, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, unless the context clearly indicates otherwise, the following terms shall have the meanings given to them:

(a) "Public pension fund" means any public pension plan as defined in section 356.61 and any Minnesota volunteer firefighters relief association which is established pursuant to chapter 424A and governed pursuant to sections 69.771 to 69.776.

(b) "Unclaimed public pension fund amounts" means any amounts representing accumulated member contributions, any outstanding unpaid annuity, service pension or other retirement benefit payments, including those made on warrants issued by the commissioner of finance, which have been issued and delivered for more than six years months prior to the date of the end of the fiscal year

applicable to the public pension fund, and any applicable interest to the credit of:

(1) an inactive or former member of a public pension fund who is not entitled to a defined retirement annuity and who has not applied for a refund of those amounts within five years after the last member contribution was made;

(2) a deceased inactive or former member of a public pension fund if no survivor is entitled to a survivor benefit and no survivor, designated beneficiary or legal representative of the estate has applied for a refund of those amounts within five years after the date of death of the inactive or former member.

Sec. 46. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of ~~\$85~~ \$105.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of ~~\$85~~ \$105.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by the public authority or the party the public authority represents.

Sec. 47. Minnesota Statutes 1990, section 357.022, is amended to read:

357.022 [CONCILIATION COURT FEE.]

The court administrator in every county shall charge and collect a filing fee of \$13 when the amount demanded is less than \$1,000, \$20 when the amount demanded is at least \$1,000 but less than \$4,000, and \$25 when the amount demanded is \$4,000 or more, from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. The court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 48. Minnesota Statutes 1990, section 357.18, is amended by adding a subdivision to read:

Subd. 3. [SURCHARGE.] In addition to the fees imposed in subdivision 1, a \$2 surcharge shall be collected: on each minimum fee charged under subdivision 1, clauses (1) and (6), and for each abstract certificate under subdivision 1, clause (4). Forty cents of each surcharge shall be retained by the county to cover its administrative costs and \$1.60 shall be paid to the state treasury and credited to the general fund.

Sec. 49. Minnesota Statutes 1990, section 466.06, is amended to read:

466.06 [LIABILITY INSURANCE.]

The governing body of any municipality may procure insurance against liability of the municipality and its officers, employees, and agents for damages, including punitive damages, resulting from its torts and those of its officers, employees, and agents, including torts specified in section 466.03 for which the municipality is immune from liability. The insurance may provide protection in excess of the limit of liability imposed by section 466.04. If a municipality other than a school district has the authority to levy taxes, the premium costs for such insurance may be levied in excess of any per capita or local tax rate tax limitation imposed by statute or charter. Any independent board or commission in the municipality having authority to disburse funds for a particular municipal function without approval of the governing body may similarly procure liability insurance with respect to the field of its operation. The procurement of such insurance constitutes a waiver of the limits of governmental liability under section 466.04 only to the extent of the liability stated in the policy but that valid and collectible insurance, including where applicable, proceeds from the Minnesota Guarantee Fund, exceeds those limits and covers the claim. The purchase of insurance has no other effect on the liability of the municipality beyond the coverage so provided or its employees. Procurement of commercial insurance, participation in a self-insurance pool pursuant to section 471.981, or provision for an individual self-insurance plan with or without a reserve fund or reinsurance shall not constitute a waiver of any of the governmental immunities conferred under section 466.03 or exclusions.

Sec. 50. Minnesota Statutes 1990, section 490.123, is amended by adding a subdivision to read:

Subd. 1c. [JUDGES NOT PARTICIPATING IN POSTRETIREMENTFUND.] For retired judges not participating in the postretirement fund, as defined in section 11A.18, the amount necessary to pay retirement benefits is appropriated from the general fund to the executive director of the Minnesota state retirement system. The executive director shall certify to the commissioner of finance the total amount required to pay such benefits each year on or before July 15. The certification shall include the number of anticipated benefit recipients, including survivors and designated beneficiaries, the total estimated requirements for each recipient group, and the total amount for all groups. The commissioner of finance shall, after any necessary reconciling adjustments or corrections, transfer the total required amount to a separate account within the judges' retirement fund. Any unencumbered balance at the end of the first year does not cancel, but is available for the second year. Any unencumbered balance remaining on June 30 of the second year of a biennium cancels and shall be credited to the general fund.

Sec. 51. Minnesota Statutes 1991 Supplement, section 508.82, is amended to read:

508.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (11), (13), (14), (15), (17), (18), and (19), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a \$2 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (4), (6), (11), (13), (15), and (19), with 40 cents of this surcharge to be retained by the county to cover its administrative costs and \$1.60 to be paid to the state treasury and credited to the general fund;

(2) for registering each original certificate of title, and issuing a duplicate of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the issuance and registration of the new certificate of title, \$30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate certificates, \$15;

(5) for issuing each mortgagee's or lessee's duplicate, \$10;

(6) for issuing each residue certificate, \$20;

(7) for exchange certificates, \$10 for each certificate canceled and \$10 for each new certificate issued;

(8) for each certificate showing condition of the register, \$10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, \$30;

(12) for any other service under this chapter, such fee as the court shall determine;

(13) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, \$50, plus \$10 to memorialize;

(14) for issuing a duplicate certificate of title pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, \$10;

(15) for filing a condominium plat or an amendment to it in accordance with chapter 515, \$30;

(16) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be \$1 for each page of the condominium plat with a minimum fee of \$10;

(17) for filing a condominium declaration and plat or an amendment to it in accordance with chapter 515A, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium plat or an amendment thereto;

(18) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$10;

(19) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$30;

(20) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$10.

Sec. 52. Minnesota Statutes 1991 Supplement, section 508A.82, is amended to read:

508A.82 [REGISTRAR'S FEES.]

The fees to be paid to the registrar shall be as follows:

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (11), (13), (14), (15), (17), and (19), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a \$2 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (4), (6), (11), (13), (15), and (19), with 40 cents of this surcharge to be retained by the county to cover its administrative costs and \$1.60 to be paid to the state treasury and credited to the general fund;

(2) for registering each original CPT, and issuing a duplicate of it, \$30;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the issuance and registration of the new CPT, \$30;

(4) for the entry of each memorial on a certificate and endorsements upon duplicate CPTs, \$15;

(5) for issuing each mortgagee's or lessee's duplicate, \$10;

(6) for issuing each residue CPT, \$20;

(7) for exchange CPTs, \$10 for each CPT canceled and \$10 for each new CPT issued;

(8) for each certificate showing condition of the register, \$10;

(9) for any certified copy of any instrument or writing on file in the registrar's office, the same fees allowed by law to county recorders for like services;

(10) for a noncertified copy of any instrument or writing on file in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for filing two copies of any plat in the office of the registrar, \$30;

(12) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(13) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is paid in the same manner as the compensation of other county employees, \$50, plus \$10 to memorialize;

(14) for issuing a duplicate CPT pursuant to the directive of the examiner of titles in counties in which the compensation of the examiner is not paid by the county or pursuant to an order of the court, \$10;

(15) for filing a condominium plat or an amendment to it in accordance with chapter 515, \$30;

(16) for a copy of a condominium plat filed pursuant to chapters 515 and 515A, the fee shall be \$1 for each page of the plat with a minimum fee of \$10;

(17) for filing a condominium declaration and condominium plat or an amendment to it in accordance with chapter 515A, \$10 for each certificate upon which the document is registered and \$30 for the filing of the condominium plat or an amendment to it;

(18) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(19) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$30;

(20) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$10.

Sec. 53. Minnesota Statutes 1990, section 609.131, is amended by adding a subdivision to read:

Subd. 1a. [PETTY MISDEMEANOR SCHEDULE.] Prior to August 1, 1992, the conference of chief judges shall establish a schedule of misdemeanors that shall be treated as petty misdemeanors. A person charged with a violation that is on the schedule is not eligible for court-appointed counsel.

Sec. 54. Minnesota Statutes 1990, section 609.5315, is amended by adding a subdivision to read:

Subd. 6. [REPORTING REQUIREMENT.] The appropriate agency shall provide a written record of each forfeiture incident to the state auditor. The record shall include the amount forfeited, date, and a brief description of the circumstances involved. Reports shall be made on a monthly basis in a manner prescribed by the state auditor. The state auditor shall report annually to the legislature on the nature and extent of forfeitures.

Sec. 55. Minnesota Statutes 1991 Supplement, section 611.27, subdivision 7, is amended to read:

Subd. 7. [PUBLIC DEFENDER SERVICES; RESPONSIBILITY.] Notwithstanding subdivision 4, the state's obligation for the costs of the public defender services is limited to the appropriations made to the board of public defense. Services and expenses beyond those

appropriated for in unusual or unique cases where adequate representation cannot be provided by the district public defender shall be the responsibility of the counties within a judicial district. Expenses shall be distributed among the counties in proportion to their populations.

Sec. 56. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 8. [PUBLIC DEFENDER SERVICES; STATE PUBLIC DEFENDER REVIEW.] In an unusual or unique case where the chief district public defender does not believe that the office can provide adequate representation the chief public defender of the district shall immediately notify the state public defender.

Sec. 57. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 9. [PUBLIC DEFENDER SERVICES; REQUEST TO THE COURT.] The chief district public defender with the approval of the state public defender may request that the court authorize appointment of counsel other than the district public defender in such cases.

Sec. 58. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC DEFENDER SERVICES; COUNTY NOTIFICATION.] Before requesting action by the court the state public defender shall notify each county within the judicial district.

Sec. 59. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 11. [PUBLIC DEFENDER SERVICES; NO PERMANENT STAFF.] The chief public defender may not request the court nor may the court order the addition of permanent staff under subdivision 7.

Sec. 60. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 12. [PUBLIC DEFENDER SERVICES; APPOINTMENT OF COUNSEL.] If the court finds that the provision of adequate legal representation, including associated services, is beyond the ability of the district public defender to provide, the court shall order counsel to be appointed, with compensation and expenses to be paid under the provisions of this subdivision and subdivision 7. Counsel in such cases shall be appointed by the chief district public defender. If the court issues an order denying the request, the court shall make written findings of fact and conclusions of law. Upon denial, the chief district public defender shall provide representation but may appeal

the order denying the request to the court of appeals. If the appeal is successful, the costs of representation and the appeal shall be paid by the counties of the judicial district.

Sec. 61. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 13. [PUBLIC DEFENDER SERVICES; COMPENSATION AND EXPENSES.] Hourly rates of compensation and expense reimbursements for the appointed counsel shall be calculated and paid in the same manner as the county where the charge originates pays for hourly appointed counsel. Counsel appointed under this subdivision shall document the time worked and expenses incurred in a manner prescribed by the chief district public defender.

Sec. 62. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 14. [PUBLIC DEFENSE SERVICES; DISTRICT COURT ADMINISTRATION.] All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded on a monthly basis to the district court administrator for payment. The district court administrator shall bill the counties in the judicial district their share of the monthly billings in proportion to their populations in the most recent federal census.

Upon receiving a bill from the court administrator, each county shall forward to the court administrator within 60 days the amount requested. The court administrator shall pay the compensation and expenses of the appointed counsel, or in the case of a successful appeal the district public defender and the costs of associated services, from funds remitted by the counties. The court administrator shall not be responsible for the payment of these costs from any funds other than those remitted by the counties under this section.

Sec. 63. Minnesota Statutes 1990, section 611.27, is amended by adding a subdivision to read:

Subd. 15. [PUBLIC DEFENDER SERVICES; REPORT.] The state public defender shall report to the legislature in the supplemental budget or the biennial budget document the number and costs of all successful petitions during the previous fiscal year.

Sec. 64. [FINDINGS.]

The legislature finds that the state of Minnesota faces immediate and serious financial problems. As a result, public employers may have insufficient resources to maintain their work forces at the

current level. The legislature determines that the public interest is best served if public employers' budgets can be balanced without layoffs of public employees. This section and section 65 are enacted as a temporary measure to help solve the financial crisis facing units of state and local government, while minimizing layoffs of public employees.

Sec. 65. [EMPLOYER-PAID HEALTH INSURANCE.]

Subdivision 1. [STATE EMPLOYEES.] A state employee, as defined in Minnesota Statutes, section 43A.02, subdivision 21, or an employee of the state university system, community college system, higher education board, Minnesota state retirement system, the teachers retirement association, or the public employees retirement association, is eligible for state-paid hospital, medical, and dental benefits if the person:

(1) is eligible for state-paid insurance under Minnesota Statutes, section 43A.18, or other law;

(2) (i) has at least 25 years of service in the state civil service as defined in Minnesota Statutes, section 43A.02, subdivision 10; or (ii) has at least 25 years of service as an employee of the Minnesota state retirement system, the teachers retirement association, or the public employees retirement association; or (iii) has at least 25 years of service credit in the public pension plan that the person is a member of on the day before retirement;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) retires on or after July 1, 1992, and before October 1, 1992.

During the biennium ending June 30, 1993, an executive branch state agency may not hire a replacement for a person who retires under this subdivision, except under conditions specified by the commissioners of finance and employee relations.

Subd. 2. [OTHER PUBLIC EMPLOYEES.] The University of Minnesota or the governing body of a city, county, joint vocational technical district formed under Minnesota Statutes, sections 136C.60 to 136C.69, or other political subdivision of the state may, and the governing body of a school district may provide employer-paid hospital, medical, and dental benefits to a person who:

(1) is eligible for employer-paid insurance under collective bargaining agreements or personnel plans in effect on the day before the effective date of this section;

(2) has at least 25 years of service credit in the public pension plan that the person is a member of on the day before retirement; or in the case of a teacher has a total of at least 25 years of service credit in the teachers retirement association, a first-class city teacher retirement fund, or any combination of these groups;

(3) upon retirement is immediately eligible for a retirement annuity;

(4) is at least 55 and not yet 65 years of age; and

(5) in the case of a school district employee, retires on or after May 20, 1992, and before July 21, 1992; and in the case of an employee of another employer in this subdivision, retires on or after July 1, 1992, and before October 1, 1992. An employer that pays for insurance under this subdivision may not exclude any eligible employees.

Subd. 3. [CONDITIONS; COVERAGE.] An employee who is eligible both for the health insurance benefit under this section and for an early retirement incentive under a collective bargaining agreement or personnel plan established by the employer must select either the early retirement incentive in the collective bargaining agreement, personnel plan, or the incentive provided under this section, but may not receive both. For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. The retired employee is eligible for single and dependent coverages and employer payments to which the person was entitled immediately before retirement, subject to any changes in coverage and employer and employee payments through collective bargaining or personnel plans, for employees in positions equivalent to the position from which the employee retired. The retired employee is not eligible for employer-paid life insurance. Eligibility ceases when the retired employee attains the age of 65, or when the employee chooses not to receive the retirement benefits for which the employee has applied, or when the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program. Nothing in this section obligates, limits, or otherwise affects the right of the University of Minnesota to provide employer-paid hospital, medical, dental benefits, and life insurance to any person.

Subd. 4. [RULE OF 90.] An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85.

Subd. 5. [APPLICATION OF OTHER LAWS.] Unilateral implementation of this section by a public employer is not an unfair labor practice for purposes of Minnesota Statutes, chapter 179A. The authority provided in this section for an employer to pay health

insurance costs for certain retired employees is not subject to the limits in Minnesota Statutes, section 179A.20, subdivision 2a.

Sec. 66. [REPEALER.]

Minnesota Statutes 1990, section 41A.051, is repealed. Minnesota Statutes 1990, section 270.185, is repealed effective January 1, 1993. On that date, any balance in the reassessment account of the special revenue fund is transferred to the general fund.

Sec. 67. [EFFECTIVE DATE.]

Sections 29, 35, and 49 are effective on the day following final enactment and apply to all cases arising on or after the effective date. Sections 39 and 40 are effective the day following final enactment. Sections 64 and 65 are effective the day following final enactment.

ARTICLE 3

INFRASTRUCTURE AND REGULATION

Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]

Unless otherwise indicated, all sums set forth in the columns designated "1992 and 1993 APPROPRIATION CHANGE" are to be added to or reduced from general fund appropriations made by Laws 1991, chapter 233, or another named law, for the fiscal years ending June 30, 1992, and June 30, 1993, respectively. Amounts to be reduced are designated by parentheses.

SUMMARY BY FUND

	1992	1993	TOTAL
APPROPRIATION CHANGE	\$(2,057,000)	\$(3,159,000)	\$ (5,216,000)
GENERAL FUND	\$(4,057,000)	\$(7,359,000)	\$(11,416,000)
TRUNK HIGHWAY FUND	\$ 2,000,000	\$ -0-	\$ 2,000,000
SPECIAL REVENUE FUND	\$ -0-	\$ 4,200,000	\$ 4,200,000

APPROPRIATION CHANGE	
1992	1993
\$	\$

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation Changes	2,000,000
--------------------------------------------	-----------

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

Subd. 2. State Road Construction

1992	1993
(1,700,000)	(4,800,000)

This appropriation is from the trunk highway fund.

Subd. 3. Construction Engineering

1,700,000	4,800,000
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This appropriation is from the trunk highway fund.

Subd. 4. State Road Operations

2,000,000	-0-
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This appropriation is from the trunk highway fund.

The commissioner of transportation shall hold at least one public hearing in each department of transportation construction district before December 31, 1992. At each hearing the commissioner or the commissioner's designees shall explain to persons attending the hearing the commissioner's most recent two-year highway improvement program and six-year highway improvement work program, including the process used to determine the final programs; the sources of funding available to finance the programs and any major expansions of the programs, including anticipated federal highway funds; and the status of the designation

1992

1993

\$

\$

in Minnesota of highways to be included in the national highway system established under the federal Intermodal Surface Transportation Efficiency Act of 1991, and the process to be used in making these designations. The commissioner shall receive public comment on these programs, processes, systems, and funding sources.

The commissioner of transportation shall establish an advisory board to advise the commissioner on designation in Minnesota of highways to be included in the national highway system established under the federal Intermodal Surface Transportation Efficiency Act of 1991. The committee must be composed of citizens who have demonstrated an interest and involvement in the improvement of highways and other forms of surface transportation in Minnesota. No more than 20 percent of the members may be highway engineers. The advisory committee shall function from the date of the commissioner's appointments to it until November 30, 1993. The commissioner shall not propose to the United States secretary of transportation any highways in Minnesota for inclusion in the national highway system, or take any other steps that would lead to such a designation, without first consulting with the advisory board.

Notwithstanding any other law to the contrary, the board of Hennepin county commissioners shall transfer legal title to the James J. Hill Stone Arch Bridge to the Minnesota department of transportation upon payment by the department to the county of \$1,001. The deed of conveyance shall contain a provision providing for a reverter to the county upon its need of the bridge for light rail transit.

	1992	1993
	\$	\$
Sec. 3. REGIONAL TRANSIT BOARD	1,500,000	

This appropriation is for Metro Mobility. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 4. PUBLIC SAFETY

Subdivision 1. Total Appropriation Changes	(1,420,000)	(998,000)
--------------------------------------------	-------------	-----------

The amounts in this subdivision are to be distributed among agency programs as specified in the following subdivisions.

Subd. 2. Emergency Management

88,000 54,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

This appropriation is to match federal funds for winter storm damage as provided in the Presidential Disaster Declaration awarded on December 26, 1991.

Subd. 3. Emergency Management and Emergency Response Reduction

(173,000) (45,000)

The commissioner of public safety shall consolidate the emergency response commission with the division of emergency management into a single division known as the division of emergency management.

Subd. 4. Criminal Apprehension

(590,000) (500,000)

	\$	1992	\$	1993
Subd. 5. Fire Marshal				
	(69,000)	(7,000)		

Subd. 6. Driver and Vehicle Services	(399,000)	(299,000)
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The appropriation in Laws 1991, chapter 233, section 5, subdivision 8, for fiscal year 1992 for costs relating to collegiate plates for academic excellence scholarships is available for fiscal year 1993.

Subd. 7. Liquor Control	(40,000)	(70,000)
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Subd. 8. Drug Policy	(10,000)	(20,000)
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Subd. 9. Private Detective Board	(3,000)	-0-
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Subd. 10. State Patrol	(16,000)	(40,000)
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Subd. 11. Capitol Security	(75,000)	-0-
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Subd. 12. Gambling Enforcement	(130,000)	-0-
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Subd. 13. General Reductions	(3,000)	(71,000)
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Sec. 5. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

Subdivision 1. Total Appropriation Changes	(151,000)	718,000
--------------------------------------------	-----------	---------

	1992	1993
	\$	\$
Summary by Fund		
General Fund (151,000)	(3,482,000)	
Special Revenue Fund	-0-	4,200,000

This appropriation is from the peace officers training account in the special revenue fund.

Any funds deposited into the peace officer training account in the special revenue fund in excess of \$4,200,000 must be transferred and credited to the general fund.

Sec. 6. COMMERCE

Subdivision 1. Registration and Analysis		275,000
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This appropriation is for unclaimed property administrative expenses.

The approved general fund complement is increased by two positions effective July 1, 1992.

Sec. 7. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	59,000	88,000
Subd. 2. Board of Accountancy	10,000	14,000
Subd. 3. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	49,000	74,000

Sec. 8. PUBLIC SERVICE

Subdivision 1. Total Appropriation Changes	(87,000)	196,000
--------------------------------------------	----------	---------

The approved general fund complement is increased by five positions in the classified service, effective July 1, 1992.

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

	1992	1993
	\$	\$
Except for the weights and measures division, the department of public service shall maintain its offices in the same building in which the public utilities commission maintains its offices.		
Subd. 2. Information and Operations Management		
	(15,000)	(15,000)
Subd. 3. Energy		
	(72,000)	(72,000)
Subd. 4. Weights and Measures		
	-0-	283,000

This appropriation is for gasoline octane and oxygenated fuels enforcement.

\$111,000 of this appropriation is for the first-year cost of the purchase of equipment through lease-purchase with a term of five years or less.

Sec. 9. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation Changes	(60,000)	(100,000)
Subd. 2. General Reduction	(60,000)	(130,000)

The reduction specified in this section can be taken in either year of the 1992-1993 biennium.

This reduction shall not apply to the fiscal agent program.

During the 1992-1993 biennium, notwithstanding any other law to the contrary, visitors to the Split Rock Lighthouse historic site as defined in Minnesota Statutes, section 138.025, subdivision 10, are not required to purchase a state park permit, in addition

	1992	1993
	\$	\$
to the historic site admission fee, unless they use other park facilities operated by the department of natural resources.		
Subd. 3. Greater Cloquet-Moose Lake Forest Fire Center		30,000
The society shall spend this amount as a grant to the city of Cloquet to complete planning and design for development of the center.		
Sec. 10. MINNESOTA HUMANITIES COMMISSION		(7,000)
The reduction specified in this section can be taken in either year of the 1992-1993 biennium.		
Sec. 11. BOARD OF THE ARTS		
Subdivision 1. Total Appropriation Changes		(36,000)
Subd. 2. General Reduction		(66,000)
The reduction specified in this subdivision can be taken in either year of the 1992-1993 biennium.		
Subd. 3. Kee Theatre		30,000
The board shall spend this amount as a grant for the restoration of the Kee Theatre in Kiester. It is the intent of the legislature that no further direct appropriation will be made for this purpose. The board may not use any part of this sum for administrative expenses.		
Sec. 12. MINNESOTA TECHNOLOGY, INC.	(3,711,000)	(4,140,000)
Subdivision 1. Fiscal Year 1992 Reductions		
\$3,000,000 of the appropriation reduction in fiscal year 1992 is to be replaced		

	1992	1993
	\$	\$
by money from the agency's fund balance. The remainder of the reductions in fiscal year 1992 are expenditure reductions to be allocated by the agency's board among agency operations and grants.		

Subd. 2. Fiscal Year 1993 Changes

(a) Agricultural Utilization Research Institute		(3,650,000)
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The reduction of this grant is intended to be a one-time appropriation reduction and shall be reinstated in the base appropriation for the next biennium.

(b) General Reduction	(711,000)	(540,000)
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Except as provided in paragraph (a), for fiscal year 1993, Minnesota Technology, Inc. may reduce its funding and grants to the organizations required to receive grants and funding by Laws 1991, chapter 233, section 21, subdivision 2, and Laws 1991, chapter 322, section 18, by up to 6.3 percent. The remainder of the reductions required in this section must be from Minnesota Technology, Inc.'s remaining programs.

(c) Minnesota High Technology Corridor Corporation		50,000
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Sec. 13. WORLD TRADE CENTER CORPORATION	(50,000)	1,150,000
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The reduction for fiscal year 1992 is from the money appropriated from the general fund for the regional international trade service center pilot project in Laws 1991, chapter 348, section 2, paragraph (a).

Of the appropriation for fiscal year 1993:

(a) \$400,000 is for the costs of privatization of the World Trade Center Corporation, including:

	1992	1993
	\$	\$

(1) a full-market value accounting of the corporation's assets, liabilities, liens, and encumbrances; and

(2) preparation of a plan and method of privatization of the corporation, including retention of an investment advisor to assist in preparation of the plan.

(b) \$750,000 is for preservation of the assets and goodwill of the corporation for the purpose of enhancing the sale price of the corporation. The World Trade Center Corporation board shall make every reasonable effort to apportion the spending of this appropriation throughout the fiscal year. If the board spends more than one-fourth of this appropriation in any month in the fiscal year the board shall inform the commissioner of finance, the commissioner of administration, and the chairs of the house committee on appropriations and the senate committee on finance. This part of the appropriation does not cancel at the end of the fiscal year.

Any money remaining in the World Trade Center Corporation account in the special revenue fund after sale of the assets or ownership of the corporation reverts to the general fund under Minnesota Statutes, section 44A.0311, as amended by this act.

Sec. 14. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation Changes	(80,000)
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Subd. 2. Workplace Regulation and Enforcement	(40,000)
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Subd. 3. General Support	(40,000)
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Sec. 15. SECRETARY OF STATE

Subdivision 1. General Reduction	(248,000)
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	1992	1993
	\$	\$

The reduction specified in this section can be taken in either year of the 1992-1993 biennium.

Sec. 16. Laws 1991, chapter 233, section 2, subdivision 2, is amended to read:

Subd. 2. Aeronautics	15,814,000	15,562,000
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This appropriation is from the state airports fund.

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Airport Development and Assistance

	1992	1993
	11,892,000	11,645,000

~~\$1,749,000~~ \$1,834,000 the first year and ~~\$1,752,000~~ \$1,837,000 the second year are for navigational aids.

~~\$6,089,000~~ \$7,200,000 the first year and ~~\$6,089,000~~ \$7,200,000 the second year are for airport construction grants.

~~\$1,773,000~~ \$2,100,000 the first year and ~~\$1,773,000~~ \$2,100,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota

	1992	1993
	\$	\$
Statutes, section 360.305, subdivision 4.		

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

\$500,000 the first year and \$500,000 the second year are for air service grants.

~~\$15,000 the first year and \$15,000 the second year are for the advisory council on metropolitan airport planning.~~

(b) Civil Air Patrol

65,000	65,000
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(c) Aeronautics Administration

3,857,000	3,852,000
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\$15,000 the first year and \$15,000 the second year are for the advisory council on metropolitan airport planning.

Sec. 17. Laws 1991, chapter 233, section 3, is amended to read:

Sec. 3. REGIONAL TRANSIT BOARD	27,129,000	27,130,000
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\$12,668,000 the first year and \$12,668,000 the second year are for Metro Mobility.

~~The regional transit board must not spend any money for metro mobility outside this appropriation.~~

1992

1993

\$

\$

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 18. Minnesota Statutes 1990, section 3.21, is amended to read:

3.21 [NOTICE.]

At least four months before the election, the attorney general shall furnish to the secretary of state a statement of the purpose and effect of all amendments proposed, showing clearly the form of the existing sections and how they will read if amended. If a section to which an amendment is proposed exceeds 150 words in length, the statement shall show the part of the section in which a change is proposed, both its existing form and as it will read when amended, together with the portions of the context that the attorney general deems necessary to understand the amendment. In October before the election, the secretary of state shall publish the statement once in all qualified newspapers of the state. The secretary of state shall furnish the statement to the newspapers in reproducible form approved by the secretary of state, set in 7-1/2 point type on an 8-point body. The maximum rate for publication is that provided in section 331A.06 or 18 cents per standard line, whichever is less. If a newspaper refuses to publish the amendments, the refusal shall have no effect on the validity of the amendments. The secretary of state shall also forward to each county auditor enough copies of the statement, in poster form, to supply each election district of the county with two copies. The auditor shall have two copies conspicuously posted at or near each polling place on election day. Willful or negligent failure by an official named to perform a duty imposed by this section is a misdemeanor.

Sec. 19. Minnesota Statutes 1990, section 5.14, is amended to read:

5.14 [TRANSACTION SURCHARGE.]

The secretary of state may impose a surcharge of ~~\$5~~ \$10 on each transaction involving over-the-counter expedited service, other than simple copying requests, that takes place at the office of the secretary of state.

Sec. 20. Minnesota Statutes 1990, section 10A.31, subdivision 4, is amended to read:

Subd. 4. The amounts designated by individuals for the state

elections campaign fund, less three percent, are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for distribution as set forth in subdivisions 5, 6 and 7. An amount equal to three percent shall be retained in the general fund for administrative costs.

Sec. 21. Minnesota Statutes 1990, section 15.0597, subdivision 4, is amended to read:

Subd. 4. [NOTICE OF VACANCIES.] The chair of an existing agency, shall notify the secretary of a vacancy scheduled to occur in the agency as a result of the expiration of membership terms at least 45 days before the vacancy occurs. The chair of an existing agency shall give written notification to the secretary of each vacancy occurring as a result of newly created agency positions and of every other vacancy occurring for any reason other than the expiration of membership terms as soon as possible upon learning of the vacancy and in any case within 15 days after the occurrence of the vacancy. The appointing authority for newly created agencies shall give written notification to the secretary of all vacancies in the new agency within 15 days after the creation of the agency. ~~Every 21 days,~~ The secretary shall publish monthly in the State Register a list of all vacancies of which the secretary has been so notified. Only one notice of a vacancy shall be so published, unless the appointing authority rejects all applicants and requests the secretary to republish the notice of vacancy. One copy of the listing shall be made available at the office of the secretary to any interested person. The secretary shall distribute by mail copies of the listings to requesting persons. The listing for all vacancies scheduled to occur in the month of January shall be published in the State Register together with the compilation of agency data required to be published pursuant to subdivision 3.

Sec. 22. Minnesota Statutes 1990, section 44A.0311, is amended to read:

44A.0311 [WORLD TRADE CENTER CORPORATION ACCOUNT.]

The world trade center corporation account is in the special revenue fund. All money received by the corporation, including money generated from the use of the conference and service center, except money generated from the use of the center by the Minnesota trade division and by the sale of the assets or ownership of the corporation under section 44A.12, must be deposited in the account. Money in the account including interest earned is appropriated to the board and must be used exclusively for corporation purposes. Any money remaining in the account after sale of the assets or ownership of the corporation under section 44A.12 shall revert to the general fund.

Sec. 23. [44A.12] [PRIVATIZATION OF CORPORATION.]

Subdivision 1. [SALE OF CORPORATION.] The board shall privatize the corporation through a sale of the assets or ownership of the corporation, on or before December 31, 1993.

Subd. 2. [REQUESTS FOR PROPOSALS.] The board shall solicit proposals to privatize the corporation under subdivision 1.

Subd. 3. [EVALUATION FACTORS.] Proposals shall be evaluated according to, but not limited to, the following factors:

(1) the ability of the proposed buyer to maintain the mission and vision of the world trade center;

(2) the price offered by the proposed buyer for the assets or ownership of the corporation;

(3) the extent to which the proposed buyer will assume any liabilities and obligations of the corporation;

(4) the ability of the proposed buyer to provide the capital needed for continuing development, promotion and marketing of world trade center programs, services, and business activities; and

(5) the ability of the proposed buyer to maintain and expand employment in the state of Minnesota using the assets or ownership purchased from the corporation.

Subd. 4. [EVALUATION METHODS.] The board, in conjunction with the commissioner of the department of administration, shall establish:

(1) the relative importance of each factor in subdivision 3; and

(2) other procedures to be used to review and evaluate proposals.

Subd. 5. [DISTRIBUTION OF PROCEEDS.] The proceeds of the sale must be applied in the following order:

(1) any liabilities and obligations of the corporation must be paid, satisfied, or discharged or adequate provision must be made to do so; and

(2) any remaining proceeds must be deposited in the general fund.

Subd. 6. [APPROVAL.] A final agreement for sale under this section is not effective until it has been approved by the board of the

World Trade Center Corporation and the commissioner of administration.

Sec. 24. Minnesota Statutes 1991 Supplement, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, \$100;

(2) for filing annual statement, \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

(4) for filing bylaws, \$75 or amendments thereto, \$75;

(5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, ~~\$15~~ \$25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, ~~\$25~~ \$30 per license, for issuing an initial agent's license to a partnership or corporation, ~~\$50~~ \$100, and for issuing an amendment (variable annuity) to a license, ~~\$25~~ \$50, and for renewal of amendment, \$25;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, ~~\$25~~ \$30 per year per license, and for renewing a license issued to a corporation or partnership, ~~\$50~~ \$60 per year;

(10) for issuing and renewing a surplus lines agent's license, ~~\$150~~ \$250;

(11) for issuing duplicate licenses, ~~\$5~~ \$10;

(12) for issuing licensing histories, ~~\$10~~ \$20;

(13) for filing forms and rates, \$50 per filing;

(14) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 25. Minnesota Statutes 1990, section 60A.1701, subdivision 5, is amended to read:

Subd. 5. [POWERS OF THE ADVISORY TASK FORCE.] (a) Applications for approval of individuals responsible for monitoring course offerings must be submitted to the commissioner on forms prescribed by the commissioner and must be accompanied by a fee of not more than ~~\$50~~ ~~\$100~~ payable to the state of Minnesota for deposit in the general fund. A fee of ~~\$5~~ ~~\$10~~ for each hour or fraction of one hour of course approval sought must be forwarded with the application for course approval. If the advisory task force is created, it shall make recommendations to the commissioner regarding the accreditation of courses sponsored by institutions, both public and private, which satisfy the criteria established by this section, the number of credit hours to be assigned to the courses, and rules which may be promulgated by the commissioner. The advisory task force shall seek out and encourage the presentation of courses.

(b) If the advisory task force is created, it shall make recommendations and provide subsequent evaluations to the commissioner regarding procedures for reporting compliance with the minimum education requirement.

(c) The advisory task force shall recommend the approval or disapproval of professional designation examinations that meet the criteria established by this section and the number of continuing education credit hours to be awarded for passage of the examination. In order to be approved, a professional designation examination must:

(1) lead to a recognized insurance or financial planning professional designation used by agents; and

(2) conclude with a written examination that is proctored and graded.

Sec. 26. Minnesota Statutes 1990, section 72B.04, subdivision 10, is amended to read:

Subd. 10. [FEES.] A fee of ~~\$20~~ ~~\$40~~ is imposed for each initial license or temporary permit and ~~\$20~~ ~~\$25~~ for each renewal thereof or amendment thereto. A fee of \$20 is imposed for each examination taken. A fee of \$20 is imposed for the registration of each nonlicensed adjuster who is required to register under section 72B.06. All fees shall be transmitted to the commissioner and shall be payable to the state treasurer. If a fee is paid for an examination and if within one year from the date of that payment no written request for a refund is received by the commissioner or the examination for which the fee was paid is not taken, the fee is forfeited to the state of Minnesota.

Sec. 27. Minnesota Statutes 1990, section 80A.28, subdivision 2, is amended to read:

Subd. 2. Every applicant for an initial or renewal license shall pay a filing fee of \$200 in the case of a broker-dealer, \$50 in the case of an agent, and \$100 in the case of an investment adviser. When an application is denied or withdrawn, the filing fee shall be retained. A licensed agent who has terminated employment with one broker-dealer shall, before beginning employment with another broker-dealer, pay a transfer fee of ~~\$20~~ \$25.

Sec. 28. Minnesota Statutes 1990, section 82.21, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees shall be paid to the commissioner:

(a) A fee of ~~\$50~~ \$100 for each initial individual broker's license, and a fee of ~~\$25~~ \$50 for each annual renewal thereof;

(b) A fee of ~~\$25~~ \$50 for each initial salesperson's license, and a fee of ~~\$10~~ \$20 for each annual renewal thereof;

(c) A fee of ~~\$25~~ \$55 for each initial real estate closing agent license, and a fee of ~~\$10~~ \$30 for each annual renewal;

(d) A fee of ~~\$50~~ \$100 for each initial corporate or partnership license, and a fee of ~~\$25~~ \$50 for each annual renewal thereof;

(e) A fee not to exceed \$40 per year for payment to the education, research and recovery fund in accordance with section 82.34;

(f) A fee of ~~\$10~~ \$20 for each transfer;

(g) A fee of ~~\$25~~ \$50 for a corporation or partnership name change;

(h) A fee of ~~\$5~~ \$10 for an agent name change;

(i) A fee of ~~\$10~~ \$20 for a license history;

(j) A fee of ~~\$5~~ \$10 for a duplicate license; ~~and~~

(k) A fee of \$50 for license reinstatement;

(l) A fee of \$20 for reactivating a corporate or partnership license without land;

(m) A fee of \$100 for course coordinator approval; and

(n) A fee of \$5 \$10 for each hour or fraction of one hour of course approval sought.

Sec. 29. Minnesota Statutes 1990, section 82B.09, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees must be paid to the commissioner:

(1) a fee of ~~\$50~~ \$100 for each initial individual real estate appraiser's license and a fee of ~~\$25~~ \$50 for each annual renewal;

(2) a fee of ~~\$5~~ \$10 for a change in personal name or trade name or personal address or business location;

(3) a fee of \$10 for a license history; ~~and~~

(4) a fee of ~~\$20~~ \$25 for a duplicate license;

(5) a fee of \$100 for appraiser course coordinator approval; and

(6) a fee of \$10 for each hour or fraction of one hour of course approval sought.

Sec. 30. Minnesota Statutes 1990, section 138.56, is amended by adding a subdivision to read:

Subd. 18. [DESIGNATION.] The former Sibley county courthouse located on land owned by the city of Henderson in Sibley county is designated as the Joseph R. Brown historical interpretive center.

Sec. 31. Minnesota Statutes 1990, section 169.01, subdivision 55, is amended to read:

Subd. 55. [IMPLEMENT OF HUSBANDRY.] (a) "Implement of husbandry" means every vehicle designed and adapted exclusively for agricultural, horticultural, or livestock-raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

(b) A towed vehicle meeting the description in paragraph (a) is an implement of husbandry without regard to whether the vehicle is towed by an implement of husbandry or by a registered motor vehicle.

Sec. 32. Minnesota Statutes 1990, section 204B.11, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT; DISHONORED CHECKS; CONSEQUENCES.] Except as provided by subdivision 2, a filing fee shall be paid by each candidate who files an affidavit of candidacy. The fee shall be paid at the time the affidavit is filed. The amount of the filing fee shall vary with the office sought as follows:

(a) for the office of governor, lieutenant governor, attorney general, state auditor, state treasurer, secretary of state, representative in congress, judge of the supreme court, judge of the court of appeals, judge of the district court, or judge of the county municipal court of Hennepin county, ~~\$200~~ \$300;

(b) for the office of senator in congress, ~~\$300~~ \$400;

(c) for office of senator or representative in the legislature, ~~\$75~~ \$100;

(d) for a county office, \$50; and

(e) for the office of soil and water conservation district supervisor, \$20.

For the office of presidential elector, and for those offices for which no compensation is provided, no filing fee is required.

The filing fees received by the county auditor shall immediately be paid to the county treasurer. The filing fees received by the secretary of state shall immediately be paid to the state treasurer.

When an affidavit of candidacy has been filed with the appropriate filing officer and the requisite filing fee has been paid, the filing fee shall not be refunded. If a candidate's filing fee is paid with a check, draft, or similar negotiable instrument for which sufficient funds are not available or that is dishonored, notice to the candidate of the worthless instrument must be sent by the filing officer via registered mail no later than immediately upon the closing of the filing deadline with return receipt requested. The candidate will have five days from the time the filing officer receives proof of receipt to issue a check or other instrument for which sufficient funds are available. The candidate issuing the worthless instrument is liable for a service charge pursuant to section 332.50. If adequate payment is not made, the name of the candidate must not appear on any official ballot and the candidate is liable for all costs incurred by election officials in removing the name from the ballot.

Sec. 33. Minnesota Statutes 1990, section 204B.27, subdivision 2, is amended to read:

Subd. 2. [ELECTION LAW AND INSTRUCTIONS.] The secretary of state shall prepare and publish a volume containing all state general laws relating to elections. The attorney general shall provide annotations to the secretary of state for this volume. On or before July 1 of every even numbered year the secretary of state shall furnish to the county auditors and municipal clerks enough copies of this volume so that each county auditor and municipal clerk will have at least one copy. ~~The secretary of state shall prepare~~

an extract of this volume containing all the election laws related to the duties of election judges. On or before August 1 of every even-numbered year, the secretary of state shall furnish to the county auditors and municipal clerks enough copies of this extract so that each election precinct will have at least one copy. The secretary of state shall determine the manner in which the volume and extract are distributed. The secretary of state may prepare and transmit to the county auditors and municipal clerks detailed written instructions for complying with election laws relating to the conduct of elections, conduct of voter registration and voting procedures.

Sec. 34. Minnesota Statutes 1990, section 204D.11, subdivision 1, is amended to read:

Subdivision 1. [WHITE BALLOT; RULES; REIMBURSEMENT.] The names of the candidates for all partisan offices voted on at the state general election shall be placed on a single ballot printed on white paper which shall be known as the "white ballot." This ballot shall be prepared by the county auditor subject to the rules of the secretary of state. ~~The state shall contribute to the cost of preparing the white ballot and the envelopes required for the returns of that ballot.~~ The secretary of state shall adopt rules for preparation and time of delivery of the white ballot ~~and for establishing a basis for distributing to the counties the money appropriated by the state for white ballot costs.~~ The appropriation shall be available both years of the biennium and shall be used for all state general and special elections. The secretary of state shall report to the chairs of the senate finance and house appropriations committees on all money used for special elections.

Sec. 35. Minnesota Statutes 1990, section 204D.11, subdivision 2, is amended to read:

Subd. 2. [PINK BALLOTS.] Amendments to the state constitution shall be placed on a ballot printed on pink paper which shall be known as the "pink ballot." ~~The pink ballot shall be prepared by the secretary of state.~~

Sec. 36. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) for live races conducted at a class A facility, and for races that

are part of full racing card simulcasting or full racing card telerace simulcasting that takes place within the time period of the live races, 8.4 percent;

(2) for simulcasts and telerace simulcasts conducted during the racing season other than as provided for in clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal; and

(3) for simulcasts and telerace simulcasts conducted outside of the racing season, 25 percent of the takeout remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, payment to the sending out-of-state racetrack for receipt of the signal and, before January 1, 2005, a further deduction of eight percent of all money in all pools; provided, however, that in the event that wagering on simulcasts and telerace simulcasts outside of the racing season exceeds \$125 million in any calendar year, the amount set aside for purses by this formula is increased to 30 percent on amounts between \$125,000,000 and \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of the eight percent deduction, a deduction as agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing at the licensee's class A facility during the preceding 12 months, is allowed after December 31, 2004.

The commission may by rule provide for the administration and enforcement of this subdivision. The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.

In lieu of the amount the licensee must pay to the commission for deposit in the Minnesota breeders fund under section 240.15, subdivision 1, the licensee shall pay 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state.

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an

amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

(d) Money set aside for purses from wagering, during the racing season, on simulcasts and telerace simulcasts must be used for purses for live races conducted at the licensee's class A facility during the same racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state. Money set aside for purses from wagering, outside of the racing season, on simulcasts and telerace simulcasts must be for purses for live races conducted at the licensee's class A facility during the next racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state.

(e) Money set aside for purses from wagering on simulcasts and telerace simulcasts must be used for purses for live races involving the same breed involved in the simulcast or telerace simulcast except that money set aside for purses and payments to the breeders fund from wagering on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.

(f) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility.

(g) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses ~~must~~ may be distributed proportionately to those breeds that have run during the preceding 12 months or paid to the commission and used for purses

or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.

Sec. 37. Minnesota Statutes 1991 Supplement, section 240.13, subdivision 6, is amended to read:

Subd. 6. [SIMULCASTING.] The commission may permit an authorized licensee to conduct simulcasting or telerece simulcasting at the licensee's facility on any day authorized by the commission. All simulcasts and telerece simulcasts must comply with the Interstate Horse Racing Act of 1978, United States Code, title 15, sections 3001 to 3007. In addition to telerecing programs featuring live racing conducted at the licensee's class A facility, the class E licensee may conduct not more than seven telerecing programs per week during the racing season, unless additional telerece simulcasting is authorized by the director and approved by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The commission may not authorize any day for simulcasting at a class A facility during the racing season, and a licensee may not be allowed to transmit out-of-state telecasts of races the licensee conducts, unless the licensee has obtained the approval of the horsepersons' organization representing the majority of the horsepersons racing the breed involved at the licensed racetrack during the preceding 12 months. The licensee may pay fees and costs to an entity transmitting a telecast of a race to the licensee for purposes of conducting pari-mutuel wagering on the race. The licensee may deduct fees and costs related to the receipt of televised transmissions from a pari-mutuel pool on the televised race, provided that one-half of any amount recouped in this manner must be added to the amounts required to be set aside for purses.

With the approval of the commission and subject to the provisions of this subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes, to locations outside the state, and the commission may allow this to be done on a commingled pool basis.

Except as otherwise provided in this section, simulcasting and telerece simulcasting may be conducted on a separate pool basis or, with the approval of the commission, on a commingled pool basis. All provisions of law governing pari-mutuel betting apply to simulcasting and telerece simulcasting except as otherwise provided in this subdivision or in the commission's rules. If pools are commingled, wagering at the licensed facility must be on equipment electronically linked with the equipment at the licensee's class A facility or with the sending racetrack via the totalizator computer at the licensee's class A facility. Subject to the approval of the commission, the types of betting, takeout, and distribution of winnings on commingled pari-mutuel pools are those in effect at the sending

racetrack. Breakage for pari-mutuel pools on a televised race must be calculated in accordance with the law or rules governing the sending racetrack for these pools, and must be distributed in a manner agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7 and section 240.15, subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets that are consistent with the law and rules governing unclaimed tickets at the sending racetrack. For the purposes of this section, "sending racetrack" is either the racetrack outside of this state where the horse race is conducted or, with the consent of the racetrack, an alternative facility that serves as the racetrack for the purpose of commingling pools.

If there is more than one class B licensee conducting racing within the seven-county metropolitan area, simulcasting and telereace simulcasting may be conducted only on races run by a breed that ran at the licensee's class A facility within the 12 months preceding the event. That portion of the takeout allocated for purses from pari-mutuel pools generated by wagering on standardbreds must be set aside and must be paid to the racing commission and used for purses as otherwise provided by this section or to promote standardbred racing or both, in a manner prescribed by the commission. In the event that a licensee conducts live standardbred racing, pools generated by live, simuleast, or telereace simulcasting at the licensee's facilities on standardbred racing are subject to the purse set-aside requirements otherwise provided by law.

Contractual agreements between licensees and horsepersons' organizations entered into before June 5, 1991, regarding money to be set aside for purses from pools generated by simulcasts at a class A facility, are controlling regarding purse requirements through the end of the 1992 racing season.

Sec. 38. Minnesota Statutes 1990, section 240.14, subdivision 3, is amended to read:

Subd. 3. [COUNTY FAIR RACING DAYS.] The commission may assign to a class D licensee the following racing days:

(1) those racing days, not to exceed ten racing days, that coincide with the days on which the licensee's county fair is running; and

(2) additional racing days, not to exceed ten racing days, immediately before or after the days on which the licensee's county fair is running.

In no event shall the number of racing days assigned by the commission exceed 20 days.

~~The commission may not assign any days before July 1, 1989, as racing days to a class D licensee.~~

Sec. 39. Minnesota Statutes 1991 Supplement, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by full racing card simulcasts, or full racing card telereace simulcasts of races not conducted in this state, must be distributed as provided in section 240.18, ~~clause (2), paragraphs (a), (b), and (c) subdivisions 2, paragraph (d), clauses (1), (2), and (3); and~~ 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 40. Minnesota Statutes 1991 Supplement, section 240.18, is amended by adding a subdivision to read:

Subd. 3a. [OTHER CATEGORIES.] Available money apportioned to breeds other than breeds contained in subdivisions 2 and 3 must be distributed as financial incentives to encourage horse racing and horse breeding for such breeds.

Sec. 41. Minnesota Statutes 1990, section 298.221, is amended to read:

298.221 [RECEIPTS FROM CONTRACTS; APPROPRIATION.]

(a) All moneys paid to the state of Minnesota pursuant to the terms of any contract entered into by the state under authority of Laws 1941, chapter 544, section 4, or of said section as amended and any fees which may, in the discretion of the commissioner of iron range resources and rehabilitation, be charged in connection with any project pursuant to that section as amended, shall be deposited in the state treasury to the credit of the iron range resources and rehabilitation board account in the special revenue fund and are hereby appropriated for the purposes of section 298.22.

(b) Notwithstanding section 7.09, merchandise may be accepted by the commissioner of the iron range resources and rehabilitation board for payment of advertising contracts if the commissioner determines that the merchandise can be used for special event prizes or mementos at facilities operated by the board.

Sec. 42. Minnesota Statutes 1990, section 299E.01, subdivision 1, is amended to read:

Subdivision 1. A division in the department of public safety to be known as the capitol complex security division is hereby created, under the supervision and control of the director of capitol complex security, who must be a member of the state patrol and to whom shall be assigned the duties and responsibilities described in this section. The commissioner may place the director's position in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a.

Sec. 43. Minnesota Statutes 1990, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$7,500	<u>15,000</u>
Duplicates	\$3,000	
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$ 500	
(c) Brewers other than those described in clause (d)	\$1,250	<u>2,500</u>
(d) Brewers who also hold a retail on-sale license and who manufacture fewer than 2,000 barrels of malt liquor in a year, the entire production of which is solely for consumption on tap on the licensed premises	\$ 250	<u>500</u>
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$7,500	<u>15,000</u>
Duplicates	\$3,000	
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$ 750	<u>2,000</u>
(g) Wholesalers of intoxicating malt liquor	\$ 300	<u>600</u>
Duplicates	\$ 15	<u>25</u>
(h) Wholesalers of nonintoxicating malt liquor	\$ 10	

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 44. Minnesota Statutes 1990, section 340A.302, subdivision 3, is amended to read:

Subd. 3. [FEES.] Annual fees for licenses under this section are as follows:

Importers of distilled spirits, wine, or ethyl alcohol	\$300	<u>600</u>
Importers of malt liquor	\$200	<u>800</u>

Sec. 45. Minnesota Statutes 1991 Supplement, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or nonintoxicating malt liquor may not be manufactured, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is ~~\$20~~ \$30. ~~The fee for brand registration renewal is \$20.~~ The brand label of a brand of intoxicating liquor or nonintoxicating malt liquor for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

Sec. 46. Minnesota Statutes 1990, section 340A.315, subdivision 1, is amended to read:

Subdivision 1. [LICENSES.] The commissioner may issue a farm winery license to the owner or operator of a farm winery located within the state and producing table or sparkling wines. Licenses may be issued and renewed for an annual fee of ~~\$25~~ \$50, which is in lieu of all other license fees required by this chapter.

Sec. 47. Minnesota Statutes 1991 Supplement, section 340A.316, is amended to read:

340A.316 [SACRAMENTAL WINE.]

The commissioner may issue licenses for the importation and sale of wine exclusively for sacramental purposes. The holder of a sacramental wine license may sell wine only to a rabbi, priest, or

minister of a church, or other established religious organization, or individual members of a religious organization who conduct ceremonies in their homes, if the purchaser certifies in writing that the wine will be used exclusively for sacramental purposes in religious ceremonies. The annual fee for a sacramental wine license is ~~\$25~~ \$50.

A rabbi, priest, or minister of a church or other established religious organization may import wine exclusively for sacramental purposes without a license.

Sec. 48. Minnesota Statutes 1990, section 340A.317, subdivision 2, is amended to read:

Subd. 2. [LICENSE REQUIRED.] All brokers and their employees must obtain a license from the commissioner. The annual license fee for a broker is ~~\$300~~ \$600, for an employee of a broker the license fee is ~~\$12~~ \$20. An application for a broker's license must be accompanied by a written statement from the distillery, winery, or importer the applicant proposes to represent verifying the applicant's contractual arrangement, and must contain a statement that the distillery, winery, or importer is responsible for the actions of the broker. The license shall be issued for one year. The broker, or employee of the broker may promote a vendor's product and may call upon licensed retailers to insure product identification, give advance notice of new products or product changes, and share other pertinent market information. The commissioner may revoke or suspend for up to 60 days a broker's license or the license of an employee of a broker if the broker or employee has violated any provision of this chapter, or a rule of the commissioner relating to alcoholic beverages. The commissioner may suspend for up to 60 days, the importation license of a distillery or winery on a finding by the commissioner that its broker or employee of its broker has violated any provision of this chapter, or rule of the commissioner relating to alcoholic beverages.

Sec. 49. Minnesota Statutes 1990, section 340A.408, subdivision 4, is amended to read:

Subd. 4. [LAKE SUPERIOR TOUR BOATS; COMMON CARRIERS.] (a) The annual license fee for licensing of Lake Superior tour boats under section 340A.404, subdivision 8, shall be \$1,000.

(b) The annual license fee for common carriers licensed under section 340A.407 is:

(1) ~~\$25~~ \$50 for nonintoxicating malt liquor, and ~~\$2~~ \$20 for a duplicate license; and

(2) ~~\$100~~ \$200 for intoxicating liquor, and ~~\$10~~ \$20 for a duplicate license.

Sec. 50. Minnesota Statutes 1991 Supplement, section 340A.504, subdivision 3, is amended to read:

Subd. 3. [INTOXICATING LIQUOR; SUNDAY SALES; ON-SALE.] (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 12:00 noon on Sundays and 1:00 a.m. on Mondays.

(b) The governing body of a municipality may after one public hearing by ordinance permit a restaurant, hotel, bowling center, or club to sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of 10:00 a.m. on Sundays and 1:00 a.m. on Mondays, provided that the licensee is in conformance with the Minnesota clean air act.

(c) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(d) A city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (e). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(e) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(f) Voter approval is not required for licenses issued by the metropolitan airports commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$50, plus \$5 \$20 for each duplicate.

Sec. 51. Minnesota Statutes 1990, section 345.32, is amended to read:

345.32 [PROPERTY HELD BY BANKING OR FINANCIAL ORGANIZATIONS OR BY BUSINESS ASSOCIATIONS.]

The following property held or owing by a banking or financial organization or by a business association is presumed abandoned:

(a) Any demand, savings or matured time deposit made in this state with a banking organization, together with any interest or dividend thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has, within ~~five~~ three years:

(1) increased or decreased the amount of the deposit, or presented the passbook or other similar evidence of the deposit for the crediting of interest; or

(2) corresponded in writing with the banking organization concerning the deposit; or

(3) otherwise indicated an interest in the deposit as evidenced by a memorandum on file with the banking organization; or

(4) received tax reports or regular statements of the deposit by mail from the banking or financial organization regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the banking or financial organization and not returned; or

(5) acted as provided in paragraphs (1), (2), (3) and (4) of this subsection in regard to another demand, savings or time deposit made with the banking or financial organization.

(b) Any funds or dividends deposited or paid in this state toward the purchase of shares or other interest in a business association where the stock certificates or other evidence of interest in the business have not been issued, or in a financial organization, and any interest or dividends thereon, excluding contracted service charges which may be deducted for a period not to exceed one year, unless the owner has within ~~five~~ three years:

(1) increased or decreased the amount of the funds or deposit, or presented an appropriate record for the crediting of interest or dividends; or

(2) corresponded in writing with the financial organization concerning the funds or deposit; or

(3) otherwise indicated an interest in the funds or deposit as evidenced by a memorandum on file with the financial organization; or

(4) received tax reports or regular statements of the deposit or accounting by mail from the financial organization or business

association regarding the deposit. Receipt of the statement by the owner should be presumed if the statement is mailed first class by the financial organization or business association and not returned.

(c) Any sum, excluding contracted service charges which may be deducted for a period not to exceed one year, payable on checks certified in this state or on written instruments issued in this state, or issued in any other state the law in which for any reason does not apply to the abandonment of sums payable on checks certified in that state or written instruments issued in that state, on which a banking or financial organization or business association is directly liable, including, by way of illustration but not of limitation, drafts, money orders and traveler's checks, that has been outstanding for more than five ~~three~~ years from the date it was payable, or from the date of its issuance if payable on demand, or, in the case of traveler's checks, has been outstanding for more than 15 years from the date of its issuance, or, in the case of money orders, has been outstanding for more than seven years from the date of its issuance, unless the owner has within five ~~three~~ years, or within 15 years in the case of traveler's checks, or within seven years in the case of money orders, corresponded in writing with the banking or financial organization or business association concerning it, or otherwise indicated an interest as evidenced by a memorandum on file with the banking or financial organization or business association.

(d) Any funds or other personal property, tangible or intangible, removed from a safe deposit box or any other safekeeping repository in this state on which the lease or rental period has expired due to nonpayment of rental charges or other reason, that have been unclaimed by the owner for more than five years from the date on which the lease or rental period expired.

(1) If the amount due for the use or rental of a safe deposit box has remained unpaid for a period of six months, the bank, savings bank, trust company, savings and loan, or safe deposit company shall, within 60 days of the expiration of that period, send by certified mail, addressed to the renter or lessee of the safe deposit box, directed to the address standing on its books, a written notice that, if the amount due for the use or rental of the safe deposit box is not paid within 60 days after the date of the mailing of the notice, it will cause the safe deposit box to be opened and its contents placed in one of its general safe deposit boxes.

(2) Upon the expiration of 60 days from the date of mailing the notice, and in default of payment within the 60 days of the amount due for the use or rental of the safe deposit box, the bank, savings bank, trust company, savings and loan, or safe deposit company, in the presence of its president, vice-president, secretary, treasurer, assistant secretary, assistant treasurer or superintendent, or such other person as specifically designated by its board of directors, and of a notary public not in its employ, shall cause the safe deposit box

to be opened and the contents thereof, to be removed and sealed by the notary public in a package, in which the notary public shall enclose a detailed description of the contents of the safe deposit box and upon which the notary public shall mark the name of the renter or lessee and, in the presence of one of the bank officers listed above, the notary public shall place the package in one of the bank's general safe deposit boxes and set out the proceedings in a certificate under the notary public's official seal, which shall be delivered to the bank, savings bank, trust company, savings and loan, or safe deposit company.

(3) The bank, savings bank, trust company, savings and loan, or safe deposit company shall hold the contents of abandoned safe deposit boxes until they are claimed by the owner or the bank turns them over to the commissioner pursuant to this chapter.

Sec. 52. Minnesota Statutes 1990, section 345.33, is amended to read:

345.33 [UNCLAIMED FUNDS HELD BY LIFE INSURANCE CORPORATIONS.]

(a) Unclaimed funds, as defined in this section, held and owing by a life insurance corporation shall be presumed abandoned if the last known address, according to the records of the corporation, of the person entitled to the funds is within this state. If a person other than the insured or annuitant is entitled to the funds and no address of such person is known to the corporation or if it is not definite and certain from the records of the corporation what person is entitled to the funds, it is presumed that the last known address of the person entitled to the funds is the same as the last known address of the insured or annuitant according to the records of the corporation.

(b) "Unclaimed funds," as used in this section, means all moneys held and owing by any life insurance corporation unclaimed and unpaid for more than ~~five~~ three years after the moneys became due and payable as established from the records of the corporation under any life or endowment insurance policy or annuity contract which has matured. A life insurance policy not matured by actual proof of the death of the insured is deemed to be matured and the proceeds thereof are deemed to be due and payable if such policy was in force when the insured attained the limiting age under the mortality table on which the reserve is based, unless the person appearing entitled thereto has within the preceding ~~five~~ three years, (1) assigned, readjusted or paid premiums on the policy, or subjected the policy to loan, or (2) corresponded in writing with the life insurance corporation concerning the policy. Moneys or drafts otherwise payable according to the records of the corporation are deemed due and payable although the policy or contract has not been surrendered as required.

Sec. 53. Minnesota Statutes 1990, section 345.34, is amended to read:

345.34 [DEPOSITS HELD BY UTILITIES.]

Any deposit held or owing by any utility made by a subscriber ~~after January 1, 1960~~, to secure payment for, or any sum paid in advance for, utility services to be furnished in this state, excluding any charges that may lawfully be withheld, that has remained unclaimed by the person appearing on the records of the utility entitled thereto for more than one year after the termination of the services for which the deposit or advance payment was made is presumed abandoned.

Sec. 54. Minnesota Statutes 1990, section 345.35, is amended to read:

345.35 [STOCK AND OTHER INTANGIBLE INTERESTS IN BUSINESS ASSOCIATIONS.]

(a) Except as provided in paragraphs (b) and (e), stock or other intangible ownership interest in a business association, the existence of which is evidenced by records available to the association, is presumed abandoned and, with respect to the interest, the association is the holder, if a dividend distribution or other sum payable as a result of the interest has remained unclaimed by the owner for ~~seven~~ three years and the owner within ~~seven~~ three years has not:

(1) communicated in writing with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest; or

(2) otherwise communicated with the association regarding the interest or a dividend, distribution, or other sum payable as a result of the interest, as evidenced by a memorandum or other record on file with the association prepared by an employee of the association.

(b) At the expiration of a ~~seven-year~~ three-year period following the failure of the owner to claim a dividend, distribution, or other sum payable to the owner as a result of the interest, the interest is not presumed abandoned unless there have been at least ~~seven~~ three dividends, distributions, or other sums paid during the period, none of which has been claimed by the owner. If ~~seven~~ three dividends, distributions, or other sums are paid during the ~~seven-year~~ three-year period, the period leading to a presumption of abandonment commences on the date payment of the first such unclaimed dividend, distribution, or other sum became due and payable. If ~~seven~~ three dividends, distributions, or other sums are not paid during the presumptive period, the period continues to run until there have

been ~~seven~~ three dividends, distributions, or other sums that have not been claimed by the owner.

(c) The running of the ~~seven-year~~ three-year period of abandonment ceases immediately upon the occurrence of a communication referred to in paragraph (a). If any future dividend, distribution, or other sum payable to the owner as a result of the interest is subsequently not claimed by the owner, a new period of abandonment commences and relates back to the time a subsequent dividend, distribution, or other sum became due and payable.

(d) At the time an interest is presumed abandoned under this section, any dividend, distribution, or other sum then held for or owing to the owner as a result of the interest, and not previously presumed abandoned, is presumed abandoned.

(e) This section does not apply to any stock or other intangible ownership interest enrolled in a plan that provides for the automatic reinvestment of dividends, distributions, or other sums payable as a result of the interest unless the records available to the administrator of the plan show, with respect to any intangible ownership interest not enrolled in the reinvestment plan, that the owner has not within ~~seven~~ three years communicated in any manner described in paragraph (a).

(f) For purposes of this section, stock or other intangible ownership interest in a business association is presumed abandoned if:

(1) it is held or owing by a business association organized under the laws of or created in this state; or

(2) it is held or owing by a business association doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state.

Sec. 55. Minnesota Statutes 1990, section 345.36, is amended to read:

345.36 [PROPERTY OF BUSINESS ASSOCIATIONS AND BANKING OR FINANCIAL ORGANIZATIONS HELD IN COURSE OF DISSOLUTION.]

All intangible personal property distributable in the course of a voluntary dissolution of a business association, banking organization or financial organization organized under the laws of or created in this state, that is unclaimed by the owner within ~~two years~~ six months after the date for final distribution, is presumed abandoned.

Sec. 56. Minnesota Statutes 1990, section 345.37, is amended to read:

345.37 [PROPERTY HELD BY FIDUCIARIES.]

All intangible personal property and any income or increment thereon, held in a fiduciary capacity for the benefit of another person is presumed abandoned unless the owner has, within ~~five~~ three years after it becomes payable or distributable, increased or decreased the principal, accepted payment of principal or income, corresponded in writing concerning the property, or otherwise indicated an interest as evidenced by a memorandum on file with the fiduciary if:

(a) the property is held by a banking organization or a financial organization or by a business association organized under the laws of or created in this state; or

(b) it is held by a business association, doing business in this state, but not organized under the laws of or created in this state, and the records of the business association indicate that the last known address of the person entitled thereto is in this state; or

(c) it is held in this state by any other person.

Sec. 57. Minnesota Statutes 1990, section 345.38, is amended to read:

345.38 [PROPERTY HELD BY STATE COURTS AND PUBLIC OFFICERS AND AGENCIES.]

Subdivision 1. All intangible personal property held for the owner by any court, public corporation, public authority or public officer of this state, or a political subdivision thereof, that has remained unclaimed by the owner for more than ~~five~~ three years is presumed abandoned except as provided in section 524.3-914.

Subd. 2. This section shall not apply to property held for persons while residing in public correctional or other institutions. As to such persons, said property shall be presumed abandoned if it has remained unclaimed by the owner for more than ~~five~~ three years after such residence ceases.

Subd. 3. All intangible personal property held for the owner by any government or political subdivision or agency, that has remained unclaimed by the owner for more than ~~five~~ three years is presumed abandoned and is reportable pursuant to section 345.41, if:

(a) the last known address as shown on the records of the holder of the apparent owner is in this state; or

(b) no address of the apparent owner appears on the records of the holder; and

(1) the last known address of the apparent owner is in this state; or

(2) the holder is domiciled in this state and has not previously transferred the property to the state of the last known address of the apparent owner.

Sec. 58. Minnesota Statutes 1990, section 345.39, is amended to read:

345.39 [MISCELLANEOUS PERSONAL PROPERTY HELD FOR ANOTHER PERSON.]

Subdivision 1. [PRESUMED ABANDONMENT.] All intangible personal property, not otherwise covered by sections 345.31 to 345.60, including any income or increment thereon, but excluding any charges that may lawfully be withheld, that is held or owing in this state in the ordinary course of the holder's business and has remained unclaimed by the owner for more than ~~five~~ three years after it became payable or distributable is presumed abandoned. Property covered by this section includes, but is not limited to: (a) unclaimed ~~wages or~~ worker's compensation; (b) deposits or payments for repair or purchase of goods or services; (c) credit checks or memos, or customer overpayments; (d) unidentified remittances, unrefunded overcharges; (e) unpaid claims, unpaid accounts payable or unpaid commissions; (f) unpaid mineral proceeds, royalties or vendor checks; and (g) credit balances, accounts receivable and miscellaneous outstanding checks. This section does not include money orders.

Subd. 2. [COOPERATIVE PROPERTY.] Notwithstanding subdivision 1, any profit, distribution, or other sum held or owing by a cooperative for or to a participating patron of the cooperative is presumed abandoned only if it has remained unclaimed by the owner for more than seven years after it became payable or distributable.

Subd. 3. [UNPAID COMPENSATION.] Notwithstanding subdivision 1, unpaid compensation for personal services or wages, including wages represented by unpresented payroll checks, owing in the ordinary course of the holder's business that remain unclaimed by the owner for more than one year after becoming payable are presumed abandoned.

Sec. 59. Minnesota Statutes 1990, section 345.42, subdivision 3, is amended to read:

Subd. 3. On or before April 1 of each year, the commissioner ~~shall~~ may mail a notice to each person having an address listed therein who appears to be entitled to property of the value of \$25 or more presumed abandoned under sections 345.31 to 345.60. Said notice shall contain:

(a) a statement that, according to a report filed with the commissioner, property is being held to which the addressee appears entitled;

(b) the name and address of the person holding the property and any necessary information regarding changes of name and address of the holder; and

(c) a statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the commissioner to whom all further claims must be directed.

Sec. 60. Minnesota Statutes 1991 Supplement, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in ~~any~~ fiscal year ~~1993~~ amounts to the lottery operations account which when totaled ~~exceed 15~~ 14.5 percent of gross revenue to the lottery fund. The director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the division is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services.

Sec. 61. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; ~~or recording notary commission~~; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 62. Minnesota Statutes 1990, section 359.01, subdivision 3, is amended to read:

Subd. 3. [FEES.] The fee for each commission shall not exceed \$10 \$40.

Sec. 63. Minnesota Statutes 1990, section 514.67, is amended to read:

514.67 [INSPECTIONS, EXAMINATIONS, OR OTHER GOVERNMENTAL SERVICES.]

All charges and expenses for any inspection, examination, or other governmental service of any nature now or hereafter authorized or required by law, including services performed by a deputy registrar of motor vehicles in handling an application for registration of a motor vehicle under section 168.33, shall constitute and be a first and prior lien from the date of such inspection, examination, or service upon all property in this state subject to taxation as the property of the person from whom such charges and expenses are by law authorized or required to be collected. No record of such lien shall be deemed necessary, but the same shall be duly presented or proven in any bankruptcy, insolvency, receivership, or other similar proceeding, or be barred thereby.

As used in this section the following words and terms have the following meanings:

(1) "Person" means and includes any natural person in any individual or representative capacity, and any firm, copartnership, corporation, or other association of any nature or kind.

(2) The term "first and prior lien" means a lien equivalent to, and of the same force and effect as a lien for taxes; but any such lien or claim shall be deemed barred unless proceedings to enforce same shall have been commenced within two years from the date when such claim becomes due.

For purposes of this section, the charges and expenses for services

performed by a deputy registrar of motor vehicles in handling an application for registration of a motor vehicle includes the entire amount paid to the deputy registrar for the registration of a motor vehicle, including all license taxes, filing fees, and other fees, charges, and taxes required to be paid for registration of the motor vehicle.

Sec. 64. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 1, is amended to read:

Subdivision 1. [LEVY OF ASSESSMENT.] There is levied a penalty assessment of ~~12~~ 15 percent on each fine imposed and collected by the courts of this state for traffic offenses in violation of chapters 168 to 173 or equivalent local ordinances, other than a fine or forfeiture for a violation of a local ordinance or other law relating to the parking of a vehicle. In cases where the defendant is convicted but a fine is not imposed, or execution of the fine is stayed, the court shall impose a penalty assessment of not less than \$5 nor more than \$10 when the conviction is for a misdemeanor or petty misdemeanor, and shall impose a penalty assessment of not less than \$10 but not more than \$50 when the conviction is for a gross misdemeanor or felony. Where multiple offenses are involved, the penalty assessment shall be assessed separately on each offense for which the defendant is sentenced. If imposition or execution of sentence is stayed for all of the multiple offenses, the penalty assessment shall be based upon the most serious offense of which the defendant was convicted. Where the court suspends a portion of a fine, the suspended portion shall not be counted in determining the amount of the penalty assessment unless the offender is ordered to pay the suspended portion of the fine. Suspension of an entire fine shall be treated as a stay of execution for purposes of computing the amount of the penalty assessment.

Sec. 65. Minnesota Statutes 1990, section 626.861, subdivision 3, is amended to read:

Subd. 3. [COLLECTION BY COURT.] After a determination by the court of the amount of the fine or penalty assessment due, the court administrator shall collect the appropriate penalty assessment and transmit it to the county treasurer separately with designation of its origin as a penalty assessment, but with the same frequency as fines are transmitted. Amounts collected under this subdivision shall then be transmitted to the state treasurer for deposit ~~in the general fund for peace officers training, in the same manner as fines collected for the state by a county.~~ The state treasurer shall identify and report to the commissioner of finance all amounts deposited in the general fund under this section.

Sec. 66. Minnesota Statutes 1991 Supplement, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to the general fund a peace officer training account in the special revenue fund. For fiscal years 1993 and 1994, the peace officers standards and training board shall, and after fiscal year 1994 may, allocate from funds appropriated funds, net of operating expenses, as follows:

(a) Up to 30 (1) at least 25 percent may be provided for reimbursement to board approved skills courses; and

(b) Up to 15 (2) at least 13.5 percent may be used for the school of law enforcement.

(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 67. [REPEALER.]

Minnesota Statutes 1990, section 211A.04, subdivision 2, is repealed. Minnesota Statutes 1991 Supplement, section 97A.485, subdivision 1a, is repealed.

Sec. 68. [EFFECTIVE DATES.]

Section 20 is effective for taxable years after December 31, 1989. Sections 22, 23, 31, and 36 to 40 are effective the day following final enactment.

ARTICLE 4

ENVIRONMENT AND NATURAL RESOURCES

Section 1. [APPROPRIATIONS.]

Unless otherwise indicated, all sums set forth in the columns designated "1992 and 1993 APPROPRIATION CHANGE" are to be added to or reduced from general fund appropriations made by Laws 1991, chapter 254, or other law, for the fiscal years ending June 30, 1992 and June 30, 1993, respectively. Amounts to be reduced are designated by parentheses.

SUMMARY BY FUND

	1992	1993	TOTAL
APPROPRIATION CHANGE	\$(4,321,000)	\$(5,596,000)	\$ (9,917,000)
General-Direct	\$(4,879,000)	\$(6,278,000)	\$(11,157,000)
Environmental	\$ 50,000	\$ 349,000	\$ 399,000
Natural Resources	\$ 306,000	\$ 281,000	\$ 587,000
Game and Fish	\$ 42,000	\$ 52,000	\$ 94,000
Minnesota Resources	\$ 160,000	\$ -0-	\$ 160,000

APPROPRIATION CHANGE
1992 1993
\$ \$

Sec. 2. POLLUTION CONTROL
AGENCY

Subdivision 1. Total Appropriation Change (599,000) (324,000)

The amounts in subdivision 1 are distributed among agency programs as specified in the following subdivisions.

Summary by Fund

General (599,000) (424,000)
Environmental 100,000

The approved environmental fund complement is increased by 18 positions effective July 1, 1992.

Subd. 2. Water Pollution Control (186,000) (52,000)

The appropriation in fiscal year 1992 for grants to local units of government for the clean water partnership program is reduced by \$134,000.

The appropriation in fiscal year 1993 must provide \$24,000 for a grant to the city of Garrison for ongoing testing of the sewage system.

	1992	1993
	\$	\$
Subd. 3. Groundwater and Solid Waste Pollution Control	(98,000)	(197,000)

The appropriation in fiscal year 1993 for a grant to the department of administration for assistance in funding a central materials recovery facility is reduced by \$12,000.

Subd. 4. Hazardous Waste Pollution Control	(250,000)	(75,000)
Subd. 5. General Support	(65,000)	-0-

Summary by Fund

General	(65,000)	(100,000)
Environmental		100,000

\$100,000 the second year is from the pollution prevention account in the environmental fund.

Any unencumbered balance of the fiscal year 1992 appropriation authorized in Laws 1991, chapter 347, article 3, section 5, subdivision 1, paragraph (a), shall be available for fiscal year 1993.

Sec. 3. OFFICE OF WASTE MANAGEMENT	(258,000)	(208,000)
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Summary by Fund

General	(308,000)	(308,000)
Environmental	50,000	100,000

The appropriation for SCORE block grants is not changed by these reductions.

Sec. 4. ZOOLOGICAL BOARD		(3,628,000)
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This reduction is partially offset by a reduction in nondedicated general fund revenue of \$3,174,000.

Board action to increase admission fees effective April 1, 1992, is estimated to increase nondedicated general fund

	1992	1993
revenue by \$182,000 in fiscal year 1992.	\$	\$

The approved general fund complement is decreased by 49 positions. The approved special revenue fund complement is increased by 80 positions.

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation Change	(1,627,000)	(1,153,000)
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Summary by Fund

General	(1,975,000)	(1,486,000)
Natural Resources	306,000	281,000
Game and Fish	42,000	52,000

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

Subd. 2. Mineral Resources Management	(271,000)	(270,000)
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Subd. 3. Water Resources Management	(333,000)	(333,000)
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Subd. 4. Forest Management	(204,000)	189,000
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\$204,000 the first year and \$771,000 the second year are reduced from the forest management appropriation.

\$960,000 in the second year is appropriated exclusively for reforestation under Minnesota Statutes, section 89.002. This appropriation is offset by nondedicated general fund revenues generated by statutory changes in sections 22 and 27, eliminating the sharing of forestry revenue with counties from state forest and consolidated conservation lands. This provision is contingent upon enactment of sections 22 and 27.

	1992	1993
	\$	\$
Subd. 5. Parks and Recreation Management	(400,000)	195,000

This reduction is estimated to reduce general fund nondedicated receipts by \$44,000 in fiscal year 1992.

Hill Annex Mine park will be open and operated with no water pumping in fiscal year 1993 with the revenue receipts of the park and an additional \$50,000.

The commissioner shall not utilize appropriations from the general fund for the purpose of hiring or contracting for staff to administer or manage the adopt-a-park program as provided in Minnesota Statutes, section 85.045.

Subd. 6. Trails and Waterways	(39,000)	27,000
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The appropriation in fiscal year 1993 must provide \$120,000 for construction of shore fishing structure projects on the Mississippi river in South St. Paul and Brooklyn Center.

Subd. 7. Fish and Wildlife Management	17,000	62,000
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Summary by Fund

General	(149,000)	(104,000)
Natural Resources	166,000	166,000

\$166,000 each year is appropriated from the water recreation account in the natural resources fund for exotic species management. Unobligated funds remaining at the end of the first year do not cancel but are available in the second year.

The appropriation in fiscal year 1993 must provide \$44,000 for the construction of barrier reefs on the west traverse bay of Lake of the Woods for

	1992	1993
	\$	\$
fish habitat improvement.		
Subd. 8. Field Operations Support	(106,000)	(485,000)
Subd. 9. Regional Operations Support	(151,000)	(160,000)
Subd. 10. Special Services and Programs	(120,000)	(138,000)
Subd. 11. Administrative Management Services	160,000	110,000

Summary by Fund

General	(22,000)	(57,000)
Natural Resources	140,000	115,000
Game and Fish	42,000	52,000

\$140,000 the first year and \$115,000 the second year are appropriated from the water recreation account in the natural resources fund for watercraft titling.

\$42,000 the first year and \$52,000 the second year are appropriated from the game and fish fund for hunting license administration.

Subd. 12. Wetland Administration	(180,000)	(350,000)
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The appropriation in Laws 1991, chapter 354, article 11, section 1, subdivision 2, paragraph (b), is reduced by these amounts.

Subd. 13.

The commissioners of transportation and natural resources shall confer and make every reasonable effort to obtain a permanent resolution of the problem of excessive sedimentation and vegetation in the Mississippi river resulting from the construction of a bridge over the river on marked trunk highway No. 10 near the city of Little Falls.

	1992	1993
\$		\$

If the commissioners of transportation and natural resources are unable to reach a mutually agreeable resolution by February 1, 1993, the commissioner of natural resources shall file with the commissioner of transportation, the chair of the house committee on appropriations, and the senate committee on finance, a notification that specifies the project or projects that in the judgment of the commissioner of natural resources must be undertaken to achieve a permanent resolution of the excessive sedimentation and vegetation. The notification must contain an estimate of the total cost of the project or projects.

The department of natural resources shall develop a plan in cooperation with representatives of employee bargaining units for the consolidation, enhancement, and realignment of division, region, and area responsibilities and allocations so that DNR direct services are increased and management and supervisory positions are minimized. A report with specific recommendations shall be submitted to the environment and natural resources division of the house appropriations committee and to the environment and natural resources division of the senate finance committee by January 15, 1993.

Sec. 6. AGRICULTURE

Subdivision 1. Total Appropriation Change	(357,000)	(350,000)
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Summary by Fund

General	(357,000)	(499,000)
Environmental		149,000

The amounts in subdivision 1 are to be distributed among agency programs as specified in the following subdivisions.

	1992	1993
	\$	\$
Subd. 2. Protection Service	(240,000)	(42,000)

Summary by Fund

General (240,000) (191,000)

Environmental 149,000

\$149,000 the second year is from the environmental response, compensation, and compliance account in the environmental fund. The approved complement in the environmental fund is increased by two positions effective July 1, 1992.

Subd. 3. Promotion and Marketing (36,000) (105,000)

Subd. 4. Family Farm Services (67,000) (240,000)

\$2,000,000 from the balance in the special account created in Minnesota Statutes, section 41.61, shall be transferred to the general fund by June 30, 1992.

Authority to charge fees for farm crisis assistance services authorized elsewhere in this legislation is expected to increase nondedicated general fund revenues by \$100,000 in fiscal year 1993.

Subd. 5. Administrative Support and Grants	(14,000)	37,000
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The appropriation in fiscal year 1993 must provide \$50,000 to the commissioner of agriculture for legal challenges to discriminatory aspects of the current federal milk market order system. This amount, in whole or in part, may be used at the discretion of the commissioner as a contribution to the costs of initiating or continuing court challenges in cooperation with Minnesota or regional dairy organizations. The commissioner may use up to an additional \$50,000 from the dairy industry unfair trade practices account established under Minnesota Statutes, section 32A.05, subdivision 4.

	1992	1993
	\$	\$
Sec. 7. CITIZENS COUNCIL ON VOYAGEUR'S NATIONAL PARK	(10,000)	(8,000)
Unencumbered balances remaining at the end of the first year do not cancel but are available for the second year.		
Sec. 8. MINNESOTA/WISCONSIN BOUNDARY AREA COMMISSION		(5,000)
Sec. 9. SCIENCE MUSEUM OF MINNESOTA	(30,000)	(30,000)
Sec. 10. MINNESOTA RESOURCES	160,000	

This appropriation is from the Minnesota future resources fund to the commissioner of natural resources for a research program leading to biological control of Eurasian water milfoil. It is available upon final enactment and is otherwise subject to the provisions of Laws 1991, chapter 254, article 1, section 14.

As cash flow in the Minnesota future resources fund permits, but no later than June 30, 1993, the commissioner of finance in consultation with the legislative commission on Minnesota resources director, shall transfer \$876,000 from the unencumbered balance in the fund to the general fund. This transfer is in addition to the transfer specified in Laws 1991, chapter 254, article 1, section 14, subdivision 15.

Sec. 11. BOARD OF WATER AND SOIL RESOURCES	(1,100,000)	100,000
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The appropriation in Laws 1991, chapter 354, article 11, section 1, subdivision 3, is reduced by \$1,100,000.

\$100,000 is appropriated in fiscal year 1993 for a grant to counties for local administration and enforcement of Laws 1991, chapter 354. Each dollar of grant money must be matched by a

	1992	1993
	\$	\$
dollar from nonstate funds.		

Sec. 12. BOARD OF ANIMAL
HEALTH

10,000

This appropriation is to cover the cost of testing turkeys and chickens in Minnesota for avian influenza.

Sec. 13. Minnesota Statutes 1990, section 17.03, is amended by adding a subdivision to read:

Subd. 10. [FARM CRISIS ASSISTANCE FEES; LIABILITY.] (a) The department may charge a fee for farm crisis assistance services it provides to persons outside of the department.

(b) The state is not liable for the actions of persons under contract with the department who provide farm crisis assistance services as part of their contractual duties. Persons who provide farm crisis assistance are not subject to liability for their actions that are within the scope of their contract. The immunity from liability in this subdivision is in addition to and not a limitation of immunity otherwise accorded to the state and its contractors under law.

(c) Fees collected by the department under this subdivision must be deposited in the general fund.

Sec. 14. Minnesota Statutes 1991 Supplement, section 17.63, is amended to read:

17.63 [REFUND OF FEES.]

(a) Any producer, except a producer of potatoes in area number one, as listed in section 17.54, subdivision 9, or a producer of paddy wild rice, may, by the use of forms to be provided by the commissioner and upon presentation of such proof as the commissioner requires, have the checkoff fee paid pursuant to sections 17.51 to 17.69 fully or partially refunded, provided the checkoff fee was remitted on a timely basis. The request for refund must be received in the office of the commissioner within the time specified in the promotion order following the payment of the checkoff fee. In no event shall these requests for refund be accepted more often than 12 times per year. Refund shall be made by the commissioner and council within 30 days of the request for refund provided that the checkoff fee sought to be refunded has been received. Rules governing the refund of checkoff fees for all commodities shall be formulated by the commissioner, shall be fully outlined in the promotion

order, and shall be available for the information of all producers concerned with the referendum.

(b) The commissioner must allow partial refund requests from corn producers who have checked off and must allow for assignment of payment to the Minnesota corn growers association if the Minnesota corn research and promotion council requests such action by the commissioner.

(c) The Minnesota corn research and promotion council shall not elect to impose membership on any individual producer not requesting a partial refund or assignment of payment to the association.

Sec. 15. Minnesota Statutes 1990, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990 ~~and~~ at one-fifth of one percent for calendar year 1991, and at one-half of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of ~~\$150~~ \$250 plus an additional one-tenth of one percent for each pesticide for which the United States Environmental Protection Agency, Office of Water, has published a Health Advisory Summary by December 1 of the previous year. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers is ~~\$150~~ shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. Of the amount collected after calendar year 1990, \$600,000 per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5, and the additional amount collected for pesticides with Health Advisory Summaries shall be credited to the agricultural project utilization account under section 116O.13 to be used for pesticide use reduction grants by the agricultural utilization research institute.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

Sec. 16. Minnesota Statutes 1991 Supplement, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

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

Type of food handler	License Fee	Penalties	
		Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$40	\$15	\$25
(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year	\$55	\$15	\$25

(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$105	\$ 35	\$ 75
(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$180	\$ 50	\$100
(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$500	\$100	\$175
(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$700	\$150	\$300
(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$800	\$200	\$350
2. Wholesale food handler			
(a) Having gross sales or service of less than \$250,000 for the immediately previous license or fiscal year	\$200	\$ 50	\$100
(b) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$400	\$100	\$200
(c) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$500	\$125	\$250
(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$575	\$150	\$300
3. Food broker	\$100	\$ 30	\$ 50
4. Wholesale food processor or manufacturer			
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$275	\$ 75	\$150
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$400	\$100	\$200

(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$500	\$125	\$250
(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$575	\$150	\$300
5. Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$150	\$ 50	\$ 75
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$225	\$ 75	\$125
(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$275	\$ 75	\$150
(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$325	\$100	\$175
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$ 10	\$ 15
7. Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75
8. <u>Wholesale food manufacturer processing less than 70,000 pounds per year of cultured dairy food as defined in section 32.486, subdivision 1, paragraph (b)</u>	<u>\$ 30</u>	<u>\$ 10</u>	<u>\$ 15</u>
9. <u>A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer</u>	<u>\$ 50</u>	<u>\$ 15</u>	<u>\$ 25</u>

Sec. 17. Minnesota Statutes 1991 Supplement, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] The commissioner of revenue shall make cash payments from the account to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced on or before June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of wet alcohol on or before June 30, 2000, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

(c) The total payments from the account to all producers during the period beginning July 1, 1991 and ending June 30, 1993 may not exceed ~~\$9,000,000~~ \$8,500,000. This amount may be paid in either fiscal year of the biennium. Total payments from the account to any producer in each fiscal year may not exceed \$3,000,000.

(d) The total payments from the account to all producers may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1993, and ending June 30, 2000. Total payments from the account to any producer in any fiscal year may not exceed \$3,000,000.

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 18. Minnesota Statutes 1991 Supplement, section 84.0855, is amended to read:

84.0855 [SPECIAL RECEIPTS; APPROPRIATION.]

Money received by the commissioner of natural resources as fees for seminars or workshops, from the sale of publications and maps, from the sale of other natural resource related merchandise at the

state fair, or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs.

Sec. 19. [84.0887] [YOUTH PROGRAMS.]

Subdivision 1. [PROGRAM CONTENT.] The commissioner shall operate youth corps programs which may include summer youth programs and year-round young adult programs. The commissioner shall insure that youths in all parts of the state have an equal opportunity for employment and that equal numbers of male and female youth are selected for the summer programs. Youth corps members must be 15 to 18 years old and young adult corps members must be 18 to 26 years old. Corps members are not public employees under chapter 43A or 179A. Youth corps programs may provide services that include but are not limited to the following:

(1) conservation, rehabilitation, and the improvement of wildlife habitat, prairie, parks, and recreational areas;

(2) urban and rural revitalization, historical and cultural site preservation, and reforestation of both urban and rural areas;

(3) fish culture, wildlife habitat maintenance and improvement, and other fishery assistance;

(4) road and trail development, maintenance, and improvement;

(5) erosion, flood, drought, and storm damage assistance and controls;

(6) stream, lake, waterfront harbor, and port improvement;

(7) wetlands protection and pollution control;

(8) insect, disease, rodent, and fire prevention and control;

(9) the improvement of abandoned railroad beds and rights-of-way;

(10) energy conservation projects, renewable resource enhancement, and recovery of biomass;

(11) reclamation and improvement of strip-mined land; and

(12) forestry, nursery, and cultural operations.

Subd. 2. [ADDITIONAL SERVICES.] In addition to services under subdivision 1, youth corps programs may coordinate with or provide services to:

(1) making public facilities accessible to individuals with disabilities;

(2) federal, state, local, and regional governmental agencies;

(3) nursing homes, hospices, senior centers, hospitals, local libraries, parks, recreational facilities, child and adult day care centers, programs servicing individuals with disabilities, and schools;

(4) law enforcement agencies, and penal and probation systems;

(5) private nonprofit organizations that primarily focus on social service such as community action agencies;

(6) activities that focus on the rehabilitation or improvement of public facilities, neighborhood improvements, literacy training that benefits educationally disadvantaged individuals, weatherization of and basic repairs to low-income housing including housing occupied by older adults, activities that focus on drug and alcohol abuse education, prevention, and treatment; and

(7) any other nonpartisan civic activities and services that the commissioner determines to be of a substantial social benefit in meeting unmet human, educational, or environmental needs, particularly needs related to poverty, or in the community where volunteer service is to be performed.

Subd. 3. [INELIGIBLE SERVICES.] Ineligible service categories include:

(1) business organized for profit;

(2) labor unions;

(3) partisan political organizations;

(4) organizations engaged in religious activities, unless such activities do not involve the use of funds provided under this title by program participants and program staff to give religious instruction, conduct worship services, or engage in any form of proselytization; or

(5) domestic or personal service companies or organizations.

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall

establish a youth corps advisory committee with broad state representation including youth.

Subd. 5. [OLDER MEMBERS.] Youth corps programs may enroll a limited number of special corps members over age 26 so that the corps may draw on their unique knowledge, skills, or abilities to fulfill the purposes of the programs.

Subd. 6. [HEALTH INSURANCE.] Youth corps programs are encouraged to make available and provide, where feasible, group health insurance to each full-time, young adult corps member who does not otherwise have access to health insurance.

Subd. 7. [EXPENDITURES FROM SPECIAL FUNDS.] An appropriation from a special revenue fund or account to the commissioner for youth corps programs must be spent for projects that are consistent with the purposes of the fund or account from which the appropriation was made.

Sec. 20. Minnesota Statutes 1990, section 85.015, subdivision 7, is amended to read:

Subd. 7. [~~ROOT RIVER TRAIL~~ BLUFFLANDS TRAIL SYSTEM, FILLMORE AND HOUSTON COUNTIES.] (a) The Root River trail shall originate at Chatfield in Fillmore county, and thence extend easterly in the Root river valley to the intersection of the river with Minnesota trunk highway No. 26 in Houston county, and there terminate.

(b) Additional trails shall be established that extend the Blufflands Trail System to include La Crescent, Hokah, Caledonia, and Spring Grove in Houston county and Preston and Harmony in Fillmore county. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

(c) The trail trails shall be developed primarily for nonmotorized riding and hiking.

Sec. 21. Minnesota Statutes 1990, section 85A.04, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT.] All receipts from parking and admission to the Minnesota zoological garden shall be deposited in the state treasury and credited to an account in the general special revenue fund, and are annually appropriated to the board for operations and maintenance.

Sec. 22. Minnesota Statutes 1990, section 89.035, is amended to read:

89.035 [INCOME FROM STATE FOREST LANDS, DISPOSITION.]

All income which may be received from lands acquired by the state heretofore or hereafter for state forest purposes by gift, purchase or eminent domain and tax-forfeited lands to which the county has relinquished its equity to the state for state forest purposes shall be paid into the state treasury and credited to the ~~state forest account~~ general fund except where the conveyance to and acceptance by the state of lands for state forest purposes provides for other disposition of receipts.

Sec. 23. Minnesota Statutes 1991 Supplement, section 89.37, subdivision 4, is amended to read:

Subd. 4. [PROCEEDS OF SALE.] All moneys received in payment for tree planting stock supplied under this section shall be deposited in the state treasury and credited to ~~the state~~ a forest nursery account ~~pursuant to section 89.035~~ and are available to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

Sec. 24. Minnesota Statutes 1990, section 89.37, is amended by adding a subdivision to read:

Subd. 5. [INVESTMENT INCOME.] Income earned from the investment of funds in the forest nursery account beginning July 1, 1989, shall be credited to the account and are annually appropriated to the commissioner of natural resources for the purposes of sections 89.35 to 89.37.

Sec. 25. Minnesota Statutes 1990, section 116P.11, is amended to read:

116P.11 [AVAILABILITY OF FUNDS FOR DISBURSEMENT.]

(a) The amount biennially available from the trust fund for the budget plan developed by the commission consists of the interest earnings generated from the trust fund.

(b) For funding projects through fiscal year 1997, the following additional amounts are available from the trust fund for the budget plans developed by the commission:

(1) for the 1991-1993 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1990 and 1991;

(2) for the 1993-1995 biennium, up to 20 percent of the revenue deposited in the trust fund in fiscal year 1992 and up to 15 percent of the revenue deposited in the fund in fiscal year 1993; ~~and~~

(3) for the 1993-1995 biennium, up to 25 percent of the revenue deposited in the trust fund in fiscal years 1994 and 1995, to be expended only for capital investments in parks and trails; and

(4) for the 1995-1997 biennium, up to ten percent of the revenue deposited in the fund in fiscal year 1994 and up to five percent of the revenue deposited in the fund in fiscal year 1995 1996.

(c) Any appropriated funds not encumbered in the biennium in which they are appropriated cancel and must be credited to the principal of the trust fund.

Sec. 26. Laws 1991, chapter 254, article 1, section 7, subdivision 5, is amended to read:

Subd. 5. Administrative Support and Grants

5,688,000	5,533,000
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Summary by Fund

General	5,503,000	5,348,000
Special Revenue	185,000	185,000

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

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

The unexpended balance appropriated for grants to farmers for demonstration projects involving sustainable agriculture in Laws 1989, chapter 269, section 7, subdivision 5, does not cancel and is

reappropriated to the commissioner and added to other appropriations for the biennium ending June 30, 1993, to carry out such demonstrations to be used in either year of the biennium.

\$70,000 the first year and \$70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$40,000 the first year and \$40,000 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$80,000 the first year and \$80,000 the second year are for the seaway port authority of Duluth.

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

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

\$100,000 the first year and \$100,000 the second year are for a base adjustment to grants to the state agricultural society to be spent as grants to county agricultural societies for premiums for county fair competitions in arts and crafts. This appropriation must be included in the 1994-1995 biennial budget base.

\$160,000 the first year is for farm safety programs. \$120,000 is for payment to instructors in a youth farm safety program and \$40,000 is for a farm safety audit pilot project. This appropriation is available for either year of the biennium. If any amount of the appropriation for either program

remains unencumbered on September 1, 1992, it becomes available for the other program or for other farm safety projects and programs at the discretion of the commissioner.

Sec. 27. Laws 1991, chapter 254, article 1, section 14, subdivision 19, is amended to read:

Subd. 19. [MATCH REQUIREMENTS.]

Appropriations in this section, other than the appropriation under subdivision 5, paragraph (g), that must be matched and for which the match has not been committed by January 1, 1992, must be canceled. The appropriation under subdivision 5, paragraph (g), must be matched by a federal commitment by January 1, 1993, or must be canceled. Amounts canceled to the Minnesota future resources fund are appropriated to the contingent account created in subdivision 14.

Sec. 28. [CHECKOFF FEE REFUND TRANSFER POLICY; REPORT.]

Not later than August 1, 1992, the commissioner of agriculture shall appoint a task force to review the issue of direct transfer of commodity checkoff fee refunds to commodity associations and/or farm organizations. The task force must include representatives of farm organizations, research and promotion councils, commodity associations, and commodity producers. Not later than February 1, 1993, the commissioner shall report to the legislature on the findings and recommendations of the task force.

Sec. 29. [REPEALER.]

Minnesota Statutes 1990, sections 84.0885; 84A.51, subdivisions 3 and 4; and 89.036, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Section 26 is effective the day after final enactment.

ARTICLE 5
HUMAN RESOURCES

Section 1. [HUMAN RESOURCES; APPROPRIATIONS.]

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

SUMMARY BY FUND

	1992	1993	TOTAL
General	\$(1,808,000)	\$6,676,000	\$4,868,000
State Government			
Special Revenue	63,000	684,000	747,000
TOTAL	(1,745,000)	7,360,000	5,615,000

APPROPRIATIONS Available for the Year Ending June 30	
1992	1993
\$	\$

Sec. 2. HUMAN SERVICES

Subdivision 1. Total General Fund Appropriation	1,639,000	2,015,000
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This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 2.

For the fiscal year ending June 30, 1993, total state spending is offset by \$68,700,000 in provider payments deposited in the general fund under the broad-based health care provider tax program.

Subd. 2. Human Services Adminis- tration: Agency-Wide	(2,150,000)	(2,550,000)
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	1992	1993
	\$	\$
Subd. 3. Social Services Administration	(2,803,000)	(2,652,000)

Effective for the biennium beginning July 1, 1993, the commissioner shall allocate sufficient home- and community-based waived service openings and money to serve persons who are being relocated from existing intermediate care facilities for the mentally retarded that are projected to close and who otherwise would have been required to be relocated into newly developed intermediate care facilities for the mentally retarded.

The number of home- and community-based waiver openings used for persons with mental retardation or related conditions who are being discharged from nursing homes shall not exceed 50 openings in fiscal year 1992 and 80 openings in fiscal year 1993.

Subd. 4. Family Self-Sufficiency	(12,989,000)	(11,449,000)
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Unexpended fiscal year 1991 start work grant funds may be used to pay fiscal year 1991 work readiness services obligations.

For the biennium ending June 30, 1993, general assistance grant funds are appropriated to the commissioner of human services to cover the costs of the refugee cash assistance and refugee medical assistance programs that exceed the federal fiscal year 1992 appropriation for those programs. Federal funds received on or after September 30, 1992, as reimbursement for the federal fiscal year 1992 refugee cash assistance and refugee medical assistance costs must be deposited in the general assistance grant account and appropriated for general assistance grants.

Funds appropriated for fiscal year 1992 for paying contract institutions fees for

	1992	1993
	\$	\$
cashing public assistance warrants under Laws 1991, chapter 292, article 1, section 2, subdivision 4, do not cancel, but are available for that purpose in fiscal year 1993.		

Subd. 5. Health Care

	23,026,000	28,349,000
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A nursing facility downsized under Minnesota Statutes, section 256B.431, subdivision 2m, and ineligible for the OBRA adjustments in Minnesota Statutes, section 256B.431, subdivision 7, shall receive a one-time state grant of \$50,600 to cover the up-front costs of meeting OBRA requirements.

The department of human services shall transfer up to \$2,800,000 of state funds from the basic sliding fee program to the AFDC child care program to establish the base for the non-STRIDE AFDC child care program. The department shall make the transfer over the biennium ending June 30, 1993. The amount of federal child care and development block grant funds committed to the basic sliding fee program must be increased by an amount equivalent to the transfer. The state funds transferred to the AFDC child care program will provide state matching funds for additional federal funds earned by the department pursuant to Public Law Number 100-485.

For fiscal year 1993, the commissioner may transfer up to \$250,000 from the Minnesota supplemental aid grants account to the medical assistance grants account to reimburse the medical assistance account for nursing facility receivership costs incurred by counties. These transfers must be made from the account of the county of financial responsibility for particular receivership costs and in the amount of individual county cost.

Any unexpended balance of the \$50,000 appropriation in Laws 1991,

	1992	1993
	\$	\$
chapter 292, article 1, section 2, subdivision 5, in fiscal year 1992 for modifications to adult foster care homes under provisions of Minnesota Statutes 1991 Supplement, section 256B.0917, does not cancel and is available for these purposes for fiscal year 1993.		

The commissioner shall not implement a system to pay hospitals under the medical assistance and general assistance medical care programs on a peer grouping basis during the biennium ending June 30, 1993.

The commissioner of human services may implement demonstration projects designed to create alternative delivery systems for acute and long-term care services to elderly and disabled persons which provide increased coordination, improve access to quality services, and mitigate future cost increases. Before implementing the projects, the commissioner must provide to the legislature information regarding the projects, as part of the department's fiscal year 1994-1995 biennial budget request. Demonstrations affecting elderly persons must be integrated with the provisions of Minnesota Statutes 1991 Supplement, section 256B.0917. The commissioner shall report to the legislature on the interim progress of these demonstrations by June 30, 1993. The report must address the feasibility of and time lines for expansion of the projects or similar projects as part of a long-range strategy for reforming the long-term care delivery system.

The money appropriated to health care management to increase federal medical assistance reimbursement may not be included in the base for the biennium beginning July 1, 1993. The commissioner shall request continued funding based upon the results of the increased effort to maximize federal

	1992	1993
	\$	\$
funding and shall include an evaluation of those results when requesting additional funding.		

Before implementing the managed care initiatives for people with developmental disabilities or mental illness, the commissioner shall report to the chair of the house of representatives human resources division of the appropriations committee and the chair of the senate human resources division of the finance committee regarding the proposed program. The report should include the number of people likely to be affected by the program and the effects of the proposal on the services they receive. Fiscal information should be provided, including the projected costs and savings under the proposal for the biennium ending June 30, 1995.

The commissioner shall postpone administration of the Minnesota department of health residential care home rule until fiscal year 1995. No administrative cost shall be incurred until this time as the rule is not expected to be in effect until fiscal year 1995.

Effective January 1, 1993, and contingent upon federal approval of adding preplacement case management activities for persons with mental retardation or a related condition to the state Medicaid plan under title XIX of the Social Security Act, the commissioner shall transfer \$600,000 of Community Social Services Act funds, appropriated for Grants for Case Management established under Minnesota Statutes, section 256E.14, to the state medical assistance account. This transfer is for the purpose of providing funding through June 30, 1993, for the state match necessary for preplacement activity.

In the event that a large community-based facility licensed under Minne-

	1992	1993
	\$	\$
sota Rules, parts 9525.0215 to 9525.0355, for more than 16 beds but not certified as an intermediate care facility for persons with mental retardation or related conditions closes and alternative services for the residents are necessary, the commissioner may transfer on a quarterly basis to the medical assistance state account from each affected county's community social service allocation an amount equal to the state share of medical assistance reimbursement for such residential and day habilitation services funded by medical assistance and provided to clients for whom the county is financially responsible.		

Up to \$30,000 of the appropriation for preadmission screening/alternative care grants for fiscal year 1992 contained in Laws 1991, chapter 292, article 1, section 2, subdivision 6, may be transferred to the health care administration account to pay the state's share of county claims for conducting nursing home assessments for persons with mental illness or mental retardation as required by Public Law Number 100-203 (OBRA).

For the fiscal year ending June 30, 1993, a newly constructed or newly established intermediate care facility for the mentally retarded that is developed and financed during that period shall not be subject to the equity requirements in Minnesota Statutes, section 256B.501, subdivision 11, paragraph (d), or Minnesota Rules, part 9553.0060, subpart 3, item F, provided that the provider's interest rate does not exceed the interest rate available through state agency tax exempt financing.

Because nine percent or more of the total preadmission screenings done for SAIL counties under Minnesota Stat-

	1992	1993
	\$	\$
<p>utes, section 256B.0917, subdivision 4, in fiscal year 1991 were not listed in the October 17, 1991, printing of OD-8043 (State of Minnesota, Department of Human Services Long Term Care Management Division, Preadmission Screening Records for MA and Private Pay Persons Reconciliation List) due to computer error, the commissioner shall make a one-time adjustment on May 1, 1992, to that county's fiscal year 1992 estimated number of preadmission screenings by the actual number of county-verified unlisted names.</p>		
Subd. 6. Mental Health and Regional Treatment Centers	(3,445,000)	(9,683,000)

The commissioner of human services, by January 15, 1993, shall submit to the legislature a comprehensive integrated mental health plan for regional treatment centers and community-based services. The plan must be based on a systemwide analysis of individual needs and contain specific strategies, target dates, funding methods, and budgets.

There shall be at least one complement position in the department of human services to provide staff support to the state advisory council on mental health in order to coordinate activities with and provide technical assistance to the local advisory councils on mental health.

\$120,000 is appropriated to establish a six-bed short-term mental health crisis unit for adolescents in the five-county Region VII East area. The planning and development of the project shall be done by the Cambridge regional service center task force and its mental health work group. The program's goal shall be to return clients to the community as soon as possible. Special emphasis must be placed on children's mental

	1992	1993
	\$	\$
health in cooperation with the special education districts.		

For the fiscal year ending June 30, 1992, the commissioner of finance is authorized to transfer \$4,100,000 from the regional treatment centers chemical dependency treatment fund account to the general fund. Any remaining unspent money in the account does not cancel but is available for the fiscal year ending June 30, 1993.

The commissioner of finance shall transfer up to \$1,750,000 annually from the general fund to the enterprise fund for the specific purpose of providing for the cash flow requirements of the chemical dependency programs operated by the regional treatment centers. All transfers are subject to the commissioner's assessment of the amount of funding needed for cash flow needs, equivalent to two months of account receivables and the ability of the programs to repay the advances from earnings. The chemical dependency programs at the regional treatment centers must repay any advances from the general fund at the prevailing interest rate for invested treasury cash as determined by the commissioner by March 1, 1993. The commissioner shall report to the legislature by January 1, 1993, regarding the financial status of the chemical dependency programs operated by the regional treatment centers.

Notwithstanding the provisions of any law to the contrary, the commissioner of human services may not limit admissions to any regional treatment center or state-operated nursing home, without the specific approval of the chairs of the human resources division of the house appropriations committee and the health and human services division of the senate finance committee.

1992

1993

\$

\$

The reduction in regional treatment center salary accounts shall not reduce the salary base for the regional treatment centers.

It is the policy of the state of Minnesota to provide direct service to the state's customers in the face of tight fiscal conditions. If layoffs of state employees as defined under Minnesota Statutes, chapter 43A, are necessary, the appointing authority shall make reductions from the top down. Larger percentages of reductions shall come from top management and supervisory classifications than from support staff and line personnel. This same policy shall apply to the holding of vacancies if agencies use this technique to manage their respective budgets. Nothing in this section shall be construed to abrogate existing collective bargaining contracts.

Provided there is no conflict with any collective bargaining agreement, any regional treatment center or state nursing home reduction in the human services technical classifications and other nonprofessional, nonsupervisory direct care positions must only be accomplished through attrition, transfers, and retirement and must not be accomplished through layoff, unless the position reduction is due to the relocation of residents to a different state facility and the employee declines to accept a transfer to a comparable position in another state facility.

Any regional treatment center employee position identified as being vacant by the regional treatment center and the commissioner of human services may only be declared so after review by the chair of the house human services division of appropriations and the chair of the senate health and human services division of finance.

	\$ 1992	\$ 1993
<p>Within the limits of available appropriations, the commissioner shall build, purchase, or lease suitable buildings for state-operated community-based programs. The commissioner shall develop the state-operated community residential facilities authorized in 1990 session worksheets of the house appropriations and senate finance committees. The commissioner shall finance the purchase or construction of state-operated, community-based facilities with general obligation bonds or with the Minnesota housing finance agency. When state-operated, community-based facilities are constructed, purchased, or leased through the Minnesota housing finance agency, the commissioner shall make payments through the department of administration to the Minnesota housing finance agency in repayment of mortgage loans granted for this purpose.</p> <p>In addition to using general obligation bonds authorized for that purpose, the commissioner shall finance the construction of the ten state-operated community residential facilities with the use of Minnesota housing finance agency bonding authorized in Laws 1990, chapter 610, article 1, section 12, subdivision 3. At least two of the ten state-operated community services facilities shall be built as crisis use facilities in the metropolitan area.</p>		
Subd. 7. Total Special Revenue Fund Appropriation	-0-	134,000
Sec. 3. VETERANS NURSING HOMES BOARD	(116,000)	(965,000)
Sec. 4. COMMISSIONER OF JOBS AND TRAINING		
Total General Fund Appropriation	-0-	1,000,000

This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 5.

1992

1993

\$

\$

The commissioners of jobs and training, human services, and finance shall develop a plan for the programs of extended employment and day training and habilitation which will serve the greatest number of individuals at an appropriate level within the current state appropriation. Staff of the governor and the legislature must be consulted in developing this plan. This plan must be delivered to the governor by December 1, 1992. Recommendations from the plan may be used in setting the 1994-1995 biennial budget.

The additional funding for the head start program must be distributed as provided in Minnesota Statutes, section 268.914, subdivision 1, paragraph (a), and must not be used for innovative programs under Minnesota Statutes, section 268.914, subdivision 1, paragraph (b), or service expansion grants under Minnesota Statutes, section 268.914, subdivision 2.

Sec. 5. CORRECTIONS

Total General Fund Appropriation	(1,500,000)	4,650,000
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This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 6.

\$1,500,000 in the community correction act account shall not carry forward but shall cancel to the general fund.

\$3,600,000 is for operating costs at the correctional facility at Faribault to meet expanding capacity and population requirements. This appropriation is contingent on authorization by the legislature and the governor for the commissioner of finance to issue general obligation bonds up to but not to exceed \$4,700,000 in fiscal year 1993 to remodel and renovate two additional living units to house up to 160 inmates,

	1992	1993
	\$	\$

and the transfer of administrative authority for the same space from the commissioner of human services to the commissioner of corrections.

Sec. 6. HEALTH

Total General Fund Appropriation	(1,081,000)	726,000
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This appropriation is added to the appropriation in Laws 1991, chapter 292, article 1, section 9.

Notwithstanding Laws 1985, First Special Session chapter 14, article 19, section 19, of the unobligated balance in the Maternal and Child Health account, \$400,000 shall cancel to the general fund.

The unobligated balance of the \$45,000 appropriated from the state government special revenue fund in Laws 1991, chapter 292, article 1, section 9, subdivision 3, for the physician assistant registration rules shall not cancel, but shall be available until June 30, 1993.

Notwithstanding the provisions of Minnesota Statutes, sections 144.122 and 144.53, the commissioner of health shall increase the annual licensure fee charged to a hospital accredited by the joint commission on accreditation of health care organizations by \$520 and shall increase the annual licensure fee charged to nonaccredited hospitals by \$225.

In determining base adjustments for the volunteer ambulance training reimbursement, the commissioner of finance shall carry forward as a permanent reduction only \$20,000.

\$40,000 is appropriated from the general fund for the fiscal year ending

	1992	1993
	\$	\$

June 30, 1993, to the commissioner of health for local deliverers of the WIC program to purchase federally authorized nutritional supplements requiring no refrigeration or cooking to be distributed to eligible women and children who are homeless or living in temporary or emergency shelter.

\$5,000 is appropriated to the commissioner of health. The commissioner shall use this money to prepare and distribute materials designed to provide information to retail business on the requirements of Minnesota Statutes, sections 145.385 to 145.40.

\$50,000 is appropriated from the general fund to the commissioner of health to review under Minnesota Statutes, section 214.13, proposals from occupations and professions seeking to be licensed or regulated by the state, to be available from January 1, 1993, until June 30, 1993.

The health department will closely monitor the water testing program and report on the actual funds expended. The department shall work with affected local units of government to determine the most cost-effective manner for financing the program. The commissioner shall report to the legislature by January 15, 1993, on these matters.

The legislative commission on water shall investigate and recommend alternative future funding sources for the water testing program. They shall include, but not be limited to, volume-based fees, expansion of fees to nonmunicipal water systems, a statewide water testing fund, caps on total fees for municipalities, and use of general fund sources.

The health department shall work with the legislative water commission to in-

	\$ 1992	\$ 1993
investigate ways to incorporate technical colleges, agricultural extension agents, and others to develop an alternative approach to testing. They shall also look at approaches used in other states.		
State Government Special Revenue Appropriation	10,000	130,000
Sec. 7. HEALTH-RELATED BOARDS		
Subdivision 1. Total Special Revenue Fund Appropriation	53,000	420,000
Subd. 2. Board of Chiropractic Examiners	-0-	14,000
Subd. 3. Board of Dentistry	-0-	11,000
Subd. 4. Board of Medical Practice	-0-	94,000
Subd. 5. Board of Nursing	-0-	86,000
Subd. 6. Board of Podiatric Medicine	-0-	2,000
Subd. 7. Board of Social Work	16,000	28,000
Subd. 8. Board of Psychology	37,000	185,000
Sec. 8. Housing Finance Agency	(750,000)	(750,000)

Notwithstanding Laws 1991, chapter 292, article 1, section 17, for the biennium ending June 30, 1993, \$225,000 is available each year for the Urban Indian Housing program and \$187,000 each year for the Urban and Rural Homesteading program.

A

COMPUTATION AND ENFORCEMENT OF SUPPORT

Section 1. [16B.091] [CONTRACTS; COMPLIANCE WITH CHILD SUPPORT ORDERS.]

A state agency may not enter into, extend, or renew a contract with an individual unless the individual submits a verified statement that the individual is not under a court-ordered obligation to

pay child support or that the individual is in good standing with respect to a court-ordered child support obligation. For purposes of this section, an individual is in good standing if:

(1) no arrearages are owed with respect to a child support obligation;

(2) the individual has a motion pending with respect to modification of child support and liability for arrearages; or

(3) the individual is complying with a court-ordered repayment plan for arrearages; or

(4) the individual has entered into an agreement with the custodial parent to pay the arrearages.

Sec. 2. Minnesota Statutes 1991 Supplement, section 214.101, subdivision 1, is amended to read:

Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.]

(a) For purposes of this section, "licensing board" means a licensing board or other state agency that issues an occupational license.

(b) If a licensing board receives an order from a court under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court to be in arrears in child support payments, the board shall, within 30 days of receipt of the court order, provide notice to the licensee and hold a hearing. If the board finds that the person is licensed by the board and evidence of full payment of arrearages found to be due by the court is not presented at the hearing, the board shall suspend the license unless it determines that probation is appropriate under subdivision 2. The only issues to be determined by the board are whether the person named in the court order is a licensee, whether the arrearages have been paid, and whether suspension or probation is appropriate. The board may not consider evidence with respect to the appropriateness of the court order or the ability of the person to comply with the order. The board may not lift the suspension until the licensee files with the board proof showing that the licensee is current in child support payments.

Sec. 3. Minnesota Statutes 1990, section 257.67, subdivision 3, is amended to read:

Subd. 3. Willful failure to obey the judgment or order of the court is a civil contempt of the court. All remedies for the enforcement of judgments apply including those available under chapters 518 and 518C and sections 518C.01 to 518C.36 and 256.871 to 256.878.

Sec. 4. Minnesota Statutes 1990, section 518.14, is amended to read:

518.14 [COSTS AND DISBURSEMENTS AND ATTORNEY FEES.]

In a proceeding under this chapter, the court shall award attorney fees, costs, and disbursements in an amount necessary to enable a party to carry on or contest the proceeding, provided it finds:

(1) that the fees are necessary for the good-faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;

(2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and

(3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

Nothing in this section precludes the court from awarding, in its discretion, additional fees, costs, and disbursements against a party who unreasonably contributes to the length or expense of the proceeding. Fees, costs, and disbursements provided for in this section may be awarded at any point in the proceeding, including a modification proceeding under section 518.64. The court may adjudge costs and disbursements against either party. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Sec. 5. Minnesota Statutes 1990, section 518.171, subdivision 1, is amended to read:

Subdivision 1. **[ORDER.]** ~~Unless the obligee has comparable or~~ The court shall order the parent who has better group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor, after considering cost, to name the minor child as beneficiary on any health and dental insurance plan that is available to the obligor parent on a group basis or through an employer or union. If only one parent has such coverage available, the court shall order that parent to name the minor child as

beneficiary. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

If the court finds that dependent health or dental insurance is not available to the obligor either parent on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee custodial parent, the court may require the obligor either parent to obtain dependent health or dental insurance, or to be liable for reasonable and necessary medical or dental expenses of the child.

If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan. The court shall allocate the cost of the premium for the child and the cost of any medical or dental expenses of the child not covered by health or dental insurance to each parent in proportion to the parent's share, after the transfer of child support, of the total combined net incomes of the parents.

Sec. 6. Minnesota Statutes 1990, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] (a) Upon the entry of an order for insurance coverage under this section, the court shall mail a copy of the court order for insurance coverage shall be forwarded to the obligor's employer or union by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of receiving effective notice of the court order, that the insurance has been obtained or that application for insurability has been made;

(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing of the parent who is responsible for the insurance coverage, if insurance is available to the parent on a group basis. The employer or union shall

forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 7. Minnesota Statutes 1990, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, ~~or upon application of the obligor pursuant to the order,~~ the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the ~~obligor's parent's~~ income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the ~~obligor parent~~ is enrolled or the least costly plan otherwise available to the ~~obligor parent~~ that is comparable to a number two qualified plan. An employer or union that fails to comply with the order for 30 or more days is subject to contempt of court. Failure of the ~~obligor parent~~ to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 8. Minnesota Statutes 1990, section 518.171, subdivision 6, is amended to read:

Subd. 6. [INSURER REIMBURSEMENT; CORRESPONDENCE AND NOTICE.] (a) The signature of the custodial parent of the insured dependent is a valid authorization to the insurer for purposes of processing an insurance reimbursement payment to the provider of the medical services. If a parent makes a payment for medical services for which reimbursement is required, the insurer shall pay the reimbursement directly to the parent who made the payment.

(b) The insurer shall send copies of all correspondence regarding the insurance coverage to both parents. When an order for dependent insurance coverage is in effect and the ~~obligor's insured's~~ employment is terminated, or the insurance coverage is terminated, the insurer shall notify the ~~obligee other parent~~ within ten days of the termination date with notice of conversion privileges.

Sec. 9. [518.173] [CHILD CARE EXPENSES.]

The court shall allocate the cost of work-related child care to each parent in proportion to each parent's share, after the transfer of child support, of the total combined net incomes of the parents. The cost of child care for purposes of this section shall be determined by subtracting from the actual cost paid for child care, the amount of the federal and state income tax credits for child care.

Sec. 10. Minnesota Statutes 1990, section 518.175, subdivision 1, is amended to read:

Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such rights of visitation on behalf of the each child and noncustodial parent as will enable the child and the noncustodial parent to maintain a child to parent relationship that will be in the best interests of the child. In particular, the court shall consider the need of each child to spend time alone with each parent. If the court finds, after a hearing, that visitation is likely to endanger the any child's physical or emotional health or impair the any child's emotional development, the court shall restrict visitation by the noncustodial parent with that child as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant. The court shall consider the age of the each child and the each child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 11. Minnesota Statutes 1990, section 518.54, subdivision 4, is amended to read:

Subd. 4. [SUPPORT MONEY; CHILD SUPPORT.] "Support money" or "child support" means:

(1) an award in a dissolution, legal separation, ~~or annulment, or parentage~~ proceeding for the care, support and education of any child of the marriage or of the parties to the ~~annulment~~ proceeding; or

(2) a contribution by parents ordered under section 256.87.

"Support money" or "child support" includes interest on arrearages under section 23.

Sec. 12. Minnesota Statutes 1990, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [SCOPE; PAYMENT TO PUBLIC AGENCY.] (a)

This section applies to all proceedings involving an award of the child support.

(b) The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement. This includes the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 13. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (h). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

(b) The court shall derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per
Month of Obligor

Number of Children

	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 – 500	14%	17%	20%	22%	24%	26%	28%
\$501 – 550	15%	18%	21%	24%	26%	28%	30%
\$551 – 600	16%	19%	22%	25%	28%	30%	32%
\$601 – 650	17%	21%	24%	27%	29%	32%	34%
\$651 – 700	18%	22%	25%	28%	31%	34%	36%
\$701 – 750	19%	23%	27%	30%	33%	36%	38%
\$751 – 800	20%	24%	28%	31%	35%	38%	40%
\$801 – 850	21%	25%	29%	33%	36%	40%	42%
\$851 – 900	22%	27%	31%	34%	38%	41%	44%
\$901 – 950	23%	28%	32%	36%	40%	43%	46%
\$951 – 1000	24%	29%	34%	38%	41%	45%	48%
\$1001 – 4000 <u>10,000</u>	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of ~~\$4,001~~ \$10,000 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of ~~\$4,000~~ \$10,000. The court may apply the guideline percentages for net monthly incomes of \$1,001 to \$10,000 to any portion of net monthly income in excess of \$10,000, but the rebuttable presumption in paragraph (i) does not apply to this additional amount.

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security Deductions
- (iv) Reasonable Pension Deductions
- (v) Union Dues
- (vi) Cost of Dependent Health Insurance Coverage
- (vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order that is Currently Being Paid.

*Standard Deductions
apply—use of tax
tables recommended

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

~~(b)~~ (c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph ~~(a)~~ (b), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

~~(4) the amount of the aid to families with dependent children grant for the child or children;~~

~~(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and~~

~~(6) (5) the parents' debts as provided in paragraph (e) (d); and~~

~~(6) existing or anticipated extraordinary medical expenses of the child.~~

~~(e) (d) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:~~

~~(1) the right to support has not been assigned under section 256.74;~~

~~(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and~~

~~(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.~~

~~(d) (e) Any schedule prepared under paragraph (e) (d), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.~~

~~(e) (f) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.~~

~~(f) Where (g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.~~

~~(g) (h) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.~~

~~(h) (i) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying~~

child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph ~~(b)~~ (c) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(j) Under no circumstances shall the fact that the obligee receives public assistance be grounds for the court to depart downward from the applicable child support amount calculated under paragraph (b).

Sec. 14. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 5d. [EDUCATION TRUST FUND.] If the child support order provides the child with a reasonable standard of living, the parties may agree to designate a sum of money as a trust fund for the costs of post-secondary education. The court shall advise parties that this option is available and that they may wish to consult an attorney concerning the creation of a trust. The state court administrator, in consultation with attorneys experienced in trust law, shall prepare a model trust instrument which the court administrator shall provide to parties who have minor children.

Sec. 15. Minnesota Statutes 1991 Supplement, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] Upon petition of an obligee or public agency responsible for child support enforcement, if the court finds that the obligor is in arrears on court-ordered child support payments, and has not entered into an agreement with the custodial parent to pay the arrearages, the court may provide for suspension of licenses as provided in this subdivision. If the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 and the obligor is in arrears in court-ordered child support payments or by any other state agency that issues an occupational license, the court may direct the licensing board or other licensing agency to conduct a hearing under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct.

The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

Sec. 16. Minnesota Statutes 1990, section 518.57, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Upon a decree of dissolution, legal separation, or annulment, the court shall make a further order which is just and proper concerning the maintenance of the minor children as provided by section 518.551, and for the maintenance of any child of the parties as defined in section 518.54, as support money; ~~and. The court may make the same any child support order a lien or charge upon the property of the parties to the proceeding, or either of them obligor, either at the time of the entry of the judgment or by subsequent order upon proper application.~~

Sec. 17. Minnesota Statutes 1990, section 518.57, is amended by adding a subdivision to read:

Subd. 4. [OTHER CUSTODIANS.] If a child resides with a person other than a parent and the court approves of the custody arrangement, the court may order child support payments to be made to the custodian regardless of whether the person has legal custody.

Sec. 18. [518.585] [NOTICE OF INTEREST ON LATE CHILD SUPPORT.]

Any judgment or decree of dissolution or legal separation containing a requirement of child support and any determination of parentage, order under chapter 518C, order under section 256.87, or order under section 260.251 must include a notice to the parties that section 23 provides for interest to begin accruing on a payment or installment of child support whenever the unpaid amount due is greater than the current support due.

Sec. 19. Minnesota Statutes 1990, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) Notwithstanding any law to the contrary, the order is binding on the employer, trustee, payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers must occur in accordance with a court-ordered payment schedule. An employer, payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2 and section 518.613

and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. The obligor is deemed to have paid the amount withheld as of the date the obligor received the remainder of the income. The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement.

(b) Employers may combine all amounts withheld from one pay period into one payment to each public authority; but or one payment for all public authorities made to a public authority in a county designated by the commissioner of human services. The employer shall separately identify each obligor making payment in accordance with information required by the commissioner of human services. The combined payment must be accompanied by a fee of \$1 for each obligor included in the payment, which must be deposited in the county treasury of the county designated by the commissioner of human services and credited to the county general fund. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party.

(c) An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement. An employer or other payor of funds or a financial institution that fails to withhold or transfer funds in accordance with this section is:

(i) liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred;

(ii) liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph; and

(iii) subject to contempt of court if it fails to comply with the requirements of this section for 30 days or more.

Sec. 20. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 1, is amended to read:

Subdivision 1. [MODIFICATION; CONTEMPT.] After an order for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on motion of either of the parties, a copy of which is served on the public authority responsible for child support enforcement if payments are made through it, or on motion of the public authority responsible for support enforcement, modify the order respecting the amount of maintenance or support money, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided. The obligee or public authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments.

Sec. 21. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87; ~~or~~ (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair; or (5) extraordinary medical expenses of the child.

The terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; ~~and~~

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full; and

(3) may consider the financial needs of any child born to, or adopted by, the obligor after entry of the support order, but only if:

(i) the motion is to increase the amount of support; and

(ii) the court also considers the financial circumstances of each party's spouse, if any.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the

property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 22. Minnesota Statutes 1991 Supplement, section 518.64, subdivision 5, is amended to read:

Subd. 5. [FORM.] The department of human services shall prepare and make available to courts, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order for support or maintenance or for contempt of court. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 23. Minnesota Statutes 1990, section 548.091, subdivision 1a, is amended to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date it is due and is entitled to full faith and credit in this state and any other state. Interest accrues at an annual rate of ten percent from the date the judgment on the payment or installment is entered and docketed under subdivision 3a, at the annual rate provided in section 549.09, subdivision 1 unpaid amount due is greater than the current support due. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision.

Sec. 24. Minnesota Statutes 1990, section 588.20, is amended to read:

588.20 [CRIMINAL CONTEMPTS.]

Every person who shall commit a contempt of court, of any one of the following kinds, shall be guilty of a misdemeanor:

(1) Disorderly, contemptuous, or insolent behavior, committed during the sitting of the court, in its immediate view and presence, and directly tending to interrupt its proceedings, or to impair the respect due to its authority;

(2) Behavior of like character in the presence of a referee, while actually engaged in a trial or hearing, pursuant to an order of court, or in the presence of a jury while actually sitting for the trial of a cause, or upon an inquest or other proceeding authorized by law;

(3) Breach of the peace, noise, or other disturbance directly tending to interrupt the proceedings of a court, jury, or referee;

(4) Willful disobedience to the lawful process or other mandate of a court;

(5) Resistance willfully offered to its lawful process or other mandate;

(6) Contumacious and unlawful refusal to be sworn as a witness, or, after being sworn, to answer any legal and proper interrogatory;

(7) Publication of a false or grossly inaccurate report of its proceedings; or

(8) Willful failure to pay court-ordered child support when the obligor has the ability to pay.

No person shall be punished as herein provided for publishing a true, full, and fair report of a trial, argument, decision, or other proceeding had in court.

Sec. 25. Minnesota Statutes 1990, section 609.375, subdivision 1, is amended to read:

Subdivision 1. Whoever is legally obligated to provide care and support to a spouse who is in necessitous circumstances, or child, whether or not its custody has been granted to another, and knowingly omits and fails without lawful excuse to do so is guilty of ~~nonsupport of the spouse or child, as the case may be a misdemeanor,~~ and upon conviction thereof may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$300 \$700, or both. Willful failure to make court-ordered child support or spousal maintenance payments is prima facie evidence of a violation of this subdivision.

Sec. 26. Minnesota Statutes 1990, section 609.375, subdivision 2, is amended to read:

Subd. 2. If the knowing omission and failure without lawful excuse to provide care and support to a spouse, a minor child, or a pregnant wife violation of subdivision 1 continues for a period in excess of 90 days the person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 27. [INCOME WITHHOLDING; SINGLE CHECK SYSTEM.]

Within the limits of available appropriations, the commissioner of human services shall designate one or more counties where the public authority will receive and distribute combined child support payments withheld from income by employers under Minnesota Statutes, section 518.611, subdivision 4, paragraph (b). The commissioner shall specify the information to be provided by employers in order to separately identify each obligor making a payment.

Sec. 28. [REPEALER; CHILD SUPPORT ENFORCEMENT.]

Minnesota Statutes 1990, section 609.37, is repealed.

Sec. 29. [CHILD SUPPORT; EFFECTIVE DATE; APPLICATION.]

(a) Section 18 is effective August 1, 1992, for all judgments, decrees, and orders entered on or after that date.

(b) Section 19, paragraph (b), is effective January 1, 1994.

(c) Section 23 is effective August 1, 1992, for all payments and installments of child support due on or after that date.

(d) Sections 24 to 26 and 28 are effective August 1, 1992, and apply to crimes committed on or after that date.

B

ADMINISTRATION AND FUNDING

Section 1. Minnesota Statutes 1990, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.551, subdivision 10;

(2) civil commitment under chapter 253B;

(3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;

(4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;

(5) court relief under chapter 260;

(6) forfeiture of property under sections 609.531 to 609.5317;

(7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance; or

(8) restitution under section 611A.04.

(d) The fees collected for child support modifications under subdivision 2, clause (11), must be transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 2. Minnesota Statutes 1991 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$85.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, \$5, plus 25 cents per page after the first page, and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(12) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 3. Minnesota Statutes 1990, section 518.551, subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support. The public agency may impose a late fee penalty at an annual rate of six percent of the unpaid support due, commencing 30 days after the end of the month when the support was due. An application fee not to exceed ~~\$5~~ \$25 shall be paid by the person who applies for child support and maintenance collection services, except persons who transfer from public assistance to nonpublic assistance status. Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided.

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, United States Code, title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

Sec. 4. Minnesota Statutes 1990, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or represents a party to the

action must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
 - (2) motions to set aside a paternity adjudication or declaration of parentage;
 - (3) evidentiary hearing on contempt motions; and
 - (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.
- (b) An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.
- (c) For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.
- (d) Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, and the county court administrator shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.
- (e) Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, acting at the direction of the county attorney, may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.
- (f) The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order.

Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

(g) The decision and order of the administrative law judge is appealable to the court of appeals in the same manner as a decision of the district court.

(h) Within the limits of available appropriations, the commissioner shall provide grants to counties to cover the costs of the administrative process, including salaries of administrative law judges.

Sec. 5. Minnesota Statutes 1990, section 518.551, is amended by adding a subdivision to read:

Subd. 13. [CONSULTATION WITH LEGAL STAFF AND PRACTITIONERS.] When considering and developing legislative initiatives and when developing rules, procedures, and forms, the state office of child support shall consult judges, attorneys in the department and the attorney general's office, county attorneys and support enforcement staff, and family law practitioners.

Sec. 6. [COLLECTIONS AND COST RECOVERY.]

The commissioner of human services shall consult with representatives of the office of child support enforcement, local social service agencies, the department of revenue, and legislative staff to make recommendations for a process to increase the collection of child support arrearages and to institute cost recovery in child support enforcement. The commissioner of human services and the commissioner of revenue shall report the recommendations to the chairs of the committees on health and human services and judiciary in the senate and the house of representatives by January 15, 1993.

Sec. 7. [CHILD SUPPORT COMPUTER SYSTEM.]

The commissioner of human services shall take appropriate action to ensure that the statewide computer system for the collection and enforcement of child support is operating effectively and efficiently as soon as possible. The commissioner shall report to the chairs of the committees on health and human services and judiciary in the senate and the house of representatives by January 15, 1993, concerning the status of the computer system and any problems in the functioning of the system.

Sec. 8. [SAVINGS DESIGNATED FOR COUNTY ADMINISTRATION.]

The commissioner of human services and the commissioner of finance shall estimate the savings to the state that will result from

reducing the number of instances in which there are downward deviations from the child support guidelines in cases where the children receive AFDC. Before the end of fiscal year 1993, the amount of the estimated savings for fiscal year 1993 must be transferred from the appropriation for AFDC to the appropriation for county child support enforcement incentive grants in Laws 1991, chapter 292, article 1, section 2, subdivision 4, to be allocated to counties in the same manner as the original appropriation for fiscal year 1993. For purposes of the governor's 1994-1995 biennial budget recommendations, the amount transferred during fiscal year 1993 and any additional savings projected for the biennium as a result of prohibiting downward deviations in AFDC cases must be added to the direct legislative appropriations and considered part of the base level funding for county child support enforcement incentives.

C

SURCHARGE

Section 1. [144.0505] [COOPERATION WITH COMMISSIONER OF HUMAN SERVICES.]

The commissioner shall promptly provide to the commissioner of human services upon request any information on hospital revenues, nursing home licensure, and health maintenance organization revenues required by the commissioner of human services to operate the provider surcharge program.

Sec. 2. Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified

beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

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

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

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

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

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

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

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

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

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

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided:

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

(2) the relocation of nursing home beds under this clause should not exceed a radius of six miles;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital build-

ings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds. The relocated beds need not be licensed and certified at the new location simultaneously with the delicensing and decertification of the old beds and may be licensed and certified at any time after the old beds are delicensed and decertified;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds;

(o) to certify or license new beds in a new facility on the Red Lake Indian Reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b);

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less; or to license as nursing home beds boarding care beds in a facility with an addendum to its provider agreement effective beginning July 1, 1983, if the boarding care beds to be upgraded meet the standards for nursing home licensure. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding

the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(q) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this clause;

(r) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(s) to license or certify beds that are moved from a nursing home to a separate facility under common ownership or control that was formerly licensed as a hospital and is currently licensed as a nursing facility and that is located within eight miles of the original facility, provided the original nursing home building will no longer be operated as a nursing home. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation; or

(t) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that

licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more; or

(u) to certify, prior to July 1, 1993, beds in a facility that has no certified beds but was licensed and in operation prior to January 1, 1992.

Sec. 3. Minnesota Statutes 1991 Supplement, section 144A.071, subdivision 3a, is amended to read:

Subd. 3a. [CERTIFICATION OF LICENSED BEDS IN A CERTIFIED FACILITY.] Nothing in this section prohibits the commissioner of health from certifying licensed nursing home beds in a facility certified for medical assistance provided that these beds meet the certification requirements ~~and the facility enters into a written agreement with the commissioner of human services specifying that medical assistance reimbursement shall not be requested for a greater number of residents than the facility had medical assistance certified beds on April 1, 1991.~~

Sec. 4. Minnesota Statutes 1990, section 144A.073, subdivision 5, is amended to read:

Subd. 5. [REPLACEMENT RESTRICTIONS.] (a) Proposals submitted or approved under this section involving replacement must provide for replacement of the facility on the existing site except as allowed in this subdivision.

(b) Facilities located in a metropolitan statistical area other than the Minneapolis-St. Paul seven-county metropolitan area may relocate to a site within the same census tract or a contiguous census tract.

(c) Facilities located in the Minneapolis-St. Paul seven-county metropolitan area may relocate to a site within the same or contiguous health planning area as adopted in March 1982 by the metropolitan council.

(d) Facilities located outside a metropolitan statistical area may relocate to a site within the same city or township, or within a contiguous township.

(e) A facility relocated to a different site under paragraph (b), (c), or (d) must not be relocated to a site more than six miles from the existing site.

(f) The relocation of part of an existing first facility to a second location, under paragraphs (d) and (e), may include the relocation to the second location of up to four beds from part of an existing third

facility located in a township contiguous to the location of the first facility. The six-mile limit in paragraph (e) does not apply to this relocation from the third facility.

Sec. 5. Minnesota Statutes 1990, section 147.02, is amended by adding a subdivision to read:

Subd. 7. [INFORMATION FOR COMMISSIONER OF HUMAN SERVICES.] The board shall promptly provide to the commissioner of human services upon request any information on physician licensure required by the commissioner to operate the provider surcharge program.

Sec. 6. Minnesota Statutes 1991 Supplement, section 256.9656, is amended to read:

256.9656 [DEPOSITS INTO THE GENERAL FUND.]

All money collected under section 256.9657 shall be deposited in the general fund and is appropriated to the commissioner of human services for the purposes of section 256B.74. Deposits do not cancel and are available until expended.

Sec. 7. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. [NURSING FACILITY HOME LICENSE SURCHARGE.] Effective July October 1, 1991 1992, each non-state-operated nursing facility subject to the reimbursement principles in Minnesota Rules, parts 9549.0010 to 9549.0080, home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as \$500 \$536 per bed licensed on the previous April July 1, except that if the number of licensed beds is reduced after July 1 but prior to August 1, the surcharge shall be based on the number of remaining licensed beds. A nursing home entitled to a reduction in the number of beds subject to the surcharge under this provision must demonstrate to the satisfaction of the commissioner by August 5 that the number of beds has been reduced.

Sec. 8. Minnesota Statutes 1991 Supplement, section 256.9657, is amended by adding a subdivision to read:

Subd. 1a. [WAIVER REQUEST.] The commissioner shall request a waiver from the secretary of the United States Department of Health and Human Services to exclude from the surcharge under subdivision 1 a nursing home that provides all services free of charge and to make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge. If a waiver is approved under this subdivision, the commissioner shall

not collect a surcharge from a nursing home that demonstrates to the satisfaction of the commissioner that all services are provided free of charge and shall make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge.

Sec. 9. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 2, is amended to read:

Subd. 2. [HOSPITAL SURCHARGE.] (a) Effective ~~July~~ October 1, ~~1991~~ 1992, each Minnesota and local trade area hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to ~~ten~~ 1.6 percent of medical assistance payments issued to net patient revenues excluding net Medicare revenues reported by that provider for inpatient services to the health care cost information system according to the schedule in subdivision 4. Medicare cross-overs and indigent care payments paid under section 256B.74 are excluded from the amount of medical assistance payments issued.

(b) Effective July 1, 1991, each Minnesota and local trade area hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to five percent of medical assistance payments issued to that provider for outpatient services according to the schedule in subdivision 4. Medicare crossovers are excluded from the amount of medical assistance payments issued.

Sec. 10. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH PLAN MAINTENANCE ORGANIZATION SURCHARGE.] Effective ~~July~~ October 1, ~~1991~~ 1992, each health plan under contract with maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D shall pay to the commissioner of human services a surcharge equal to the equivalent value of the surcharges described in subdivision 2 for each medical assistance rate cell payment ~~seven-tenths~~ of one percent of the total premium revenues of the health maintenance organization as reported to the commissioner of health according to the schedule in subdivision 4. The surcharge for each quarter or month of a fiscal year shall be calculated based on the payments due in September of the same fiscal year under subdivision 2.

Sec. 11. Minnesota Statutes 1991 Supplement, section 256.9657, is amended by adding a subdivision to read:

Subd. 3a. [LICENSED PHYSICIAN SURCHARGE.] Each physician licensed by the board of medical practice shall pay to the

commissioner an annual license surcharge of \$400 according to the schedule in subdivision 4 to be paid at the time a license is renewed.

Sec. 12. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 4, is amended to read:

Subd. 4. [PAYMENTS INTO THE ACCOUNT.] Payments to the commissioner under ~~subdivision~~ subdivisions 1 to 3 must be paid in monthly installments due on the 15th of the month beginning ~~August~~ October 15, 1991 1992. The monthly payment must be equal to the annual surcharge divided by 12. Payments to the commissioner under subdivisions 2 and 3 for fiscal year 1993 must be paid as follows: ~~the first payment is a quarterly payment due September 15, 1991, with subsequent payments due monthly on the fifteenth of each month. The September 15, 1991, payment under subdivisions 2 and 3 shall be determined by taking the amount of medical assistance payments issued to each provider in the calendar quarter beginning six months prior to the quarter in which the payment is due multiplied by the percentage surcharge for each provider. The subsequent monthly payments shall be determined by taking the amount of medical assistance payments issued to each provider in the month beginning six months prior to the month in which the payment is due multiplied by the percentage surcharge for each provider based on calendar year 1990 revenues. Effective July 1 of each year, beginning in 1993, payments under subdivisions 2 and 3 must be based on revenues earned in the second previous calendar year.~~

Sec. 13. Minnesota Statutes 1991 Supplement, section 256.9657, subdivision 7, is amended to read:

Subd. 7. [ENFORCEMENT COLLECTION; CIVIL PENALTIES.] ~~The commissioner shall bring action in district court to collect provider payments due under subdivisions 1 to 3 that are more than 30 days in arrears. The provisions of sections 289A.35 to 289A.50 relating to the authority to audit, assess, collect, and pay refunds of other state taxes may be implemented by the commissioner of human services with respect to the tax, penalty, and interest imposed by this section. The commissioner of human services shall impose civil penalties for violation of this section as provided in section 289A.60, and the tax and penalties are subject to interest at the rate provided in section 270.75.~~

Sec. 14. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL COST INDEX.] The hospital cost index shall be obtained from an independent source and shall represent a weighted average of historical, as limited to statutory maximums, and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits,

medical and professional fees, raw food, utilities, insurance including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index shall be used to adjust the base year operating payment rate through the rate year on an annually compounded basis. Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index shall not be effective under the general assistance medical care program for admissions occurring during the biennium ending June 30, 1993, and the hospital cost index under medical assistance shall be increased by 3.7 percentage points to reflect changes in technology.

Sec. 15. Minnesota Statutes 1991 Supplement, section 256.969, is amended by adding a subdivision to read:

Subd. 9a. [ENHANCED DISPROPORTIONATE SHARE.] A hospital with a medical assistance inpatient utilization rate in which 19 percent or more of the total inpatient days are medical assistance days shall receive an enhancement in disproportionate share payments, so that the total payment shall equal 150 percent of the payment to which the facility is entitled under subdivision 9.

Sec. 16. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 20, is amended to read:

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

(b) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occurred between July 1, 1988, and December 31, 1990, if: (i) the hospital had more than 100 but fewer than 250 Minnesota medical assistance annualized paid admissions, excluding Medicare crossovers, that were paid by March 1, 1988, for the period January 1, 1987, to June 30, 1987; (ii) the hospital had 100 or fewer licensed beds on March 1, 1988; (iii) the hospital is located in Minnesota; and (iv) the hospital is not located in a city of

the first class as defined in section 410.01. For this paragraph, medical assistance does not include general assistance medical care.

(c) Medical assistance inpatient payment rates shall increase 20 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur on or after October 1, 1992, 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 a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

(d) Medical assistance inpatient payments shall increase 15 percent for inpatient hospital originally paid admissions, excluding Medicare crossovers, that occur after September 30, 1992, 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 a hospital that qualifies for an adjustment under this paragraph and under subdivision 9, the hospital must be paid the adjustment under subdivision 9 plus any amount by which the adjustment under this paragraph exceeds the adjustment under subdivision 9. For this paragraph, medical assistance does not include general assistance medical care.

Sec. 17. Minnesota Statutes 1990, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 6a, paragraph (a), clause (3), the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of the upgrade to the Medicaid management information system.

During the transition period:

(a) Changes resulting from section 256.969, subdivision 6a, paragraph (a), clauses (1), (2), (4), (5), (6), and (8), shall not be implemented, except as provided in section 256.969, subdivision 6a, paragraph (a), clause (7), and paragraph (i).

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. For payments made for admissions occurring on or after June 1, 1990, ~~shall not be adjusted by the one percent technology factor included in the hospital cost index and the hospital cost index shall not exceed five percent.~~ This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 6a, paragraphs (g) and (h).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

Sec. 18. Minnesota Statutes 1990, section 256B.19, is amended by adding a subdivision to read:

Subd. 1b. [PORTION OF NONFEDERAL SHARE TO BE PAID BY GOVERNMENT HOSPITALS.] In addition to the percentage contribution paid by a county under subdivision 1, the governmental units designated in this subdivision shall be responsible for an additional portion of the nonfederal share of medical assistance costs attributable to them. For purposes of this subdivision, "designated governmental unit" means Hennepin county, and the public corporation known as Ramsey Health Care, Inc. which is operated under the authority of chapter 246A. For purposes of this subdivision, "public hospital" means the Hennepin County Medical Center, and the St. Paul-Ramsey Medical Center.

Each of the governmental units designated in this subdivision shall on a monthly basis assess the public hospital under its jurisdiction, in an amount equal to two percent of the public hospital's net patient revenues, excluding net Medicare revenue. These sums shall be transmitted to the state Medicaid agency as part of the local governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

Sec. 19. Minnesota Statutes 1990, section 256B.431, subdivision 2i, is amended to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the other operating

cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to 110 percent of the median of the array of allowable historical other operating cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other operating cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.

(b) [CARE-RELATED OPERATING COST LIMITS.] For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to 125 percent of the median of the array of the allowable historical case mix operating cost standardized per diems and the allowable historical other care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2. For the rate period beginning October 1, 1992, and for rate years beginning after June 30, 1993, the amount of the surcharge under section 256.9657, subdivision 1, shall be included in the plant operations and maintenance operating cost category. The surcharge shall be an allowable cost for the purpose of establishing the payment rate.

(c) [SALARY ADJUSTMENT PER DIEM.] For the rate period October 1, 1988, to June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by 3.5 percent and then dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem

pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied with the legislative commission on long-term care by August 1, 1990.

(d) [NEW BASE YEAR.] The commissioner shall establish new base years for both the reporting year ending September 30, 1989, and the reporting year ending September 30, 1990. In establishing new base years, the commissioner must take into account:

(1) statutory changes made in geographic groups;

(2) redefinitions of cost categories; and

(3) reclassification, pass-through, or exemption of certain costs such as public employee retirement act contributions.

(e) [NEW BASE YEAR.] The commissioner shall establish a new base year for reporting years ending September 30, 1991, and September 30, 1992. In establishing a new base year, the commissioner must take into account:

(1) statutory changes made in geographic groups;

(2) redefinitions of cost categories; and

(3) reclassification, pass-through, or exemption of certain costs.

Sec. 20. Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 3f, is amended to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. For the rate year beginning July 1, 1989, the replacement-cost-new per bed limit for a single bedroom must be \$49,907 adjusted according to Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1990, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1991, the replacement-cost-new per bed limits will be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1), except that the index utilized will be the Bureau of the Census: Composite

fixed-weighted price index as published in the Survey of Current Business.

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall add ten cents per resident per day to each nursing home's property-related payment rate. The ten-cent property-related payment rate increase is not cumulative from rate year to rate year. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing home's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by ten cents per resident per day. For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E. For the rate period beginning October 1, 1992, the equipment allowance for each nursing facility shall be increased by 28 percent. For rate years beginning after June 30, 1993, the allowance must be adjusted annually for inflation.

(e) [POST CHAPTER 199 RELATED-ORGANIZATION DEBTS AND INTEREST EXPENSE.] For rate years beginning on or after July 1, 1990, Minnesota Rules, part 9549.0060, subpart 5, item E, shall not apply to outstanding related organization debt incurred prior to May 23, 1983, provided that the debt was an allowable debt under Minnesota Rules, parts 9510.0010 to 9510.0480, the debt is subject to repayment through annual principal payments, and the nursing home demonstrates to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred. If the debt was incurred due to a sale between family members, the

nursing home must also demonstrate that the seller no longer participates in the management or operation of the nursing home. Debts meeting the conditions of this paragraph are subject to all other provisions of Minnesota Rules, parts 9549.0010 to 9549.0080.

(f) [BUILDING CAPITAL ALLOWANCE FOR NURSING HOMES WITH OPERATING LEASES.] For rate years beginning on or after July 1, 1990, a nursing home with operating lease costs incurred for the nursing home's buildings shall receive its building capital allowance computed in accordance with Minnesota Rules, part 9549.0060, subpart 8.

Sec. 21. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 9a. [ONE-TIME ADJUSTMENT FOR 21-MONTH FACTOR.] For the rate period beginning October 1, 1992, the 21-month inflation factor for operating costs shall be increased by seven-tenths of one percent.

Sec. 22. Minnesota Statutes 1990, section 256B.48, subdivision 1b, is amended to read:

Subd. 1b. [EXCEPTION.] Notwithstanding any agreement between a nursing home and the department of human services or the provisions of this section or section 256B.411, other than subdivision 1a, the commissioner may authorize continued medical assistance payments to a nursing home which ceased intake of medical assistance recipients prior to July 1, 1983, and which charges private paying residents rates that exceed those permitted by subdivision 1, paragraph (a), for (i) residents who resided in the nursing home before July 1, 1983, or (ii) residents for whom the commissioner or any predecessors of the commissioner granted a permanent individual waiver prior to October 1, 1983. Nursing homes seeking continued medical assistance payments under this subdivision shall make the reports required under subdivision 2, except that on or after December 31, 1985, the financial statements required need not be audited by or contain the opinion of a certified public accountant or licensed public accountant, but need only be reviewed by a certified public accountant or licensed public accountant. In the event that the state is determined by the federal government to be no longer eligible for the federal share of medical assistance payments made to a nursing home under this subdivision, the commissioner may cease medical assistance payments, under this subdivision, to that nursing home. Between October 1, 1992, and July 1, 1993, a facility governed by this subdivision may elect to resume full participation in the medical assistance program by agreeing to comply with all of the requirements of the medical assistance program, including the rate equalization law in subdivision 1, paragraph (a), and all other requirements established in law or rule, and to resume intake of new medical assistance recipients.

Sec. 23. Minnesota Statutes 1990, section 256B.48, is amended by adding a subdivision to read:

Subd. 9. [MEDICAL ASSISTANCE PARTICIPATION FOR CERTAIN FACILITIES.] An agreement entered into between a nursing facility and the commissioner of human services that limits the number of residents that will be reimbursed under the medical assistance program as a condition of allowing additional beds to be certified under section 144A.071, subdivision 3a, terminates effective October 1, 1992.

Sec. 24. Minnesota Statutes 1991 Supplement, section 256B.74, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL REIMBURSEMENT.] (a) ~~Effective for admissions occurring on or after July 1, 1991, the commissioner shall make an indigent care payment to Minnesota and local trade area hospitals except facilities of the federal Indian Health Service and regional treatment centers, in addition to all other payment to hospitals for inpatient services. The indigent care payment shall be ten percent of the amount of medical assistance payments issued to that provider for inpatient services in a given calendar quarter or month, excluding indigent care payments paid under this section, divided by the number of related admissions, or patient days if applicable, and multiplying the result by 111 percent. The indigent care payment is added to each admission, or patient day if applicable, occurring (1) in the second calendar quarter beginning after the quarter on which the September 15, 1991, indigent care payment amount is based and (2) in the month beginning six months after the month on which the subsequent monthly indigent care payment amount is based. Medicare crossovers are excluded from indigent care payments and from the payments and admissions on which the indigent care payment is based. The commissioner may issue indigent care payments as disproportionate population adjustments for eligible hospitals.~~

(b) ~~Effective for services rendered on or after July 1, 1991, the commissioner shall reimburse outpatient hospital facility fees at 80 percent of calendar year 1990 submitted charges, not to exceed the Medicare upper payment limit. Services excepted from this payment methodology are emergency room facility fees, clinic facility fees, and those services for which there is a federal maximum allowable payment.~~

Sec. 25. Minnesota Statutes 1991 Supplement, section 256B.74, subdivision 3, is amended to read:

Subd. 3. [NURSING FACILITY REIMBURSEMENT.] ~~For rate years beginning on or after July 1, 1991, the commissioner shall reimburse nursing facilities participating in the medical assistance program as follows:~~

(1) a capital allowance of \$1.44 per resident day shall be paid. For a licensed provider with an operating lease on the nursing facility, the capital equipment allowance shall not be the property of the lessor but shall be the property of the licensed provider for the duration of the operating lease or any renewal or extension of the operating lease; and

(2) the maximum efficiency incentive per diem payment established annually under section 256B.431, subdivision 2b, paragraph (d), shall be increased to \$2.10 effective July 1, 1991, and \$2.20 effective July 1, 1992, and shall be indexed for inflation annually beginning July 1, 1993, using Data Resources, Inc., forecast for change in the nursing home market basket.

Sec. 26. [HOSPITAL OUTPATIENT REIMBURSEMENT.]

For services rendered on or after October 1, 1992, the commissioner of human services shall increase hospital outpatient rates by 25 percent over the rates in effect on September 30, 1992, provided that no rate shall exceed the upper payment limit established by Medicare.

Sec. 27. [PHYSICIAN AND DENTAL REIMBURSEMENT.]

The reimbursement increases provided in Minnesota Statutes, section 256B.74, subdivisions 2 and 5, shall not be implemented. Effective October 1, 1992, the commissioner shall increase payments for physician services by 25 percent above the rate in effect on June 30, 1992, and shall increase payments for dental services by 25 percent above the rate in effect on June 30, 1992.

Sec. 28. [HEALTH MAINTENANCE ORGANIZATION REIMBURSEMENT.]

The commissioner shall adjust rates paid to a health maintenance organization under contract with the commissioner to reflect rate increases provided in sections 14, 26, and 27.

Sec. 29. [COMMISSIONER'S DUTIES.]

The commissioner of human services shall report to the legislature quarterly on the first day of January, April, July, and October regarding the provider surcharge program. The report shall include information on estimated billings, total collections, and administrative expenditures. The report on January 1, 1993, shall include information on all surcharge billings, collections, federal matching payments received, efforts to collect unpaid amounts, and administrative costs pertaining to the surcharge program in effect from July 1, 1991 to September 30, 1992. The commissioner shall report when submitting the budget forecast regarding any changes in the amount

of the nursing home surcharge needed to ensure that collections continue at the level anticipated for fiscal year 1993. At that time, the commissioner shall also submit information to the legislature on any other proposed adjustments to the surcharge. The commissioner shall continue to track and report separately any provider reimbursement increases or other payments authorized in Laws 1992, chapter 292, article 4, and under sections 1 to 29. The commissioner shall request the Minnesota congressional delegation to support a change in federal law that would prohibit federal disallowances for any state that makes a good faith effort to comply with Public Law Number 91-234 by enacting conforming legislation prior to the issuance of federal implementing regulations.

Sec. 30. [REPEALER.]

Minnesota Statutes 1991 Supplement, sections 256.9657, subdivision 5; 256.969, subdivision 7; and 256B.74, subdivisions 8 and 9; and Laws 1991, chapter 292, article 4, section 77, are repealed.

Sec. 31. [EFFECTIVE DATE; CERTIFICATION OF BEDS.]

Sections 1 to 30 are effective October 1, 1992.

D

NURSING HOME PROPERTY REIMBURSEMENTS

Section 1. Minnesota Statutes 1990, section 144A.073, subdivision 3a, is amended to read:

Subd. 3a. [EXTENSION OF APPROVAL OF A PROJECT REQUIRING AN EXCEPTION TO THE NURSING HOME MORATORIUM.] Notwithstanding subdivision 3, a construction project that was approved by the commissioner under the moratorium exception approval process in this section prior to ~~February~~ July 1, 1990 1992, may be commenced more than 12 months after the date of the commissioner's approval but no later than July 1, ~~1992~~ 1994, or 12 months after the effective date of a nursing home property-related payment system enacted to replace the current rate freeze in section 256B.431, subdivision 12, whichever is later.

Sec. 2. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 13. [HOLD-HARMLESS PROPERTY-RELATED RATES.]
(a) Terms used in subdivisions 13 to 20 shall be as defined in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) Except as provided in this subdivision, for rate periods beginning after June 30, 1992, the property-related rate for a nursing

facility shall be the greater of \$4 or the property-related payment rate in effect on June 30, 1992. In addition, the incremental increase in the nursing facility's property-related payment rate will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section for allowable property-related costs incurred after September 30, 1991, and for inflation adjustments and other increases under subdivision 3f after June 30, 1992.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item F, a nursing facility that has a sale permitted under subdivision 14 after June 30, 1992, shall receive the property-related payment rate in effect at the time of the sale or reorganization. For rate years beginning after June 30, 1992, and for sales after that date, a nursing facility shall receive, in addition to its property-related payment rate in effect at the time of the sale, the incremental increase allowed under subdivision 14.

Sec. 3. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 14. [LIMITATIONS ON SALES OF NURSING FACILITIES.] (a) For rate years beginning after June 30, 1992, a nursing facility's property-related payment rate as established under subdivision 13 shall be adjusted by either paragraph (b) or (c) for the sale of the nursing facility as provided in this subdivision.

(b) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is greater than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the greater of its property-related payment rate under subdivision 13 prior to sale or its rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(c) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is equal to or less than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the nursing facility's property-related payment rate under subdivision 13 plus the difference between its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale and its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(d) For purposes of this subdivision, "sale" means the purchase of a nursing facility's capital assets with cash or debt. The term sale does not include a stock purchase of a nursing facility or any of the following transactions:

(1) a sale and leaseback to the same licensee that does not constitute a change in facility license;

(2) a transfer of an interest to a trust;

(3) gifts or other transfers for no consideration;

(4) a merger of two or more related organizations;

(5) a change in the legal form of doing business, other than a publicly held organization that becomes privately held or vice versa;

(6) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; and

(7) a sale, merger, reorganization, or any other transfer of interest between related organizations other than those permitted in this section.

(e) For purposes of this subdivision, "effective date of sale" means the later of either the date on which legal title to the capital assets is transferred or the date on which closing for the sale occurred.

(f) The effective day for the property-related payment rate determined under this subdivision shall be the first day of the month following the month in which the effective date of sale occurs, provided that the notice requirements under section 256B.47, subdivision 2, have been met.

(g) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (3) and (4), and subpart 7, items E and F, the commissioner shall limit the total allowable debt and related interest for sales occurring after June 30, 1992, to the sum of clauses (1) to (3) (for purposes of paragraphs (g), (h), and (i), the term capital asset does not include depreciable equipment):

(1) the historical cost of capital assets, as of the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the nursing facility's initial historical cost of constructing capital assets;

(2) the average annual capital asset additions after deduction for capital asset deletions, not including depreciations; and

(3) one-half of the allowed inflation on the nursing facility's capital assets. The commissioner shall compute the allowed inflation as described in paragraph (h).

(h) For purposes of computing the amount of allowed inflation, the commissioner must apply the following principles:

(1) the lesser of the Consumer Price Index for all urban consumers or the Dodge Construction Index for any time periods during which both are available must be used. If the Dodge Construction Index becomes unavailable, the commissioner shall substitute the index in section 256B.431, subdivision 3f, or such other index as the secretary of the health care financing administration may designate;

(2) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must be computed separately;

(3) the amount of allowed inflation must be determined on an annual basis, prorated on a monthly basis for partial years and if the initial month of use is not determinable for a capital asset, then one-half of that calendar year shall be used for purposes of prorating;

(4) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must not exceed 300 percent of the total capital assets in any one of those clauses; and

(5) the allowed inflation must be computed starting with the month following the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the month following the date of the nursing facility's initial occupancy, and ending with the month preceding the effective date of sale.

(i) If the historical cost of a capital asset is not readily available for the date of the nursing facility's most recent previous sale or if there has been no previous sale for the date of the nursing facility's initial occupancy, then the commissioner shall limit the total allowable debt and related interest after sale to the extent recognized by the Medicare intermediary after the sale. For a nursing facility that has no historical capital asset cost data available and does not have allowable debt and interest calculated by the Medicare intermediary, the commissioner shall use the historical cost of capital asset data from the point in time for which capital asset data is recorded in the nursing facility's audited financial statements.

(j) The limitations in this subdivision apply only to debt resulting from a sale of a nursing facility occurring after June 30, 1993, including debt assumed by the purchaser of the nursing facility.

Sec. 4. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST RE-

PORTING AND RATE CALCULATION.] For rate years beginning after June 30, 1993, a nursing facility's capital repair and replacement rate shall be determined as provided in paragraphs (a) to (d).

(a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the costs of acquiring the following items, including cash payment for equity investment and principal and interest expense for debt financing, shall be reported in the capital repair and replacement cost category:

(1) wall coverings;

(2) paint;

(3) floor coverings;

(4) window coverings;

(5) roof repair;

(6) heating or cooling system repair or replacement;

(7) window repair or replacement;

(8) initiatives designed to reduce energy usage by the facility if accompanied by an energy audit prepared by a professional engineer or architect registered in Minnesota, or by an auditor certified under Minnesota Rules, part 7635.0130, to do energy audits and the energy audit identifies the initiative as a conservation measure; and

(9) capitalized repair or replacement of capital assets not included in the equity incentive computations under subdivision 16.

(b) To compute the capital repair and replacement rate, the lesser of the allowable annual repair and replacement costs for the reporting year must be divided by actual resident days for the reporting year. The annual allowable capital repair and replacement costs shall not exceed \$150 per licensed bed. The excess of the allowed capital repair and replacement costs over the capital repair and replacement limit shall be a cost carryover to succeeding cost reporting periods, except that sale of a facility, under subdivision 14, shall terminate the carryover of all costs except those incurred in the most recent cost reporting year. The termination of the carryover shall have effect on the capital repair and replacement rate on the same date as provided in subdivision 14, paragraph (f), for the sale. For rate years beginning after June 30, 1994, the capital repair and replacement limit shall be subject to the index provided in subdivision 3f, paragraph (a). For purposes of this subdivision, the number of licensed beds shall be the number used to calculate the nursing facility's capacity days. The capital repair and replacement rate

must be added to the nursing facility's total payment rate determined under subdivision 13.

(c) For capital repair and replacement costs incurred using both equity investment and debt financing, the equity investment shall be used first in determining costs subject to the annual limit.

(d) Capital repair and replacement costs under this subdivision shall not be counted as either care-related or other operating costs, nor subject to care-related or other operating limits.

Sec. 5. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 16. [MAJOR ADDITIONS AND REPLACEMENTS; EQUITY INCENTIVE.] For rate years beginning after June 30, 1993, new allowable costs during the reporting year preceding the rate year, in connection with a project approved under the moratorium exception process in section 144A.073 or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost of those capital asset additions exceeds the lesser of \$125,000 or ten percent of the most recent appraised value shall be reimbursed under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section and shall receive an equity incentive factor to be added to their rental factor for application to the allowed equity portion of the new cost as provided in paragraphs (a) to (c). This computation is separate from the determination of the nursing facility's rental rate.

(a) For costs described in this subdivision, in addition to the rental rate determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, the allowable historical cost of the capital asset acquired, minus the allowable debt directly identified to that capital asset, must be multiplied by the equity incentive factor as described in paragraphs (b) and (c), and divided by the nursing facility's occupancy factor under subdivision 3f, paragraph (c), and added to the nursing facility's total property-related rate. The allowable historical cost of the capital assets and the allowable debt shall be determined as provided in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) The equity incentive factor shall be determined under clauses (1) to (4):

(1) divide the initial allowable debt in paragraph (a) by the initial historical cost of the capital asset additions referred to in paragraph (a), then cube the quotient,

(2) subtract the amount calculated in clause (1) from the number one,

(3) determine the difference between the rental factor and the lesser of two percentage points above the posted yield for standard conventional fixed rate mortgages of the Federal Home Loan Mortgage Corporation as published in the Wall Street Journal and in effect on the first day of the month the debt or cost is incurred, or 16 percent,

(4) multiply the amount calculated in clause (2) by the amount calculated in clause (3).

(c) The payment resulting from application of the equity incentive factor shall be limited to the term of the allowable debt in paragraph (a), not greater than 20 years nor less than ten years. If no debt is incurred in acquiring the capital asset, the equity incentive payment shall be paid for ten years. Sale of a nursing facility under subdivision 14 shall terminate application of the equity incentive factor effective on the date provided in subdivision 4, paragraph (f), for the sale.

Sec. 6. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 17. [SPECIAL PROVISIONS FOR MORATORIUM EXCEPTIONS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 3, for rate years beginning after June 30, 1992, a nursing facility that has completed a renovation, replacement, or upgrading project approved under the moratorium exception process in section 144A.073 shall be reimbursed for costs directly identified to that project as provided in subdivisions 16 and 18 and this subdivision.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitems (1) and (3), allowable debt shall include:

(1) debt related to the cost of purchasing or replacing depreciable equipment, excluding vehicles, not to exceed six percent of the total historical cost of the project; and

(2) an increase in debt related to financing or refinancing costs, including costs related to points, loan origination fees, financing charges, legal fees, and title searches; and issuance costs including bond discounts, bond counsel, underwriter's counsel, corporate counsel, printing, and financial forecasts. Allowable debt related to items in this clause shall not exceed seven percent of the total historical cost of the project. To the extent these costs are financed, the straight-line amortization of the costs in this clause is not an allowable cost.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 7, item D, allowable interest shall include:

(1) interest on allowable debt, including debt allowed under paragraph (b); and

(2) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(d) Debt for costs under paragraph (b) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

(e) Notwithstanding subdivision 3f, paragraph (a), for rate years beginning after June 30, 1992, the replacement-costs-new per bed limit to be used in Minnesota Rules, part 9549.0060, subpart 4, item B, for a nursing facility that has completed a renovation, replacement, or upgrading project that has been approved under the moratorium exception process in section 144A.073, or that has completed an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost exceeds the lesser of \$200,000 or ten percent of the most recent appraised value, must be \$47,500 per licensed bed in multiple-bed rooms and \$71,250 per licensed bed in a single-bed room. These amounts must be adjusted annually as specified in subdivision 3f, paragraph (a).

Sec. 7. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 18. [ESTABLISHING BASELINE APPRAISALS; UPDATING APPRAISALS, ADDITIONS, AND REPLACEMENTS.] (a) Notwithstanding Minnesota Rules, part 9549.0060, subparts 1 to 3, the appraised value, routine updating of the appraised value, and special reappraisals are subject to this subdivision.

(1) For rate years beginning after June 30, 1993, the commissioner shall allow any nursing facility not choosing to use appraised values established under Minnesota Rules, part 9549.0060, as of June 30, 1991, or as established after June 30, 1991, and before July 1, 1993, under Minnesota Rules, part 9549.0060, subpart 13, item G (special reappraisals), to appeal its appraisal according to the procedures provided in section 256B.50, subdivision 2. All appraisals conducted in connection with that appeal must utilize the segregated cost approach of the depreciated replacement cost method currently employed by the commissioner. Upon appeal, all elements of the appraisal may be placed at issue by either party.

Nursing facilities electing to appeal their appraised value shall file written notice of appeal with the commissioner of human services before December 30, 1992. The cost of the appraisal report submitted with the appeal shall be paid by the nursing facility and shall be considered an allowable cost under Minnesota Rules, parts 9549.0040, subpart 9, and 9549.0061.

(2) All appraisals and reappraisals conducted under Minnesota Rules, parts 9549.0010 to 9549.0080, must comply with this section.

(3) The redetermination of a facility's appraised value under this paragraph shall have no impact on the rate determined under subdivision 13 but shall only be used for calculating the nursing facility's property-related payment rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section for rate years beginning after June 30, 1993.

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 2, for rate years beginning after June 30, 1994, the commissioner shall routinely update the appraised value of all nursing facilities by adjusting each nursing facility's appraised value components by multiplying them by the index provided in subdivision 3f, paragraph (a). The incremental increase in the nursing facility's rental rate resulting from the annual adjustment as determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section shall be added to the nursing facility's property-related payment rate for each rate year. The adjustment under this paragraph shall also apply for purposes of subdivision 16.

(c) A nursing facility that makes a repair, addition, or replacement under subdivision 16, or repair, renovation, or upgrading under subdivision 17, shall have the nursing facility's appraised value increased by the total historical cost of the repair, addition, or replacement exclusive of the proceeds from disposals of capital assets or applicable credits such as public grants and insurance proceeds. The property-related costs may be reported only after completion of the project and must be reported on a special cost report form provided by the commissioner. A nursing facility submitting a special cost report shall have the depreciation for the nursing facility reduced by a percentage equal to the percentage increase in the appraised value resulting from the repair, addition, or replacement under this paragraph. The incremental increase in a nursing facility's rental rate, determined under Minnesota Rules, part 9549.0080, and this section, resulting from the increased appraised value under this paragraph shall be added to its property-related payment rate and shall be effective on the first day of the month following the month in which the repair, addition, or replacement was completed.

Sec. 8. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 19. [REFINANCING INCENTIVE.] A nursing facility that refinances debt after May 30, 1992, in order to achieve a savings in annual interest expense payments shall receive as an incentive interest expense payments for the allowable refinanced debt plus payments of one-half the difference between the interest expense payments for the refinanced debt and the rate year in which

refinancing occurs and for the four consecutive rate years following the rate year in which refinancing occurs. The facility's rate under subdivision 13 shall be reduced by the incremental change in rate as provided in this subdivision and Minnesota Rules, parts 9549.0010 to 9549.0080, and this section resulting from the refinancing. To calculate the annual interest expense for the refinanced debt, the aggregate interest expense over the remaining term of the refinanced debt shall be divided by the remaining years of the term of the refinanced debt. For purposes of this subdivision, the annual interest for the debt prior to refinancing shall be calculated in the same manner. An increase in a nursing facility's debt for costs in subdivision 17, paragraph (b), clause (2), including the cost of refinancing the issuance or financing costs of the debt refinanced resulting from refinancing that meets the conditions of this section shall be allowed, notwithstanding Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (6). The proceeds of refinancing may not be used for the purpose of withdrawing equity from the nursing facility. Sale of a nursing facility under subdivision 14 shall terminate the payment of the incentive payments under this subdivision effective the date provided in subdivision 14, paragraph (f), for the sale.

Sec. 9. Minnesota Statutes 1990, section 256B.431, is amended by adding a subdivision to read:

Subd. 20. [SPECIAL PROPERTY RATE SETTING.] For rate years beginning after June 30, 1992, the property-related rate for a nursing facility approved for total replacement under the moratorium exception process in section 144A.073 shall have its property-related rate under subdivision 13 recalculated using the greater of actual resident days or 80 percent of capacity days. This rate shall apply until the nursing facility is replaced or until the moratorium exception authority lapses, whichever is sooner.

Sec. 10. [NURSING FACILITY PLANT STUDY.]

The commissioner of health shall study the physical condition of all Minnesota nursing facilities. This study shall include an individual assessment of each facility to be performed after September 30, 1993, by one of the architectural firms authorized by the commissioner of health to conduct assessments. To qualify for authorization, an architectural firm must have actual experience and prior involvement with nursing home construction or remodeling projects. The commissioner shall select one or more architectural firms to conduct the individual facility assessment. The cost of the assessment shall be paid by the nursing facility and shall be considered an allowable cost under Minnesota Rules, parts 9549.0040, subpart 9, and 9549.0061, for rate years beginning after June 30, 1995. Prior to beginning the individual assessments, the commissioner shall convene a special task force to develop recommendations for the commissioner concerning the standards and

criteria by which the individual assessments must be conducted. The recommendation shall be provided to the commissioner by the task force by July 1, 1993. The criteria and standards for the study shall be established by the commissioner by September 30, 1993.

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REMAINING STATUTORY CHANGES

Section 1. Minnesota Statutes 1990, section 144.122, is amended to read:

144.122 [LICENSE AND PERMIT FEES.]

(a) The state commissioner of health, by rule, may prescribe reasonable procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the department of finance. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the general fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with handicaps program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner, for fiscal years 1993 and beyond, shall set license fees for hospitals and nursing homes that are not boarding care homes at a level sufficient to recover, over a two-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

Joint Commission on Accreditation of Healthcare

<u>Organizations (JCAHO hospitals)</u>	<u>\$2,142</u>
<u>Non-JCAHO hospitals</u>	<u>\$2,228 plus \$138 per bed</u>
<u>Nursing home</u>	<u>\$324 plus \$76 per bed</u>

For fiscal years 1993 and beyond, the commissioner shall set license fees for outpatient surgical centers, boarding care homes, and supervised living facilities at a level sufficient to recover, over a four-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

<u>Outpatient surgical centers</u>	<u>\$1,645</u>
<u>Boarding care homes</u>	<u>\$249 plus \$58 per bed</u>
<u>Supervised living facilities</u>	<u>\$249 plus \$58 per bed.</u>

Sec. 2. Minnesota Statutes 1990, section 144.123, subdivision 2, is amended to read:

Subd. 2. [RULES FOR FEE AMOUNTS.] The commissioner of health shall promulgate rules, in accordance with chapter 14, which shall specify the amount of the handling fee prescribed in subdivision 1. The fee shall approximate the costs to the department of handling specimens including reporting, postage, specimen kit preparation, and overhead costs. The fee prescribed in subdivision 1 shall be \$5 \$15 per specimen until the commissioner promulgates rules pursuant to this subdivision.

Sec. 3. [144.3831] [FEES.]

Subdivision 1. [FEE SETTING.] The commissioner of health may assess an annual fee of \$5.21 for every service connection to a public water supply that is owned or operated by a home rule or charter city, a statutory city, a city of the first class, or a town. The commissioner of health may also assess an annual fee for every service connection served by a water user district defined in section 110A.02.

Subd. 2. [COLLECTION AND PAYMENT OF FEE.] The public water supply described in subdivision 1 shall:

(1) collect the fees assessed on its service connections;

(2) pay the department of revenue an amount equivalent to the fees based on the total number of service connections. The service connections for each public water supply described in subdivision 1 shall be verified every four years by the department of health; and

(3) pay one-fourth of the total yearly fee to the department of revenue each calendar quarter. The first quarterly payment is due on or before March 30, 1993. In lieu of quarterly payments, a public water supply described in subdivision 1 with fewer than 50 service connections may make a single annual payment by June 30 each year, starting in 1993. The fees payable to the department of revenue shall be deposited in the state treasury as nondedicated general fund revenues.

Subd. 3. [LATE FEE.] The public water supply described in subdivision 1 shall pay a late fee in the amount of five percent of the amount of the fees due from the public water supply if the fees due from the public water supply are not paid within 30 days of the payment dates in subdivision 2, clause (3). The late fee that the public water supply shall pay shall be assessed only on the actual amount collected by the public water supply through fees on service connections.

Sec. 4. Minnesota Statutes 1991 Supplement, section 144.50, subdivision 6, is amended to read:

Subd. 6. [SUPERVISED LIVING FACILITY LICENSES.] (a) The commissioner may license as a supervised living facility a facility seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions for four or more persons as authorized under section 252.291.

(b) Class B supervised living facilities seeking ~~medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions~~ shall be classified as follows for purposes of the state building code:

(1) Class B supervised living facilities for six or less persons must meet Group R, Division 3, occupancy requirements; and

(2) Class B supervised living facilities for seven to 16 persons must meet Group R, Division 1, occupancy requirements.

(c) Class B facilities classified under paragraph (b), clauses (1) and (2), must meet the fire protection provisions of chapter 21 of the 1985 life safety code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, except that Class B facilities licensed prior to July 1, 1990, need only continue to meet institu-

tional fire safety provisions. Class B supervised living facilities shall provide the necessary physical plant accommodations to meet the needs and functional disabilities of the residents. For Class B supervised living facilities licensed after July 1, 1990, and housing nonambulatory or nonmobile persons, the corridor access to bedrooms, common spaces, and other resident use spaces must be at least five feet in clear width, except that a waiver may be requested in accordance with Minnesota Rules, part 4665.0600.

(d) The commissioner may license as a Class A supervised living facility a residential program for chemically dependent individuals that allows children to reside with the parent receiving treatment in the facility. The licensee of the program shall be responsible for the health, safety, and welfare of the children residing in the facility. The facility in which the program is located must be provided with a sprinkler system approved by the state fire marshal. The licensee shall also provide additional space and physical plant accommodations appropriate for the number and age of children residing in the facility. For purposes of license capacity, each child residing in the facility shall be considered to be a resident.

Sec. 5. Minnesota Statutes 1990, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] The commissioner of health, in coordination with the commissioner of human services, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3. The total number of certified beds in the state shall remain at or decrease from the number of beds certified on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245A.01 to 245A.16 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount. The commissioner of health shall deny each request for licensure of nursing home beds except as provided in subdivision 3.

In addition, the commissioner of health must not approve any construction project whose cost exceeds \$200,000 or ten percent of the facility's appraised value, whichever is less, unless the project has been approved through the process described in section 144A.073, or meets an exception in subdivision 3.

Sec. 6. [144A.154] [RATE RECOMMENDATION.]

The commissioner may recommend to the commissioner of human services a review of the rates for a nursing home or boarding care home that participates in the medical assistance program that is in voluntary or involuntary receivership, and that has needs or deficiencies documented by the department of health. If the commissioner of health determines that a review of the rate under section 256B.495 is needed, the commissioner shall provide the commissioner of human services with:

(1) a copy of the order or determination that cites the deficiency or need; and

(2) the commissioner's recommendation for additional staff and additional annual hours by type of employee and additional consultants, services, supplies, equipment, or repairs necessary to satisfy the need or deficiency.

Sec. 7. Minnesota Statutes 1991 Supplement, section 144A.31, subdivision 2a, is amended to read:

Subd. 2a. [DUTIES.] The interagency committee shall identify long-term care issues requiring coordinated interagency policies and shall conduct analyses, coordinate policy development, and make recommendations to the commissioners for effective implementation of these policies. The committee shall refine state long-term goals, establish performance indicators, and develop other methods or measures to evaluate program performance, including client outcomes. The committee shall review the effectiveness of programs in meeting their objectives.

The committee shall also:

(1) facilitate the development of regional and local bodies to plan and coordinate regional and local services;

(2) recommend a single regional or local point of access for persons seeking information on long-term care services;

(3) recommend changes in state funding and administrative policies that are necessary to maximize the use of home and community-based care and that promote the use of the least costly alternative without sacrificing quality of care; and

(4) develop methods of identifying and serving seniors who need minimal services to remain independent but who are likely to develop a need for more extensive services in the absence of these minimal services; and

(5) develop and implement strategies for advocating, promoting, and developing long-term care insurance and encourage insurance companies to offer long-term care insurance policies that are affordable and offer a wide range of benefits.

Sec. 8. Minnesota Statutes 1991 Supplement, section 148.91, subdivision 3, is amended to read:

Subd. 3. [FEE; TERM OF LICENSE.] An applicant shall pay a nonrefundable application fee set by the board. ~~The licenses granted by the board shall be for a period of three years and shall be renewed on a three-year basis. The fee and term for a license and for renewal shall be set by the board.~~

Sec. 9. Minnesota Statutes 1991 Supplement, section 148.921, subdivision 2, is amended to read:

Subd. 2. [PERSONS PREVIOUSLY QUALIFIED.] The board shall grant a license for a licensed psychologist without further examination to a person who:

(1) before November 1, 1991, entered a graduate program granting a master's degree with a major in psychology at an educational institution meeting the standards the board has established by rule and earned a master's degree or a master's equivalent in a doctoral program;

(2) before November 1, 1992, filed with the board a written declaration of intent to seek licensure under this subdivision;

(3) complied with all requirements of section 148.91, subdivisions 2 to 4, before December 31, 1997; and

(4) completed at least two full years or their equivalent of post-master's supervised psychological employment before December 31, 1998.

Sec. 10. Minnesota Statutes 1991 Supplement, section 148.925, subdivision 1, is amended to read:

Subdivision 1. [PERSONS QUALIFIED TO PROVIDE SUPERVISION.] (a) Only the following persons are qualified to provide supervision for master's degree level applicants for licensure as a licensed psychologist:

(1) a licensed psychologist with a competency in supervision in professional psychology and in the area of practice being supervised; and

(2) a person who either is eligible for licensure as a licensed psychologist under section 148.91 or is eligible for licensure by reciprocity, and who, in the judgment of the board, is competent or experienced in supervising professional psychology and in the area of practice being supervised.

(b) Professional supervision of a doctoral level applicant for licensure as a licensed psychologist must be provided by a person:

(1) who meets the requirements of paragraph (a), clause (1) or (2), and

(2)(i) who has a doctorate degree with a major in psychology, or

(ii) who was licensed by the board as a psychologist before August 1, 1991, and is certified by the board as competent in supervision of applicants for licensure in accord with section 148.905, subdivision 1, clause (10), by August 1, 1993.

Sec. 11. Minnesota Statutes 1991 Supplement, section 148.925, subdivision 2, is amended to read:

Subd. 2. [SUPERVISORY CONSULTATION.] (a) Supervisory consultation between a supervising licensed psychologist and a supervised psychological practitioner must occur on a one-to-one basis at a ratio of at least one hour of supervision for the initial 20 or fewer hours of psychological services delivered per month and no less than one hour a month. The consultation must be at least one hour in duration. For each additional 20 hours of psychological services delivered per month, an additional hour of supervision must occur. However, if more than 20 hours of psychological services are provided in a week, no time period of supervision beyond one hour per week is required, but supervision must be adequate to assure the quality and competence of the services. Supervisory consultation must include discussions on the nature and content of the practice of the psychological practitioner, including but not limited to a review of a representative sample of psychological services in the supervisee's practice.

(b) Supervision of an applicant for licensure as a licensed psychologist must include at least two hours of regularly scheduled face-to-face consultations a week for full-time employment, one hour of which must be with the supervisor on a one-to-one basis. The remaining hour may be with other mental health professionals designated by the supervisor. The board may approve an exception to the weekly supervision requirement for a week when the supervisor was ill or otherwise unable to provide supervision. The board may prorate the two hours per week of supervision for persons preparing for licensure on a part-time basis.

Sec. 12. Minnesota Statutes 1991 Supplement, section 148.925, is amended by adding a subdivision to read:

Subd. 3. [WAIVER.] An applicant for licensure as a licensed psychologist who entered supervised employment before August 1, 1991, may request a waiver from the board of the supervision requirements in this section.

Sec. 13. Minnesota Statutes 1990, section 237.701, subdivision 1, is amended to read:

Subdivision 1. [TELEPHONE ASSISTANCE FUND.] The telephone assistance fund is created as a separate account in the state treasury to consist of amounts received by the department of administration representing the surcharge authorized by section 237.70, subdivision 6, and amounts earned on the fund assets. Money in the fund may be used only for:

(1) reimbursement to telephone companies for expenses and credits allowed in section 237.70, subdivision 7, paragraph (d), clause (5);

(2) reimbursement of the administrative expenses of the department of human services to implement sections 237.69 to 237.71, not to exceed ~~\$180,000~~ \$314,000 annually; and

(3) reimbursement of the administrative expenses of the commission not to exceed \$25,000 annually.

Sec. 14. [241.075] [TRANSFER OF PERSONNEL.]

Notwithstanding any other law to the contrary, the commissioner of corrections may transfer authorized positions between institutions under the commissioner's control in order to more properly staff the institutions.

Sec. 15. [244.17] [BOOT CAMP PROGRAM.]

Subdivision 1. [GENERALLY.] The commissioner may select offenders who meet the eligibility requirements of subdivisions 2 and 3 to participate in the boot camp program described in sections 244.171 and 244.172 for all or part of the offender's sentence if the offender agrees to participate in the program and signs a written contract with the commissioner agreeing to comply with the program's requirements.

Subd. 2. [ELIGIBILITY.] The commissioner must limit the boot camp program to the following persons:

(1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and

(2) offenders who are committed to the commissioner's custody for a term of imprisonment of not less than 18 months nor more than 36 months and who did not receive a dispositional departure under the sentencing guidelines.

Subd. 3. [OFFENDERS NOT ELIGIBLE.] The following offenders are not eligible to be placed in the boot camp program:

(1) offenders who are committed to the commissioner's custody following a conviction for murder, manslaughter, criminal sexual conduct, assault, kidnapping, robbery, arson, or any other offense involving death or personal injury; and

(2) offenders who previously were convicted of an offense described in clause (1) and were committed to the custody of the commissioner.

Sec. 16. [244.171] [BOOT CAMP PROGRAM; BASIC ELEMENTS.]

Subdivision 1. [REQUIREMENTS.] The commissioner shall operate the boot camp program in conformance with this section. The commissioner shall administer the program to further the following goals:

(1) to punish the offender;

(2) to protect the safety of the public;

(3) to enhance the employment skills of the offender during the boot camp program and afterward;

(4) to use offenders to accomplish community service initiatives, goals, and projects; and

(5) to facilitate treatment of offenders who are chemically dependent.

Subd. 2. [GOOD TIME NOT AVAILABLE.] An offender in the boot camp program does not earn good time during phases I and II of the program, notwithstanding section 244.04.

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of the boot camp program. The commissioner shall remove an offender from the boot camp program if the offender:

(1) commits a material violation of or repeatedly fails to follow the rules of the program;

(2) commits any misdemeanor, gross misdemeanor, or felony offense; or

(3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The removal of an offender from the boot camp program is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender who is removed from the boot camp program shall be imprisoned for a time period equal to the offender's original term of imprisonment, minus earned good time if any, but in no case for longer than the time remaining in the offender's sentence. "Original term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 17. [244.172] [BOOT CAMP PROGRAM; PHASES I to III.]

Subdivision 1. [PHASE I.] Phase I of the program lasts at least six months. The offender must be confined in a state correctional facility designated by the commissioner and must successfully participate in all intensive treatment, education, and work programs required by the commissioner. The offender must also submit on demand to random drug and alcohol testing at time intervals set by the commissioner. For the first three months of phase I, the offender may not receive visitors or telephone calls, except under emergency circumstances.

Subd. 2. [PHASE II.] Phase II of the program lasts at least six months. The offender shall serve this phase of the offender's sentence in an intensive community supervision program established by the commissioner under section 244.13. The commissioner may impose on the offender any of the requirements described in section 244.15, subdivisions 2 to 7, provided that the offender must be required to submit to daily drug and alcohol tests for the first three months, biweekly tests for the next two months, and weekly tests for the remainder of phase II. The commissioner shall also require the offender to report daily to a day-reporting facility designated by the commissioner. In addition, if the commissioner required the offender to undergo acupuncture during phase I, the offender must continue to submit to acupuncture treatment throughout phase II.

Subd. 3. [PHASE III.] Phase III lasts for the remainder of the offender's sentence. During phase III, the commissioner shall place the offender on supervised release under section 244.05. The commissioner shall set the level of the offender's supervision based on the public risk presented by the offender.

Sec. 18. [244.173] [BOOT CAMP PROGRAM; EVALUATION AND REPORT.]

The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the boot camp program. The commissioner shall report to the legislature by January 1, 1996, on the operation of the program.

Sec. 19. [245.731] [GRANTS FOR MENTAL HEALTH SERVICES FOR VICTIMS OF DOMESTIC VIOLENCE.]

The commissioner of human services shall establish a pilot project to grant funds to certified nonprofit community mental health centers for the purpose of providing professional counseling services to victims of domestic violence. In the biennium ending June 30, 1993, the commissioner shall select at least two programs to receive pilot project funds; one program shall be located in the seven-county metropolitan area; the other program shall be in an outstate county. In selecting project sites, the commissioner shall give priority to clinics with past experience in providing special mental health services for battered women and other victims of domestic violence. Applications for pilot project funds shall include methods for evaluating the proposed project. The commissioner shall report to the legislature no later than January 1994 on the results of the pilot projects funded under this section, and shall make recommendations on methods for future statewide funding of mental health services for victims of domestic violence.

Sec. 20. Minnesota Statutes 1990, section 245A.02, is amended by adding a subdivision to read:

Subd. 15. [RESPITE CARE SERVICES.] "Respite care services" means temporary services provided to a person due to the absence or need for relief of the person's family member or legal representative who is the primary caregiver and principally responsible for the care and supervision of the person. Respite care services are those that provide the level of supervision and care that is necessary to ensure the health and safety of the person. Respite care services do not include services that are specifically directed toward the training and habilitation of the person.

Sec. 21. Minnesota Statutes 1991 Supplement, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

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

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

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

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

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten regular and special education programs that are operated by the commissioner of education or a school as defined in section 120.101, subdivision 4;

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

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

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

(10) programs licensed by the commissioner of corrections;

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

(12) programs whose primary purpose is to provide, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

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

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

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance; or

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) unrelated individuals who provide out-of-home respite care services to persons with mental retardation or related conditions from a single related family for no more than 30 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative; or

(22) respite care services provided as a home- and community-based service to a person with mental retardation or a related condition, in the person's primary residence.

For purposes of clause (5), the department of education, after consulting with the department of human services, shall adopt standards applicable to preschool programs administered by public schools that are similar to Minnesota Rules, parts 9503.005 to 9503.0175. These standards are exempt from rulemaking under chapter 14.

Sec. 22. Minnesota Statutes 1990, section 245A.13, subdivision 4, is amended to read:

Subd. 4. [FEE.] A receiver appointed under an involuntary receivership or the managing agent is entitled to a reasonable fee as determined by the court. ~~The fee is governed by section 256B.495.~~

Sec. 23. [246.0135] [OPERATION OF REGIONAL TREATMENT CENTERS.]

The commissioner of human services is prohibited from closing any regional treatment center or any program at any of the regional treatment centers without specific legislative authorization. The commissioner is prohibited from transferring patients from one regional treatment center to another, except as follows: (1) the individual to be transferred is under a commitment order issued under chapter 253B within the prior year; or (2) the transfer is authorized by the special review board under section 253B.18; or (3) for persons with mental retardation or related conditions who move from one regional treatment center to another regional treatment center, the provisions of section 256B.092, subdivision 10, are followed for both the discharge from one regional treatment center and admission to another regional treatment center, except that the move is not subject to the consensus requirement of section 256B.092, subdivision 10, paragraph (b); or (4) for persons who are mentally ill or chemically dependent the transfer is specifically authorized in an individual's treatment plan, in accordance with the applicable state and federal laws governing the individual's disability group.

Sec. 24. Minnesota Statutes 1990, section 252.025, subdivision 4, is amended to read:

Subd. 4. [STATE-PROVIDED SERVICES.] (a) It is the policy of the state to capitalize and recapitalize the regional treatment centers as necessary to prevent depreciation and obsolescence of physical facilities and to ensure they retain the physical capability to provide residential programs. Consistent with that policy and with section 252.50, and within the limits of appropriations made available for this purpose, the commissioner may establish, by June 30, 1991, the following state-operated, community-based programs for the least vulnerable regional treatment center residents: at Brainerd regional services center, two residential programs and two day programs; at Cambridge regional treatment center, four residential programs and two day programs; at Faribault regional treatment center, ten residential programs and six day programs; at Fergus Falls regional treatment center, two residential programs and one day program; at Moose Lake regional treatment center, four residential programs and two day programs; and at Willmar regional treatment center, two residential programs and one day program.

(b) By January 15, 1991, the commissioner shall report to the legislature a plan to provide continued regional treatment center capacity and state-operated, community-based residential and day programs for persons with developmental disabilities at Brainerd, Cambridge, Faribault, Fergus Falls, Moose Lake, St. Peter, and Willmar, as follows:

(1) by July 1, 1998, continued regional treatment center capacity to serve 350 persons with developmental disabilities as follows: at Brainerd, 80 persons; at Cambridge, 12 persons; at Faribault, 110 persons; at Fergus Falls, 60 persons; at Moose Lake, 12 persons; at St. Peter, 35 persons; at Willmar, 25 persons; and up to 16 crisis beds in the Twin Cities metropolitan area; and

(2) by July 1, 1999, continued regional treatment center capacity to serve 254 persons with developmental disabilities as follows: at Brainerd, 57 persons; at Cambridge, 12 persons; at Faribault, 80 persons; at Fergus Falls, 35 persons; at Moose Lake, 12 persons; at St. Peter, 30 persons; at Willmar, 12 persons, and up to 16 crisis beds in the Twin Cities metropolitan area. In addition, the plan shall provide for the capacity to provide residential services to 570 persons with developmental disabilities in 95 state-operated, community-based residential programs.

The commissioner is subject to a mandamus action under chapter 586 for any failure to comply with the provisions of this subdivision.

Sec. 25. Minnesota Statutes 1991 Supplement, section 252.28, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATIONS; ~~BIENNIAL~~ REDETERMINATIONS.] In conjunction with the appropriate county boards, the commissioner of human services shall determine, and shall redetermine ~~biennially~~ at least every four years, the need, location, size, and program of public and private residential services and day training and habilitation services for persons with mental retardation or related conditions. This subdivision does not apply to semi-independent living services and residential-based habilitation services provided to four or fewer persons at a site funded as home and community-based services.

Sec. 26. Minnesota Statutes 1991 Supplement, section 252.46, subdivision 3, is amended to read:

Subd. 3. [RATE MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1 of the previous calendar year ~~increased by no more than~~. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for each vendor, based upon the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year. The commissioner shall not provide an annual inflation adjustment for the biennium ending June 30, 1993.

Sec. 27. Minnesota Statutes 1991 Supplement, section 252.50, subdivision 2, is amended to read:

Subd. 2. [AUTHORIZATION TO BUILD OR PURCHASE.] Within the limits of available appropriations, the commissioner may build, purchase, or lease suitable buildings for state-operated, community-based programs. The commissioner must develop the state-operated community residential facilities authorized in the worksheets of the house appropriations and senate finance committees. If financing through state general obligation bonds is not available, the commissioner shall finance the purchase or construction of state-operated, community-based facilities with the Minnesota housing finance agency. The commissioner shall make payments through the department of administration to the Minnesota housing finance agency in repayment of mortgage loans granted for the purposes of this section. Programs must be adaptable to the needs of persons with mental retardation or related conditions and residential programs must be homelike.

Sec. 28. [252.71] [PAYMENTS TO BUSINESSES TO PROVIDE SUPPORT AND SUPERVISION OF PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS IN COMMUNITY-BASED EMPLOYMENT.]

Subdivision 1. [COUNTY AUTHORIZATION.] Notwithstanding requirements in chapter 245A and sections 252.28, 252.40 to 252.47, and 256B.501, county boards may authorize payments to businesses to provide additional training and supervision that is needed by individuals in order to maintain their employment. A "qualified business" is a business that employs persons with mental retardation or related conditions but is not licensed or certified to provide job training and support to disabled persons.

Payments may be made directly to a qualified business by a county board or through other vendors of employment services. The total cost of the training and support provided by the business and the vendor must be less than the total cost of the training and support previously authorized by the commissioner for the person.

Subd. 2. [HOST COUNTY CONTRACT.] For a county board to be eligible for state and federal reimbursement, there must be a contract between the county board and the business. This contract must be time-limited and developed in accordance with applicable federal and state requirements and include the following:

(1) the type and amount of supervision and support to be provided to individuals in accordance with their needs as identified in their individual service plans;

(2) methods used to periodically assess individuals' satisfaction with their work, training, and support; and

(3) measures taken by the business to assure the health, safety, and protection of individuals during working hours, including the reporting of abuse and neglect in accordance with state law and rules.

Subd. 3. [CLIENT PROTECTION.] Individuals receiving training and support under this section may not be denied their rights or procedural protections under section 256.045, subdivision 4a, or 256B.092, including the county agency's responsibility to arrange for appropriate services, as necessary, in the event that the person loses the job or the contract with the business is terminated.

Subd. 4. [PAYMENT FOR SERVICES.] The county may authorize payment to a business for any person with mental retardation or a related condition who is otherwise eligible for day training and habilitation services. Payments shall be limited to:

(1) additional training costs of coworkers and managers that exceed ordinary and customary training costs and are a direct result of employing a person with mental retardation or a related condition; and

(2) additional costs of training, supervising, and assisting a person with mental retardation or a related condition that exceeds normal and customary costs required for performing similar tasks or duties.

Payments made to a business under this section must not include incentive payments or salary supplementation for the person. Nothing in this section shall prohibit a vendor of employment services from entering into contracts with businesses for the provision of day training and habilitation services.

Sec. 29. [252.72] [ALTERNATIVE SERVICES FOR OLDER PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [PURPOSE.] It is the purpose of this section to establish day service alternatives for older persons with mental retardation or a related condition.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them in this subdivision:

(a) "Active treatment" means the definition given in Health and Human Services Code of Federal Regulations, title 42, chapter IV, section 483.440.

(b) "Alternative service" or "service alternatives" means a program alternative to day training and habilitation, available for older persons who are eligible under this section.

(c) "County" means the county board where the proposed alternative services will be located.

(d) "ICF/MR" means intermediate care facility for persons with mental retardation or related conditions.

(e) "Legal representative" means a person's guardian or conservator.

(f) "Person" means a person with mental retardation or related conditions who is at least 62 years of age. The commissioner may include individuals who are less than 62 years of age, but who require these special services for health or medical reasons.

(g) "Vendor" means an individual or organization licensed under Minnesota Rules, parts 9525.0210 to 9525.0430, 9525.1500 to 9525.1690, and 9525.2000 to 9525.2140, or an individual or organization approved by the county to provide service alternatives.

Subd. 3. [COMMISSIONER APPROVAL.] Notwithstanding requirements in sections 252.28, 252.40 to 252.47, and 256B.501, the commissioner of human services may authorize service alternatives to day training and habilitation services for persons specified in subdivision 2, paragraph (f). Alternative services may be provided by the existing day training and habilitation vendor, the residential vendor, or other qualified vendors selected by the county when the following conditions are met:

(1) the county has submitted a proposal to the commissioner, pursuant to subdivision 4 of this section, and has received written authorization from the commissioner to provide alternative services to eligible persons;

(2) the host county has a negotiated rate contract with an approved vendor as defined in this section; and

(3) the cost for the person's proposed service alternative will be less than or equal to the cost of the person's day training and habilitation services.

Subd. 4. [COUNTY PROPOSAL CONTENTS AND COMMISSIONER APPROVAL.] To be considered for the commissioner's approval, county proposals for alternative services must include the following:

(1) a description of persons who may receive alternative services and a description of the alternative services, including the proposed vendors;

(2) assurance that persons proposed to receive alternative services

will be or have been authorized based on their assessed needs and preferences for alternative services and in accordance with subdivision 5 and that the decision to receive alternative services was actually made by the person or the person's legal representative;

(3) a description of measures undertaken by the county to assure sufficient oversight by a person or organization other than the residential service provider when the residential service vendor is also the vendor of the alternative service;

(4) a statement of the proposed cost and the method of payment for the alternative service, including assurance that the cost will not exceed the cost of day training and habilitation;

(5) assurance that the county will provide timely reports to the commissioner of human services about who has been authorized to receive alternative services, in order to assure proper reimbursement of the vendor; and

(6) assurance that the county of financial responsibility has approved of the plan for alternative services.

Subd. 5. [RIGHTS AND PROTECTIONS.] (a) Persons and their legal representatives, if any, may choose service alternatives when made available by the county and authorized by the commissioner. Counties shall inform persons and their legal representatives, if any, in writing, of their option to participate in service alternatives, or to continue work or attendance at a training and habilitation facility.

(b) Persons participating in service alternatives shall continue to receive the amount and type of active treatment determined to be needed in their individual service plans and to assure compliance with federal regulations, as applicable.

(c) All persons referred for participation in the service alternative shall be informed when any part of Minnesota Rules is waived. No person shall be denied rights or procedural protection provided under sections 256.045, subdivision 4a, and 256B.092.

Subd. 6. [PAYMENT FOR ALTERNATIVE SERVICES.] (a) Payment for alternative services shall be made to approved vendors under the conditions of existing contracts with the host county, except for intermediate care facilities for persons with mental retardation or a related condition reimbursed through Minnesota Rules, parts 9553.0010 to 9553.0080. When alternative services under this section are provided by an intermediate care facility for persons with mental retardation or related conditions, the following reimbursement and reporting procedures will be applied.

(b) Effective upon date of enactment, the commissioner shall, for a

facility determined to be eligible under this section, negotiate an adjustment to the payment rate. The negotiated adjustment must reflect only the actual programmatic costs of meeting the alternative day training and habilitation needs of persons participating in service alternatives under this section. Additional programmatic costs must not include administrative and property-related costs. The additional programmatic costs shall be limited to:

(1) program salaries, payroll taxes, and fringe benefits of facility employees providing direct care services;

(2) costs of program consultants providing direct care services;

(3) training costs of facility employees providing direct care services;

(4) costs of program supplies; and

(5) additional operating costs related to transporting persons to community activities which have not been included in the facility's payment rate.

The additional programmatic costs must be reported on the facility's annual cost report in the program operating cost category. A facility receiving a negotiated adjustment to its payment rate must agree to report these payments on an accrual basis as an applicable credit in the program operating cost category on its annual cost report for each reporting year in which a negotiated adjustment is in effect. The maximum amount of the negotiated adjustment shall not exceed the cost of the day training and habilitation service provided to a person just prior to entering alternative services.

(c) The negotiated per diem adjustment to the facility's payment rate shall be equal to the sum of the negotiated programmatic costs divided by the facility's resident days for the reporting year used to establish the payment rate being adjusted. The adjusted payment rate shall be effective the first day of the month following the month when a person ceases receiving day training and habilitation services. The negotiated per diem adjustment may be subject to renegotiation on October 1 of each subsequent rate year. The negotiated per diem adjustment shall terminate upon discharge of the person from the facility, or at such time when the person is determined by the commissioner to no longer require service alternatives.

(d) Upon statewide implementation of a residential client-based reimbursement system for ICF/MR facilities, parts or all of this subdivision shall be subject to amendment, if no longer applicable, as determined by the commissioner.

Sec. 30. Minnesota Statutes 1990, section 254A.03, subdivision 2, is amended to read:

Subd. 2. [AMERICAN INDIAN PROGRAMS.] There is hereby created a division of American Indian programs, within the alcohol and drug abuse section of the department of human services, ~~the position of to be headed by a special assistant for American Indian programs on alcoholism and drug abuse and an assistant to that position.~~ The division shall be staffed with all personnel necessary to fully administer programming for alcohol and drug abuse for American Indians in the state. The special assistant position shall be filled by a person with considerable practical experience in and understanding of alcohol and other drug abuse problems in the American Indian community, who shall be responsible to the director of the alcohol and drug abuse section created in subdivision 1 and shall be in the unclassified service. The special assistant shall meet with the American Indian advisory council as described in section 254A.035 and serve as a liaison to the Minnesota Indian affairs council to report on the status of alcohol and other drug abuse among American Indians in the state of Minnesota. The special assistant with the approval of the director shall:

(a) Administer funds appropriated for American Indian groups, organizations and reservations within the state for American Indian alcoholism and drug abuse programs.

(b) Establish policies and procedures for such American Indian programs with the assistance of the American Indian advisory board.

(c) Hire and supervise staff to assist in the administration of the American Indian program division within the alcohol and drug abuse section of the department of human services.

Sec. 31. Minnesota Statutes 1991 Supplement, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, persons eligible for medical assistance benefits under sections 256B.055 and 256B.056 or who meet the income standards of section 256B.056, subdivision 4, and persons eligible for general assistance medical care under section 256D.03, subdivision 3, are entitled to chemical dependency fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(b) A person not entitled to services under paragraph (a), but with family income that is less than 60 percent of the state median income for a family of like size and composition, shall be eligible to receive chemical dependency fund services within the limit of funds

available after persons entitled to services under paragraph (a) have been served. A county may spend money from its own sources to serve persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(c) Persons whose income is between 60 percent and 115 percent of the state median income shall be eligible for chemical dependency services on a sliding fee basis, within the limit of funds available, after persons entitled to services under paragraph (a) and persons eligible for services under paragraph (b) have been served. Persons eligible under this paragraph must contribute to the cost of services according to the sliding fee scale established under subdivision 3. A county may spend money from its own sources to provide services to persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(d) Notwithstanding the provisions of paragraphs (b) and (c), state funds appropriated to serve persons who are not entitled under the provisions of paragraph (a), shall be expended for chemical dependency treatment services for nonentitled but eligible persons who have children in their household, are pregnant, or are younger than 18 years old. These persons may have household incomes up to 60 percent of the state median income. Any funds in addition to the amounts necessary to serve the persons identified in this paragraph shall be expended according to the provisions of paragraphs (b) and (c).

Sec. 32. Minnesota Statutes 1991 Supplement, section 256.031, subdivision 3, is amended to read:

Subd. 3. [AUTHORIZATION FOR THE DEMONSTRATION.] (a) The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and planning, and the director of the higher education coordinating board, is authorized to proceed with the planning and designing of the Minnesota family investment plan and to implement the plan to test policies, methods, and cost impact on an experimental basis by using field trials. The commissioner, under the authority in section 256.01, subdivision 2, shall implement the plan according to sections 256.031 to 256.0361 and Public Law Numbers 101-202 and 101-239, section 8015, as amended. If major and unpredicted costs to the program occur, the commissioner may take corrective action consistent with Public Law Numbers 101-202 and 101-239, which may include termination of the program. Before taking such corrective action, the commissioner shall consult with the chairs of the senate health and human services committee, the house health and human services committee, the health and human services division of the senate finance committee and the human resources division of

the house appropriations committee, or, if the legislature is not in session, consult with the legislative advisory commission.

(b) The field trials shall be conducted as permitted under federal law, for as many years as necessary, and in different geographical settings, to provide reliable instruction about the desirability of expanding the program statewide.

(c) The commissioner shall select the counties which shall serve as field trial or ~~control~~ comparison sites based on criteria which ensure reliable evaluation of the program.

(d) The commissioner is authorized to determine the number of families and characteristics of subgroups to be included in the evaluation.

(i) A family that applies for or is currently receiving financial assistance from aid to families with dependent children; family general assistance or work readiness; or food stamps may be tested for eligibility for aid to families with dependent children or family general assistance and may be assigned by the commissioner to an experimental a test or a control comparison group for the purposes of evaluating the family investment plan. A family found not eligible for aid to families with dependent children or family general assistance will be tested for eligibility for the food stamp program. If found eligible for the food stamp program, the commissioner may randomly assign the family to a test group, comparison group, or neither group. Families assigned to an experimental a test group receive benefits and services through the family investment plan. Families assigned to a control comparison group receive benefits and services through existing programs. A family may not select the group to which it is assigned. Once assigned to a group, a an eligible family must remain in that group for the duration of the project.

(ii) To evaluate the effectiveness of the family investment plan, the commissioner may designate a subgroup of families from the ~~experimental test~~ group who shall be exempt from section 256.035, subdivision 1, and shall not receive case management services under section 256.035, subdivision 6a. Families are eligible for services under section 256.736 to the same extent as families receiving AFDC.

Sec. 33. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] (a) A family is entitled to assistance under the Minnesota family investment plan if the family is assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), and:

(1) the family meets the definition of assistance unit under section 256.032, subdivision 1a;

(2) the family's resources not excluded under subdivision 3 do not exceed \$2,000;

(3) the family can verify citizenship or lawful resident alien status;

(4) the family provides or applies for a social security number for each member of the family receiving assistance under the family investment plan; and

(5) the family assigns child support collection to the county agency.

(b) A family is eligible for the family investment plan if the net income is less than the transitional standard as defined in section 256.032, subdivision 13, for that size and composition of family. In determining available net income, the provisions in subdivision 2 shall apply.

(c) Upon application, a family is initially eligible for the family investment plan if the family's gross income does not exceed the applicable transitional standard of assistance for that family as defined under section 256.032, subdivision 13, after deducting:

(1) 18 percent to cover taxes;

(2) actual dependent care costs up to the maximum disregarded under United States Code, title 42, section 602(a)(8)(A)(iii); and

(3) \$50 of child support collected in that month.

(d) A family can remain eligible for the program if:

(1) it meets the conditions in section 256.035, subdivision 4; and

(2) its income is below the transitional standard in section 256.032, subdivision 13, allowing for income exclusions in subdivision 2 and after applying the family investment plan treatment of earnings under section 256.035, subdivision 4.

Sec. 34. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 2, is amended to read:

Subd. 2. [DETERMINATION OF FAMILY INCOME.] The aid to families with dependent children income exclusions listed in Code of Federal Regulations, title 45, sections 233.20(a)(3) and 233.20(a)(4),

must be used when determining a family's available income, except that:

(1) all earned income of a minor child receiving assistance through the Minnesota family investment plan is excluded when the child is attending school at least half-time;

(2) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments are excluded in accordance with United States Code, title 42, section 602(a)(8)(A)(viii);

(3) educational grants and loans as provided in section 256.74, subdivision 1, clause (2), are excluded;

(4) all other income listed in Minnesota Rules, part 9500.2380, subpart 2, is excluded; and

(5) when determining income available from members of the family who do not elect to be included in the assistance unit under section 256.032, subdivision 1a, paragraphs (c) and (e), the county agency shall count the remaining income after disregarding:

(i) the first 18 percent of the excluded family member's gross earned income;

(ii) an amount for the support of ~~the~~ any stepparent or any parent of a minor caregiver and any other individuals whom the stepparent or parent of the minor caregiver claims as dependents for determining federal personal income tax liability and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.031 to 256.033. The amount equals the transitional standard in section 256.032, subdivision 13, for a family of the same size and composition;

(iii) amounts the stepparent or parent of the minor caregiver actually paid to individuals not living in the same household but whom the stepparent claims as dependents for determining federal personal income tax liability; and

(iv) alimony or child support, or both, paid by the stepparent or parent of the minor caregiver for individuals not living in the same household.

Sec. 35. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 3, is amended to read:

Subd. 3. [DETERMINATION OF FAMILY RESOURCES.] When determining a family's resources, the following are excluded:

(1) the family's home, together with surrounding property ~~that does not exceed ten acres and that~~ is not separated from the home by intervening property owned by others;

(2) one burial plot for each family member;

(3) one prepaid burial contract with an equity value of no more than \$1,500 for each member of the family;

(4) licensed automobiles, trucks, or vans up to a total equity value of \$4,500;

(5) personal property needed to produce earned income, including tools, implements, farm animals, and inventory;

(6) the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business; and

(7) clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living.

Sec. 36. Minnesota Statutes 1991 Supplement, section 256.033, subdivision 5, is amended to read:

Subd. 5. [ABILITY TO APPLY FOR FOOD STAMPS.] A family that is ineligible for assistance through the Minnesota family investment plan due to income or resources or has not been assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), may apply for, and if eligible receive, benefits under the food stamp program.

Sec. 37. Minnesota Statutes 1991 Supplement, section 256.034, subdivision 3, is amended to read:

Subd. 3. [MODIFICATION OF ELIGIBILITY TESTS.] (a) A needy family is eligible and entitled to receive assistance under the program if the family is assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), even if its children are not found to be deprived of parental support or care by reason of death, continued absence from the home, physical or mental incapacity of a parent, or unemployment of a parent, provided the family's income and resources do not exceed the eligibility requirements in section 256.033. In addition, a caregiver who is in the assistance unit who is physically and mentally fit, who is between the ages of 18 and 60 years, who is enrolled at least half time in an institution of higher education, and whose family income and resources do not exceed the eligibility requirements in section 256.033, is eligible for assistance under the Minnesota family investment plan if the family is assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph

(d), even if the conditions for eligibility as prescribed under the federal Food Stamp Act of 1977, as amended, are not met.

(b) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support, health care benefits coverage, and maintenance from any other person the applicant may have in the applicant's own behalf or on behalf of any other family member for whom application is made under the Minnesota family investment plan. The provisions of section 256.74, subdivision 5, govern the assignment. An applicant for, or a person receiving, assistance under the Minnesota family investment plan shall cooperate with the efforts of the county agency to collect child and spousal support. The county agency is entitled to any child support and maintenance received by or on behalf of the person receiving assistance or another member of the family for which the person receiving assistance is responsible. Failure by an applicant or a person receiving assistance to cooperate with the efforts of the county agency to collect child and spousal support without good cause must be sanctioned according to section 256.035, subdivision 3.

(c) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is not required to comply with the employment and training requirements prescribed under sections 256.736, subdivisions 3, 3a, and 14; and 256D.05, subdivision 1; section 402(a)(19) of the Social Security Act; the federal Food Stamp Act of 1977, as amended; Public Law Number 100-485; or any other state or federal employment and training program, unless and to the extent compliance is specifically required in a family support agreement with the county agency or its designee.

Sec. 38. Minnesota Statutes 1991 Supplement, section 256.035, subdivision 1, is amended to read:

Subdivision 1. [EXPECTATIONS.] All families eligible for assistance under the family investment plan who are assigned to a test group in the evaluation as provided in section 256.031, subdivision 3, paragraph (d), are expected to be in transitional status as defined in section 256.032, subdivision 12. To be considered in transitional status, families must meet the following expectations:

(a) For a family headed by a single adult parental caregiver, the expectation is that the parental caregiver will independently pursue self-sufficiency until the family has received assistance for 24 months within the preceding 36 months. Beginning with the 25th month of assistance, the parent must be developing or complying with the terms of the family support agreement.

(b) For a family with a minor parental caregiver or a family whose

parental caregiver is 18 or 19 years of age and does not have a high school diploma or its equivalent, the expectation is that, concurrent with the receipt of assistance, the parental caregiver must be developing or complying with a family support agreement. The terms of the family support agreement must include compliance with section 256.736, subdivision 3b. However, if the assistance unit does not comply with section 256.736, subdivision 3b, the sanctions in subdivision 3 apply.

(c) For a family with two adult parental caregivers, the expectation is that at least one parent will independently pursue self-sufficiency until the family has received assistance for six months within the preceding 12 months. Beginning with the seventh month of assistance, one parent must be developing or complying with the terms of the family support agreement.

Sec. 39. Minnesota Statutes 1991 Supplement, section 256.0361, subdivision 2, is amended to read:

Subd. 2. [FINANCIAL REIMBURSEMENT.] (a) Up to the limit of the state appropriation, a county selected by the commissioner to serve as a field trial or a ~~control~~ comparison site for the Minnesota family investment plan shall be reimbursed by the state for the nonfederal share of administrative costs that were incurred during the development, implementation, and operation of the program and that exceed the administrative costs that would have been incurred in the absence of the program.

(b) Minnesota family investment plan assistance is included as covered programs and services under section 256.025, subdivision 2.

Sec. 40. Minnesota Statutes 1990, section 256.81, is amended to read:

256.81 [COUNTY AGENCY, DUTIES.]

(1) The county agency shall keep such records, accounts, and statistics in relation to aid to families with dependent children as the state agency shall prescribe.

(2) Each grant of aid to families with dependent children shall be paid to the recipient by the county agency unless paid by the state agency. Payment must be by check or electronic means except in those instances in which the county agency, subject to the rules of the state agency, determines that payments for care shall be made to an individual other than the parent or relative with whom the dependent child is living or to vendors of goods and services for the benefit of the child because such parent or relative is unable to properly manage the funds in the best interests and welfare of the child. At the request of a recipient, the state or county may make

payments directly to vendors of goods and services, but only for goods and services appropriate to maintain the health and safety of the child, as determined by the county. The state or county may ask the recipient to give written consent authorizing the state or county to provide advance notice to a vendor before vendor payments are reduced or terminated. Whenever possible under state and federal laws and regulations, the state or county shall provide at least 30 days notice to vendors before vendor payments are reduced or terminated. If 30 days notice cannot be given, the state or county shall notify the vendor within three working days after the date the state or county becomes aware that vendor payments will be reduced or terminated. A fee of no more than \$5 may be charged to a vendor to offset the cost of notification. A vendor payment arrangement is not a guarantee that a vendor will be paid by the state or county for rent, goods, or services furnished to a recipient, and the state and county are not liable for any damages claimed by a vendor due to failure of the state or county to pay or to notify the vendor on behalf of a recipient, except under a specific written agreement between the state or county and the vendor or when the state or county has provided a voucher guaranteeing payment under certain conditions.

(3) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

(4) Federal funds available for administrative purposes shall be distributed between the state and the counties in the same proportion that expenditures were made except as provided for in section 256.017.

Sec. 41. Minnesota Statutes 1990, section 256.9655, is amended to read:

256.9655 [PAYMENTS TO MEDICAL PROVIDERS.]

Subdivision 1. [DUTIES OF COMMISSIONER.] The commissioner shall establish procedures to analyze and correct problems associated with medical care claims preparation and processing under the medical assistance, general assistance medical care, and children's health plan programs. At a minimum, the commissioner shall:

(1) designate a full-time position as a liaison between the department of human services and providers;

(2) analyze impediments to timely processing of claims, provide information and consultation to providers, and develop methods to resolve or reduce problems;

(3) provide to each acute care hospital a quarterly listing of claims

received and identify claims that have been suspended and the reason the claims were suspended;

(4) provide education and information on reasons for rejecting and suspending claims and identify methods that would avoid multiple submissions of claims; and

(5) for each acute care hospital, identify and prioritize claims that are in jeopardy of exceeding time factors that eliminate payment.

Subd. 2. [ELECTRONIC CLAIM SUBMISSION.] Medical providers designated by the commissioner of human services are permitted to purchase authorized materials through commodity contracts administered by the commissioner of administration for the purpose of submitting electronic claims to the medical programs designated in subdivision 1. Providers so designated must be actively enrolled and participating in the medical programs and must sign a hardware purchase and electronic biller agreement with the commissioner of human services prior to purchase from the contract.

Sec. 42. Minnesota Statutes 1991 Supplement, section 256.9685, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner shall establish procedures for determining medical assistance and general assistance medical care payment rates under a prospective payment system for inpatient hospital services in hospitals that qualify as vendors of medical assistance. The commissioner shall establish, by rule, procedures for implementing this section and sections 256.9686, 256.969, and 256.9695. The medical assistance payment rates must be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of recipients in efficiently and economically operated hospitals. Services must meet the requirements of section 256B.04, subdivision 15, or 256D.03, subdivision 7, paragraph (b), to be eligible for payment except the commissioner may establish exemptions to specific requirements based on diagnosis, procedure, or service after notice in the State Register and a 30-day comment period. The commissioner may establish an administrative reconsideration process for appeals of inpatient hospital services determined to be medically unnecessary. The reconsideration process shall take place prior to the contested case procedures of chapter 14 and shall be conducted by physicians that are independent of the case under reconsideration. A majority decision by the physicians is necessary to make a determination that the services were not medically necessary. Notwithstanding section 256B.72, the commissioner may recover inpatient hospital payments for services that have been determined to be medically unnecessary under the reconsideration process.

Sec. 43. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 1, is amended to read:

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

For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for hospital reimbursement rates under medical assistance and general assistance medical care. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in hospital reimbursement rates under medical assistance and general assistance medical care, based upon the hospital cost index.

Sec. 44. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 2, is amended to read:

Subd. 2. [DIAGNOSTIC CATEGORIES.] The commissioner shall use to the extent possible existing diagnostic classification systems, including the system used by the Medicare program to determine the relative values of inpatient services and case mix indices. The commissioner may combine diagnostic classifications into diagnostic categories and may establish separate categories and numbers of categories based on program eligibility or hospital peer group. Relative values shall be recalculated when the base year is changed. Relative value determinations shall include paid claims for admissions during each hospital's base year. The commissioner may extend the time period forward to obtain sufficiently valid information to establish relative values. Relative value determinations shall not include property cost data, Medicare crossover data, and data on admissions that are paid a per day transfer rate under subdivision 43 14. The computation of the base year cost per admission must include identified outlier cases and their weighted costs up to the point that they become outlier cases, but must exclude costs recognized in outlier payments beyond that point. The commissioner may

recategorize the diagnostic classifications and recalculate relative values and case mix indices to reflect actual hospital practices, the specific character of specialty hospitals, or to reduce variances within the diagnostic categories after notice in the State Register and a 30-day comment period.

Sec. 45. Minnesota Statutes 1991 Supplement, section 256.969, subdivision 21, is amended to read:

Subd. 21. [MENTAL HEALTH OR CHEMICAL DEPENDENCY ADMISSIONS; RATES.] Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency shall have rates established according to the methods of subdivision 14, except the per day rate shall be multiplied by a factor of 2, provided that the total of the per day rates shall not exceed the per admission rate. This methodology shall also apply when a hold or commitment is ordered by the court for the days that inpatient hospital services are medically necessary. Stays Mental health and chemical dependency inpatient hospital services for a hold or commitment ordered by the court 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. 46. Minnesota Statutes 1991 Supplement, section 256.9751, subdivision 1, is amended to read:

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

(a) [CONGREGATE HOUSING.] "Congregate housing" means federally or locally subsidized housing, designed for the elderly, consisting of private apartments and common areas which can be used for activities and for serving meals.

(b) [CONGREGATE HOUSING SERVICES PROJECTS.] "Congregate housing services project" means a project in which services are or could be made available to older persons who live in subsidized housing and which helps delay or prevent nursing home placement. To be considered a congregate housing services project, a project must have: (1) an on-site coordinator, and (2) a plan for providing a minimum assuring the availability of one meal per day, seven days a week, for each elderly participant, seven days a week in need.

(c) [ON-SITE COORDINATOR.] "On-site coordinator" means a person who works on-site in a building or buildings and who serves as a contact for older persons who need services, support, and assistance in order to delay or prevent nursing home placement.

(d) [CONGREGATE HOUSING SERVICES PROJECT PARTICIPANTS OR PROJECT PARTICIPANTS.] "Congregate housing services project participants" or "project participants" means elderly persons 60 years old or older, who are currently residents of, or who are applying for residence in housing sites, and who need support services to remain independent.

Sec. 47. Minnesota Statutes 1991 Supplement, section 256.9751, subdivision 6, is amended to read:

Subd. 6. [CRITERIA FOR SELECTION.] The Minnesota board on aging shall select projects under this section according to the following criteria:

(1) the extent to which the proposed project assists older persons to age-in-place to prevent or delay nursing home placement;

(2) the extent to which the proposed project identifies the needs of project participants;

(3) the extent to which the proposed project identifies how the on-site coordinator will help meet the needs of project participants;

(4) the extent to which the proposed project plan assures the availability of one meal a day, seven days a week, for ~~participants~~ each elderly participant in need;

(5) the extent to which the proposed project demonstrates involvement of participants and family members in the project; and

(6) the extent to which the proposed project demonstrates involvement of housing providers and public and private service agencies, including area agencies on aging.

Sec. 48. Minnesota Statutes 1990, section 256B.02, is amended by adding a subdivision to read:

Subd. 14. [GROUP HEALTH PLAN.] "Group health plan" means any plan of, or contributed to by, an employer, including a self-insured plan, to provide health care directly or otherwise to the employer's employees, former employees, or the families of the employees or former employees, and includes continuation coverage pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, or title VI of the Employee Retirement Income Security Act of 1974.

Sec. 49. Minnesota Statutes 1990, section 256B.02, is amended by adding a subdivision to read:

Subd. 15. [COST-EFFECTIVE.] "Cost-effective" means that the amount paid by the state for premiums, coinsurance, deductibles, other cost sharing obligations under a health insurance plan, and other administrative costs is likely to be less than the amount paid for an equivalent set of services paid by medical assistance.

Sec. 50. Minnesota Statutes 1990, section 256B.035, is amended to read:

256B.035 [MANAGED CARE.]

The commissioner of human services may contract with public or private entities for ~~health care services for or operate a preferred provider program to deliver health care services to~~ medical assistance ~~and, general assistance medical care, and children's health plan recipients identified by the commissioner as inappropriately using health care services.~~ The commissioner may enter into risk-based and non-risk-based contracts. Contracts may be for the full range of health services, or a portion thereof, for medical assistance and general assistance medical care populations to determine the effectiveness of various provider reimbursement and care delivery mechanisms. The commissioner may seek necessary federal waivers and implement projects when approval of the waivers is obtained from the Health Care Financing Administration of the United States Department of Health and Human Services.

Sec. 51. Minnesota Statutes 1990, section 256B.056, subdivision 1a, is amended to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance shall be as follows: (a) for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used; and (b) for families and children, which includes all other eligibility categories, the methodologies for the aid to families with dependent children program under section 256.73 shall be used. For these purposes, a "methodology" does not include an asset or income standard, ~~budgeting~~ or accounting method, or method of determining effective dates.

Sec. 52. Minnesota Statutes 1990, section 256B.056, subdivision 5, is amended to read:

Subd. 5. [EXCESS INCOME.] A person who has excess income is eligible for medical assistance if the person has expenses for medical care that are more than the amount of the person's excess income, computed by deducting incurred medical expenses from the excess income to reduce the excess to the income standard specified in subdivision 4. The person shall elect to have the medical expenses

deducted at the beginning of a one-month budget period or at the beginning of a six-month budget period. Until June 30, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, the commissioner shall seek applicable waivers from the Secretary of Health and Human Services to allow persons eligible for assistance on a one-month spend-down basis under this subdivision to elect to pay the monthly spend-down amount in advance of the month of eligibility to the local agency in order to maintain eligibility on a continuous basis for medical assistance and to simplify payment to health care providers. If the local agency has not received payment of the spend-down amount by the 15th day of the month recipient does not pay the spend-down amount on or before the 20th of the month, the recipient is ineligible for this option for the following month. The commissioner may seek a waiver of the requirement of the Social Security Act that all requirements be uniform statewide, to phase in this option over a six-month period. The local agency must deposit spend-down payments into its treasury and issue a monthly payment to the state agency with the necessary individual account information. The local agency shall code the client eligibility system to indicate that the spend-down obligation has been satisfied for the month paid. The state agency shall convey this information to providers through eligibility cards which list no remaining spend-down obligation. After the implementation of the MMIS upgrade, the recipient may elect to pay the state agency the monthly spend-down amount. The recipient must make the payment on or before the 20th of the month in order to be eligible for this option in the following month.

Sec. 53. Minnesota Statutes 1990, section 256B.056, is amended by adding a subdivision to read:

Subd. 8. [COOPERATION.] To be eligible for medical assistance, applicants and recipients must cooperate with the state and local agency to identify potentially liable third-party payers and assist the state in obtaining third party payments, unless good cause for noncooperation is determined according to Code of Federal Regulations, title 42, part 433.147. "Cooperation" includes identifying any third party who may be liable for care and services provided under this chapter to the applicant, recipient, or any other family member for whom application is made and providing relevant information to assist the state in pursuing a potentially liable third party. Cooperation also includes providing information about a group health plan for which the person may be eligible and if the plan is determined cost-effective by the state agency and premiums are paid by the local agency or there is no cost to the recipient, they must enroll or remain enrolled with the group. Cost-effective insurance premiums approved for payment by the state agency and paid by the local agency are eligible for reimbursement according to section 256B.19.

Sec. 54. Minnesota Statutes 1990, section 256B.057, is amended by adding a subdivision to read:

Subd. 3a. [ELIGIBILITY FOR PAYMENT OF MEDICARE PART B PREMIUMS.] A person who would otherwise be eligible as a qualified Medicare beneficiary under subdivision 3, except the person's income is in excess of the limit, is eligible for medical assistance reimbursement of Medicare part B premiums if the person's income is less than 110 percent of the official federal poverty guidelines for the applicable family size. The income limit shall increase to 120 percent of the official federal poverty guidelines for the applicable family size on January 1, 1995.

Sec. 55. Minnesota Statutes 1990, section 256B.0625, subdivision 9, is amended to read:

Subd. 9. [DENTAL SERVICES.] (a) Medical assistance covers dental services. Dental services include, with prior authorization, fixed cast metal restorations that are cost-effective for persons who cannot use removable dentures because of their medical condition.

(b) The commissioner shall contract with a single prepaid dental plan company for all dental care services rendered after July 1, 1992, under medical assistance, general assistance medical care, and the children's health plan.

(c) Nothing in this section affects the commissioner's authority to contract under sections 256B.031, 256B.035, and 256D.03, subdivision 4, paragraph (c).

Sec. 56. Minnesota Statutes 1991 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from the Minnesota medical association and the Minnesota pharmacists association, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall

serve without compensation. The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide evidence to the formulary committee that placing the drug on prior authorization will not reduce the quality of patient care and that the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for pro-

hibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(c) Until June 30, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this

claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 57. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A 12-member drug utilization review board is established. The board is comprised of six licensed physicians actively engaged in the practice of medicine in Minnesota; five licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and one consumer representative. The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The physician members shall be selected from a list submitted by the Minnesota medical association. The pharmacist members shall be selected from a list submitted by the Minnesota pharmacist association. The commissioner shall appoint the initial members of the board for terms expiring as follows: four members for terms expiring June 30, 1995; four members for terms expiring June 30, 1994; and four members for terms expiring June 30, 1993. Members may be reappointed once. The board shall annually elect a chair from among the members.

The commissioner shall, with the advice of the board:

(1) implement a medical assistance retrospective and prospective drug utilization review program as required by United States Code, title 42, section 1396r-8(g)(3);

(2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;

(3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;

(4) establish a grievance and appeals process for physicians and pharmacists under this section;

(5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;

(6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;

(7) establish and implement an ongoing process to (i) receive public comment regarding drug utilization review criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and

(8) adopt any rules necessary to carry out this section.

The board may establish advisory committees. The commissioner may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to develop and implement a retrospective and prospective review program.

The board shall report to the commissioner annually on December 1. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; and any fiscal impact resulting from the program.

Sec. 58. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19b. [NO AUTOMATIC ADJUSTMENT.] For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for personal care services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for personal care services.

Sec. 59. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 19c. [PERSONAL CARE.] Medical assistance covers personal care services provided by an individual who is qualified to provide the services according to subdivision 19a and section

256B.0627, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse.

Sec. 60. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 20a. [CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR A RELATED CONDITION.] To the extent defined in the state Medicaid plan, case management service activities for persons with mental retardation or a related condition as defined in section 256B.092, and rules promulgated thereunder, are covered services under medical assistance.

Sec. 61. Minnesota Statutes 1990, section 256B.0625, is amended by adding a subdivision to read:

Subd. 31. [MEDICAL SUPPLIES AND EQUIPMENT.] Medical assistance covers medical supplies and equipment. Separate payment outside of the facility's payment rate shall be made for wheelchairs and wheelchair accessories for recipients who are residents of intermediate care facilities for the mentally retarded. Reimbursement for wheelchairs and wheelchair accessories for ICF/MR recipients shall be subject to the same conditions and limitations as coverage for recipients who do not reside in institutions. A wheelchair purchased outside of the facility's payment rate is the property of the recipient.

Sec. 62. Minnesota Statutes 1991 Supplement, section 256B.0627, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to this subdivision.

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home care services to a recipient that began before and is continued without increase on or after December 1987, shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] A recipient may receive the following amounts of home care services during a calendar year:

(1) a total of 40 home health aide visits, ~~or skilled nurse visits, health promotions, or health assessments~~ under section 256B.0625, subdivision 6a; and

(2) a total of ten hours of nursing supervision under section 256B.0625, subdivision 7 or 19a.

(c) [PRIOR AUTHORIZATION; EXCEPTIONS.] All home care services above the limits in paragraph (b) must receive the commissioner's prior authorization, except when:

(1) the home care services were required to treat an emergency medical condition that if not immediately treated could cause a recipient serious physical or mental disability, continuation of severe pain, or death. The provider must request retroactive authorization no later than five working days after giving the initial service. The provider must be able to substantiate the emergency by documentation such as reports, notes, and admission or discharge histories;

(2) the home care services were provided on or after the date on which the recipient's eligibility began, but before the date on which the recipient was notified that the case was opened. Authorization will be considered if the request is submitted by the provider within 20 working days of the date the recipient was notified that the case was opened; or

(3) a third party payor for home care services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request.

(d) [RETROACTIVE AUTHORIZATION.] A request for retroactive authorization under paragraph (c) will be evaluated according to the same criteria applied to prior authorization requests. Implementation of this provision shall begin no later than October 1, 1991, except that recipients who are currently receiving medically necessary services above the limits established under this subdivision may have a reasonable amount of time to arrange for waived services under section 256B.49 or to establish an alternative living arrangement. All current recipients shall be phased down to the limits established under paragraph (b) on or before April 1, 1992.

(e) [ASSESSMENT AND CARE PLAN.] The home care provider shall conduct an assessment and complete a care plan using forms specified by the commissioner. For the recipient to receive, or continue to receive, home care services, the provider must submit evidence necessary for the commissioner to determine the medical necessity of the home care services. The provider shall submit to the commissioner the assessment, the care plan, and other information necessary to determine medical necessity such as diagnostic or testing information, social or medical histories, and hospital or facility discharge summaries.

(f) [PRIOR AUTHORIZATION.] The commissioner, or the com-

missioner's designee, shall review the assessment, the care plan, and any additional information that is submitted. The commissioner shall, within 30 days after receiving a request for prior authorization, authorize home care services as follows:

(1) [HOME HEALTH SERVICES.] All home health services provided by a nurse or a home health aide that exceed the limits established in paragraph (b) must be prior authorized by the commissioner or the commissioner's designee. Prior authorization must be based on medical necessity and cost-effectiveness when compared with other care options.

(2) [PERSONAL CARE SERVICES.] (i) All personal care services must be prior authorized by the commissioner or the commissioner's designee except for the limits on supervision established in paragraph (b). The amount of personal care services authorized must be based on the recipient's case mix classification according to section 256B.0911, except that a child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity and the amount of assistance needed is similar to the assistance appropriate for a typical child of the same age. Based on medical necessity, the commissioner may authorize:

(A) up to two times the average number of direct care hours provided in nursing facilities for the recipient's case mix level;

(B) up to three times the average number of direct care hours provided in nursing facilities for recipients who have complex medical needs;

(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, for care provided in a regional treatment center for recipients who have complex behaviors;

(D) up to the amount the commissioner would pay, as of July 1, 1991, for care provided in a regional treatment center for recipients referred to the commissioner by a regional treatment center preadmission evaluation team. For purposes of this clause, home care services means all services provided in the home or community that would be included in the payment to a regional treatment center; or

(E) up to the amount medical assistance would reimburse for facility care for recipients referred to the commissioner by a preadmission screening team established under section 256B.091 or 256B.092.

(ii) The number of direct care hours shall be determined according to annual cost reports which are submitted to the department by nursing facilities each year. The average number of direct care

hours, as established by May 1, shall be calculated and incorporated into the home care limits on July 1 each year. These limits shall be calculated to the nearest quarter hour.

(iii) The case mix level shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner by the personal care provider on forms specified by the commissioner. The forms shall be a combination of current assessment tools developed under sections 256B.0911 and 256B.501 with an addition for seizure activity that will assess the frequency and severity of seizure activity and with adjustments, additions, and clarifications that are necessary to reflect the needs and conditions of children and nonelderly adults who need home care. The commissioner shall establish these forms and protocols under this section and shall use the advisory group established in section 256B.04, subdivision 16, for consultation in establishing the forms and protocols by October 1, 1991.

(iv) A recipient shall qualify as having complex medical needs if they require:

(A) daily tube feedings;

(B) daily parenteral therapy;

(C) wound or decubiti care;

(D) postural drainage, percussion, nebulizer treatments, suctioning, tracheotomy care, oxygen, mechanical ventilation;

(E) catheterization;

(F) ostomy care; or

(G) other comparable medical conditions or treatments the commissioner determines would otherwise require institutional care.

(v) A recipient shall qualify as having complex behavior if the recipient exhibits on a daily basis the following:

(A) self-injurious behavior;

(B) unusual or repetitive habits;

(C) withdrawal behavior;

(D) hurtful behavior to others;

(E) socially ~~or~~ offensive behavior;

(F) destruction of property; or

(G) a need for constant one-to-one supervision for self-preservation.

(vi) The complex behaviors in clauses (A) to (G) have the meanings developed under section 256B.501.

(3) [PRIVATE DUTY NURSING SERVICES.] All private duty nursing services shall be prior authorized by the commissioner or the commissioner's designee. Prior authorization for private duty nursing services shall be based on medical necessity and cost-effectiveness when compared with alternative care options. The commissioner may authorize medically necessary private duty nursing services in quarter-hour units when:

(i) the recipient requires more individual and continuous care than can be provided during a nurse visit; or

(ii) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

The commissioner may authorize up to 16 hours per day of private duty nursing services or up to 24 hours per day of private duty nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined that a health benefit plan is required to pay for medically necessary nursing services. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section than would otherwise be authorized under section 256B.49.

(4) [VENTILATOR-DEPENDENT RECIPIENTS.] If the recipient is ventilator-dependent, the monthly medical assistance authorization for home care services shall not exceed what the commissioner would pay for care at the highest cost hospital designated as a long-term hospital under the Medicare program. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at the long-term hospital. "Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent for at least 30 consecutive days.

(g) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a prior authorization shall remain valid. If the recipient continues to require home care services beyond the dura-

tion of the prior authorization, the home care provider must request a new prior authorization through the process described above. Under no circumstances shall a prior authorization be valid for more than 12 months.

(h) [APPROVAL OF HOME CARE SERVICES.] The commissioner or the commissioner's designee shall determine the medical necessity of home care services, the level of caregiver according to subdivision 2, and the institutional comparison according to this subdivision, and the amount, scope, and duration of home care services reimbursable by medical assistance, based on the assessment, the care plan, the recipient's age, the recipient's medical condition, and diagnosis or disability. The commissioner may publish additional criteria for determining medical necessity according to section 256B.04.

(i) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] The department has 30 days from receipt of the request to complete the prior authorization, during which time it may approve a temporary level of home care service. Authorization under this authority for a temporary level of home care services is limited to the time specified by the commissioner.

(j) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Home care services provided in an adult or child foster care setting must receive prior authorization by the department according to the limits established in paragraph (b).

The commissioner may not authorize:

(1) home care services that are the responsibility of the foster care provider under the terms of the foster care placement agreement and administrative rules;

(2) personal care services when the foster care license holder is also the personal care provider or personal care assistant unless the recipient can direct the recipient's own care, or the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;

(3) personal care services when the responsible party is an employee of, or under contract with, or has any direct or indirect financial relationship with the personal care provider or personal care assistant, unless the recipient is referred to the commissioner by a regional treatment center preadmission evaluation team;

(4) home care services when the number of foster care residents is greater than four; or

(5) home care services when combined with foster care payments,

less the base rate, that exceed the total amount that public funds would pay for the recipient's care in a medical institution.

Sec. 63. Minnesota Statutes 1990, section 256B.064, is amended by adding a subdivision to read:

Subd. 1d. [INVESTIGATIVE COSTS.] The commissioner may seek recovery of investigative costs from any vendor of medical care or services who willfully submits a claim for reimbursement for services the vendor knows, or reasonably should have known, is a false representation and which results in the payment of public funds for which the vendor is ineligible. Billing errors deemed to be unintentional, but which result in overcharges, shall not be considered for investigative cost recoupment.

Sec. 64. Minnesota Statutes 1991 Supplement, section 256B.064, subdivision 2, is amended to read:

Subd. 2. The commissioner shall determine monetary amounts to be recovered and the sanction to be imposed upon a vendor of medical care for conduct described by subdivision 1a. Except in the case of a conviction for conduct described in subdivision 1a, neither a monetary recovery nor a sanction will be sought by the commissioner without prior notice and an opportunity for a hearing, pursuant to chapter 14, on the commissioner's proposed action, provided that the commissioner may suspend or reduce payment to a vendor of medical care, except a nursing home or convalescent care facility, prior to the hearing if in the commissioner's opinion that action is necessary to protect the public welfare and the interests of the program.

Upon receipt of a notice that a monetary recovery or sanction is to be imposed, a vendor may request a contested case, as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after the date the notification of monetary recovery or sanction was mailed to the vendor. The appeal request must specify:

- (1) each disputed item, the reason for the dispute, and an estimate of the dollar amount involved for each disputed item;
- (2) the computation that the vendor believes is correct;
- (3) the authority in statute or rule upon which the vendor relies for each disputed item;
- (4) the name and address of the person or entity with whom contacts may be made regarding the appeal; and

(5) other information required by the commissioner.

Sec. 65. Minnesota Statutes 1991 Supplement, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county agency and the county public health nursing service of the local board of health. Each local screening team shall be composed of a social worker and a public health nurse from their respective county agencies. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. Two or more counties may collaborate to establish a joint local screening team or teams.

(b) Both members of the team must conduct the screening. However, individuals who are being transferred from an acute care facility to a certified nursing facility and individuals who are admitted to a certified nursing facility on an emergency basis may be screened by only one member of the screening team in consultation with the other member.

(c) In assessing a person's needs, each screening team shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included on the screening team if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.

(d) If a person who has been screened must be reassessed to assign a case mix classification because admission to a nursing facility occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.

Sec. 66. Minnesota Statutes 1991 Supplement, section 256B.0911, is amended by adding a subdivision to read:

Subd. 7a. [CASE MIX ASSESSMENTS.] The nursing facility is authorized to conduct all case mix assessments for persons who have been admitted to the facility prior to a preadmission screening. The county shall conduct the case mix assessment for all persons screened within ten working days prior to admission. The county retains the responsibility of distributing appropriate case mix forms to the nursing facility.

Sec. 67. Minnesota Statutes 1991 Supplement, section 256B.0911, subdivision 8, is amended to read:

Subd. 8. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee to advise the commissioner on the preadmission screening program, the alternative care program under section 256B.0913, and the home- and community-based services waiver programs for the elderly and the disabled. The advisory committee shall review policies and procedures and provide advice and technical assistance to the commissioner regarding the effectiveness and the efficient administration of the programs. The advisory committee must consist of not more than 20 22 people appointed by the commissioner and must be comprised of representatives from public agencies, public and private service providers, two representatives of nursing home associations, and consumers from all areas of the state. Members of the advisory committee must not be compensated for service.

Sec. 68. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NONMEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse;

(2) the person is age 65 or older;

(3) the person would be eligible for medical assistance within 180 days of admission to a nursing facility;

(4) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;

(5) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and

(6) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059.

(b) Individuals who meet the criteria in paragraph (a) and who

have been approved for alternative care funding are called 180-day eligible clients.

(c) The statewide average payment for nursing facility care is the statewide average monthly nursing facility rate in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.

(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.

(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spend-down if the person applied, unless authorized by the commissioner. The commissioner may authorize alternative care money to be used to meet a portion of a medical assistance income spend-down for persons residing in adult foster care who would otherwise be served under the alternative care program. The alternative care payment is limited to the difference between the recipient's negotiated foster care board and lodge rate and the medical assistance income standard for one elderly person plus the medical assistance personal needs allowance for a person residing in a long-term care facility. A person whose application for medical assistance is being processed may be served under the alternative care program for up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance retroactive to the date of eligibility for the services provided that are reimbursable under the elderly waiver program.

(f) Alternative care funding is not available for a person who resides in a licensed nursing home or boarding care home, except for case management services which are being provided in support of the discharge planning process.

Sec. 69. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

(1) adult foster care;

(2) adult day care;

- (3) home health aide;
- (4) homemaker services;
- (5) personal care;
- (6) case management;
- (7) respite care;
- (8) assisted living; and
- (9) care-related supplies and equipment.

(b) The county agency may use up to ten percent of the annual allocation of alternative care funding for payment of costs of meals delivered to the home, transportation, skilled nursing, chore services, companion services, nutrition services, and training for direct informal caregivers. The commissioner shall determine the impact on alternative care costs of allowing these additional services to be provided and shall report the findings to the legislature by February 15, 1993, including any recommendations regarding provision of the additional services.

(c) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

(d) These services must be provided by a licensed provider, a home health agency certified for reimbursement under Titles XVIII and XIX of the Social Security Act, or by persons or agencies employed by or contracted with the county agency or the public health nursing agency of the local board of health.

(e) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. On July 1, 1992, the adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75 percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager.

(f) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(g) Costs for supplies and equipment that exceed \$150 per item per month must have prior approval from the commissioner. A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to two or more alternative care ~~grant~~ clients who reside in the same apartment building of ten or more units. These services may include care coordination, the costs of preparing one or more nutritionally balanced meals per day, general oversight, and other supportive services which the vendor is licensed to provide according to sections 144A.43 to 144A.49, and which would otherwise be available to individual alternative care ~~grant~~ clients. Reimbursement from the lead agency shall be made to the vendor as a monthly capitated rate negotiated with the county agency. The capitated rate shall not exceed the state share of the average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The capitated rate may not cover rent and direct food costs. A person's eligibility to reside in the building must not be contingent on the person's acceptance or use of the assisted living services. Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.01 to 157.031.

(i) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care plan. Companion services must be provided by individuals or nonprofit organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.

(j) For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the caregiver to deliver care in a home setting with high levels of quality. The training must be approved by

the case manager as part of the individual care plan. Individuals, agencies, and educational facilities which provide caregiver training and education will be monitored by the case manager.

Sec. 70. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS FOR INDIVIDUAL CARE PLAN.] The case manager shall implement the plan of care for each 180-day eligible client and ensure that a client's service needs and eligibility are reassessed at least every six months. The plan shall include any services prescribed by the individual's attending physician as necessary to allow the individual to remain in a community setting. In developing the individual's care plan, the case manager should include the use of volunteers from families and neighbors, religious organizations, social clubs, and civic and service organizations to support the formal home care services. The county shall be held harmless for damages or injuries sustained through the use of volunteers under this subdivision including workers' compensation liability. The lead agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program. The lead agency shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The case manager must give the individual a ten-day written notice of any decrease in or termination of alternative care services.

Sec. 71. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 11, is amended to read:

Subd. 11. [TARGETED FUNDING.] (a) The purpose of targeted funding is to make additional money available to counties with the greatest need. Targeted funds are not intended to be distributed equitably among all counties, but rather, allocated to those with long-term care strategies that meet state goals.

(b) The funds available for targeted funding shall be the total appropriation for each fiscal year minus county allocations determined under subdivision 10 as adjusted for any inflation increases provided in appropriations for the biennium.

(c) The commissioner shall allocate targeted funds to counties that demonstrate to the satisfaction of the commissioner that they have developed feasible plans to increase alternative care ~~grant~~ spending. In making targeted funding allocations, the commissioner shall use the following priorities:

- (1) counties that received a lower allocation in fiscal year 1991

than in fiscal year 1990. Counties remain in this priority until they have been restored to their fiscal year 1990 level plus inflation;

(2) counties that sustain a base allocation reduction for failure to spend 95 percent of the allocation if they demonstrate that the base reduction should be restored;

(3) counties that propose projects to divert community residents from nursing home placement or convert nursing home residents to community living; and

(4) counties that can otherwise justify program growth by demonstrating the existence of waiting lists, demographically justified needs, or other unmet needs.

(d) Counties that would receive targeted funds according to paragraph (c) must demonstrate to the commissioner's satisfaction that the funds would be appropriately spent by showing how the funds would be used to further the state's alternative care goals as described in subdivision 1, and that the county has the administrative and service delivery capability to use them.

(e) The commissioner shall request applications by June 1 each year, for county agencies to apply for targeted funds. The counties selected for targeted funds shall be notified of the amount of their additional funding by August 1 of each year. Targeted funds allocated to a county agency in one year shall be treated as part of the county's base allocation for that year in determining allocations for subsequent years. No reallocations between counties shall be made.

(f) The allocation for each year after fiscal year 1992 shall be determined using the previous fiscal year's allocation, including any targeted funds, as the base and then applying the criteria under subdivision 10, paragraphs (c), (d), and (f), to the current year's expenditures.

Sec. 72. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

(1) when the alternative care client's gross income is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than \$6,000, the fee is zero;

(2) when the alternative care client's gross income is greater than

150 percent of the federal poverty guideline and total assets are less than \$6,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's gross income, whichever is less; and

(3) when the alternative care client's total assets are greater than \$6,000, the fee is 25 percent of the cost of alternative care services.

For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, under section 256B.059, if applicable.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated and be payable in the month in which the alternative care services begin and shall continue unaltered for six months until the semiannual reassessment unless the actual cost of services falls below the fee.

(b) The fee shall be waived by the commissioner when:

(1) a person who is residing in a nursing facility is receiving case management only;

(2) a person is applying for medical assistance;

(3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;

(4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;

(5) a person is found eligible for alternative care, but is not yet receiving alternative care services;

(6) a person is an adult foster care resident for whom alternative care funds are being used to meet a portion of the person's medical assistance spend-down, as authorized in subdivision 4; and

(7) a person's fee under paragraph (a) is less than \$25.

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium

due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the revenue recapture act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

~~(e) The commissioner shall establish a premium schedule ranging from \$25 to \$75 per month based on the client's income and assets. The schedule is not subject to chapter 14, but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested persons to comment before adopting the schedule in final form.~~ (d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium. ~~Emergency or permanent rules governing client premiums supersede any schedule adopted under the exemption from chapter 14 in this section.~~

Sec. 73. Minnesota Statutes 1991 Supplement, section 256B.0913, subdivision 14, is amended to read:

Subd. 14. [REIMBURSEMENT AND RATE ADJUSTMENTS.] (a) Reimbursement for expenditures for the alternative care services shall be through the invoice processing procedures of the department's Medicaid management information system (MMIS), only with the approval of the client's case manager. To receive reimbursement, the county or vendor must submit invoices within 120 days following the month of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.

(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(d) Annually on July 1, the commissioner must adjust the rates allowed for alternative care services by For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for alternative care

services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for alternative care services based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

Sec. 74. Minnesota Statutes 1991 Supplement, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over \$150 per month for both the elderly waiver and the disabled waiver must have the commissioner's prior approval.

(e) Annually on July 1, the commissioner must adjust the rates allowed for services by For the fiscal year beginning on July 1, 1993, and for subsequent fiscal years, the commissioner of human services shall not provide automatic annual inflation adjustments for home- and community-based waived services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for home- and community-based waived services, based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set. The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.

On July 1, 1992, the adult foster care daily rate for the elderly and disabled waivers shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other waiver and medical assistance home care services to be authorized by the case manager.

(f) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid management information system (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(g) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

Sec. 75. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 4. [TERMINATION NOTICE.] The case manager must give the individual a ten-day written notice of any decrease in or termination of waived services.

Sec. 76. Minnesota Statutes 1991 Supplement, section 256B.0915, is amended by adding a subdivision to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] A reas-

essment of a client served under the elderly or disabled waiver must be conducted at least every six months and at other times when the case manager determines that there has been significant change in the client's functioning. This may include instances where the client is discharged from the hospital.

Sec. 77. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services shall establish SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, a county board, or boards ~~under a joint powers agreement~~, must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, and the area agencies on aging in a geographic area which is responsible for:

(1) developing a local long-term care strategy consistent with state goals and objectives;

(2) submitting an application to be selected as a project;

(3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and

(4) ensuring efficient services provision and nonduplication of funding.

(c) The board, or boards ~~under a joint powers agreement~~, shall designate a public agency to serve as the lead agency. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. The local long-term care coordi-

nating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(e) The board, or boards ~~under a joint powers agreement~~, shall apply to be selected as a project. If the project is selected, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(f) Projects shall be selected according to the following conditions:

(1) No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

(2) If only two projects are selected, at least one of them must be from a metropolitan statistical area as determined by the United States Census Bureau; if three or four projects are selected, at least one but not more than two projects must be from a metropolitan statistical area; and if more than four projects are selected, at least two but not more than three projects must be from a metropolitan statistical area.

(3) Counties or groups of counties that submit a proposal for a project shall be assigned to types defined by institutional utilization rate and population growth rate in the following manner:

(i) Each county or group of counties shall be measured by the utilization rate of nursing homes and boarding care homes and by the projected growth rate of its population aged 85 and over between 1990 and 2000. For the purposes of this section, "utilization rate" means the proportion of the seniors aged 65 or older in the county or group of counties who reside in a licensed nursing home or boarding care home as determined by the most recent census of residents available from the department of health and the population estimates of the state demographer or the census, whichever is more recent. The "projected growth rate" is the rate of change in the county or group of counties of the population group aged 85 or older between 1990 and 2000 according to the projections of the state demographer.

(ii) The institutional utilization rate of a county or group of counties shall be converted to a category by assigning a "high utilization" category if the rate is above the median rate of all counties, and a "low utilization" category otherwise. The projected growth rate of a county or group of counties shall be converted to a category by assigning a score of "high growth" category if the rate is above the median rate of all counties, and a "low growth" category otherwise.

(iii) Types of areas shall be defined by the four combinations of the scores defined in item (ii): type 1 is low utilization – high growth, type 2 is high utilization – high growth, type 3 is high utilization – low growth, and type 4 is low utilization – low growth. Each county or group of counties making a proposal shall be assigned to one of these types.

(4) Projects shall be selected from each of the types in the order that the types are listed in paragraph (3), item (iii), with available funding allocated to projects until it is exhausted, with no more than 30 percent of available funding allocated to any one project. Available funding includes state administrative funds which have been appropriated for screening functions in subdivision 4, paragraph (b), clause (3), and for service developers and incentive grants in subdivision 5.

(5) If more than one county or group of counties within one of the types defined by paragraph (3) proposes a special project that meets all of the other conditions in paragraphs (1) and (2), the project that demonstrates the most cost-effective proposals in terms of the number of nursing home placements that can be expected to be diverted or converted to alternative care services per unit of cost shall be selected.

(6) If more than one county applies for a specific project under this subdivision, all participating county boards must indicate intent to work cooperatively through individual board resolutions or a joint powers agreement.

Sec. 78. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 3, is amended to read:

Subd. 3. [LOCAL LONG-TERM CARE STRATEGY.] The local long-term care strategy must list performance outcomes and indicators which meet the state's objectives. The local strategy must provide for:

(1) accessible information, assessment, and preadmission screening activities as described in subdivision 4;

(2) an application for expansion of alternative care targeted funds under section 256B.0913, for serving 180-day eligible clients, including those who are relocated from nursing homes; and

(3) the development of additional services such as adult family foster care homes; family adult day care; assisted living projects and congregate housing service projects in apartment buildings; expanded home care services for evenings and weekends; expanded volunteer services; and caregiver support and respite care projects; and

~~(4) development and implementation of strategies for advocating, promoting, and developing long-term care insurance and encouraging insurance companies to offer long-term care insurance policies that are affordable and offer a wide range of benefits.~~

The county or groups of counties selected for the projects shall be required to comply with federal regulations, alternative care funding policies in section 256B.0913, and the federal waiver programs' policies in section 256B.0915. The requirements for preadmission screening as defined in section 256B.0911, subdivisions 1 to 6, are waived for those counties selected as part of a long-term care strategy project. For persons who are eligible for medical assistance or who are 180-day eligible clients and who are screened after nursing facility admission, the nursing facility must include a screener in the discharge planning process for those individuals who the screener has determined have discharge potential. The agency responsible for the screening function in subdivision 4 must ensure a smooth transition and follow-up for the individual's return to the community. Requirements for an access, screening, and assessment function replace the preadmission screening requirements and are defined in subdivision 4. Requirements for the service development and service provision are defined in subdivision 5.

Sec. 79. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 4, is amended to read:

Subd. 4. [ACCESSIBLE INFORMATION, SCREENING, AND ASSESSMENT FUNCTION.] (a) The projects selected by and under contract with the commissioner shall establish an accessible information, screening, and assessment function for persons who need assistance and information regarding long-term care. This accessible information, screening, and assessment activity shall include information and referral, early intervention, follow-up contacts, telephone triage as defined in paragraph (f), home visits, assessments, preadmission screening, and relocation case management for the frail elderly and their caregivers in the area served by the county or counties. The purpose is to ensure that information and help is provided to elderly persons and their families in a timely fashion, when they are making decisions about long-term care. These functions may be split among various agencies, but must be coordinated by the local long-term care coordinating team.

(b) Accessible information, screening, and assessment functions shall be reimbursed as follows:

(1) The screenings of all persons entering nursing homes shall be reimbursed by the nursing homes in the counties of the project, through the same policy that is in place in fiscal year 1992 as established in section 256B.0911. The amount a nursing home pays to the county agency is that amount identified and approved in the February 15, 1991, estimated number of screenings and associated expenditures. This amount remains the same for fiscal year 1993;

(2) The level I screenings and the level II assessments required by Public Law Numbers 100-203 and 101-508 (OBRA) for persons with mental illness, mental retardation, or related conditions, are reimbursed through administrative funds with 75 percent federal funds and 25 percent state funds, as allowed by federal regulations and established in the contract; and

(3) Additional state administrative funds shall be available for the access, screening, and assessment activities that are not reimbursed under clauses (1) and (2). This amount shall not exceed the amount authorized in the guidelines and in instructions for the application and must be within the amount appropriated for this activity.

(c) The amounts available under paragraph (b) are available to the county or counties involved in the project to cover staff salaries and expenses to provide the services in this subdivision. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide the services listed in this subdivision.

(d) Any information and referral functions funded by other

sources, such as Title III of the Older Americans Act and Title XX of the Social Security Act and the Community Social Services Act, shall be considered by the local long-term care coordinating team in establishing this function to avoid duplication and to ensure access to information for persons needing help and information regarding long-term care.

(e) The staffing for the screening and assessment function must include, but is not limited to, a county social worker and a county public health nurse. The social worker and public health nurse are responsible for all assessments that are required to be completed by a professional. However, only one of these professionals is required to be present for the assessment. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year of experience in home care to conduct the assessment.

(f) All persons entering a Medicaid certified nursing home or boarding care home must be screened through an assessment process, although the decision to conduct a face-to-face interview is left with the county social worker and the county public health nurse. All applicants to nursing homes must be screened and approved for admission by the county social worker or the county public health nurse named by the lead agency or the agencies which are under contract with the lead agency to manage the access, screening, and assessment functions. For applicants who have a diagnosis of mental illness, mental retardation, or a related condition, and are subject to the provisions of Public Law Numbers 100-203 and 101-508, their admission must be approved by the local mental health authority or the local developmental disabilities case manager.

The commissioner shall develop instructions and assessment forms for telephone triage and on-site screenings to ensure that federal regulations and waiver provisions are met.

For purposes of this section, the term "telephone triage" refers to a telephone or face-to-face consultation between health care and social service professionals during which the clients' circumstances are reviewed and the county agency professional sorts the individual into categories: (1) needs no screening, (2) needs an immediate screening, or (3) needs a screening after admission to a nursing home or after a return home. The county agency professional shall authorize admission to a nursing home according to the provisions in section 256B.0911, subdivision 7.

(g) The requirements for case mix assessments by a preadmission screening team may be waived and the nursing home shall complete the case mix assessments which are not conducted by the county public health nurse according to the procedures established under Minnesota Rules, part 9549.0059. The appropriate county or the

lead agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.

(h) The lead agency or the agencies under contract with the lead agency which are responsible for the accessible information, screening, and assessment function must complete the forms and reports required by the commissioner as specified in the contract.

Sec. 80. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 5, is amended to read:

Subd. 5. [SERVICE DEVELOPMENT AND SERVICE DELIVERY.] (a) In addition to the access, screening, and assessment activity, each local strategy may include provisions for the following:

(1) expansion of alternative care to serve an increased caseload, over the fiscal year 1991 average caseload, of at least 100 persons each year who are assessed prior to nursing home admission and persons who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload;

(2) the addition of a full-time staff person who is responsible to develop the following services and recruit providers as established in the contract:

(i) additional adult family foster care homes;

(ii) family adult day care providers as defined in section 256B.0919, subdivision 2;

(iii) an assisted living program in an apartment;

(iv) a congregate housing service project in a subsidized housing project; and

(v) the expansion of evening and weekend coverage of home care services as deemed necessary by the local strategic plan;

(3) small incentive grants to new adult family care providers for renovations needed to meet licensure requirements;

(4) a plan to apply for a congregate housing service project as identified in section 256.9751, authorized by the Minnesota board on aging, to the extent that funds are available;

(5) a plan to divert new applicants to nursing homes and to relocate a targeted population from nursing homes, using the individual's own resources or the funding available for services;

(6) one or more caregiver support and respite care projects, as described in subdivision 6; and

(7) one or more living-at-home/block nurse projects, as described in subdivisions 7 to 10.

(b) The expansion of alternative care clients under paragraph (a) shall be accomplished with the funds provided under section 256B.0913, and includes the allocation of targeted funds. The funding for all participating counties must be coordinated by the local long-term care coordinating team and must be part of the local long-term care strategy. Targeted alternative care funds received through the SAIL project approval process may be transferred from one SAIL county to another within a designated SAIL project area during a fiscal year as authorized by the local long-term care coordinating team and approved by the commissioner. The base allocation used for a future year shall reflect the final transfer. Each county retains responsibility for reimbursement as defined in section 256B.0913, subdivision 12. All other requirements for the alternative care program must be met unless an exception is provided in this section. The commissioner may establish by contract a reimbursement mechanism for alternative care that does not require invoice processing through the medical assistance management information system (MMIS). The commissioner and local agencies must assure that the same client and reimbursement data is obtained as is available under MMIS.

(c) The administration of these components is the responsibility of the agencies selected by the local coordinating team and under contract with the local lead agency. However, administrative funds for paragraph (a), clauses (2) to (5), and grant funds for paragraph (a), clauses (6) and (7), shall be granted to the local lead agency. The funding available for each component is based on the plan submitted and the amount negotiated in the contract.

Sec. 81. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 6, is amended to read:

Subd. 6. **[STATEWIDE CAREGIVER SUPPORT AND RESPITE CARE RESOURCE CENTER; CAREGIVER SUPPORT AND RESPITE CARE PROJECTS.]** (a) ~~The commissioner shall establish and maintain a statewide resource center for caregiver support and respite care. The resource center shall:~~

(1) ~~provide information, technical assistance, and training statewide to county agencies and organizations on direct service models of caregiver support and respite care services;~~

(2) ~~identify and address issues, concerns, and gaps in the statewide network for caregiver support and respite care;~~

~~(3) maintain a statewide caregiver support and respite care directory;~~

~~(4) educate caregivers on the availability and use of caregiver and respite care services;~~

~~(5) promote and expand caregiver training and support groups using existing networks when possible; and~~

~~(6) apply for and manage grants related to caregiver support and respite care.~~

(b) The commissioner shall establish up to 36 projects to expand the respite care network in the state and to support caregivers in their responsibilities for care. The purpose of each project shall be to:

(1) establish a local coordinated network of volunteer and paid respite workers;

(2) coordinate assignment of respite workers to clients and care receivers and assure the health and safety of the client; and

(3) provide training for caregivers and ensure that support groups are available in the community.

(e) (b) The caregiver support and respite care funds shall be available to the four to six local long-term care strategy projects designated in subdivisions 1 to 5.

(d) (c) The commissioner shall publish a notice in the State Register to solicit proposals from public or private nonprofit agencies for the projects not included in the four to six local long-term care strategy projects defined in subdivision 2. A county agency may, alone or in combination with other county agencies, apply for caregiver support and respite care project funds. A public or nonprofit agency within a designated SAIL project area may apply for project funds if the agency has a letter of agreement with the county or counties in which services will be developed, stating the intention of the county or counties to coordinate their activities with the agency requesting a grant.

(e) (d) The commissioner shall select grantees based on the following criteria:

(1) the ability of the proposal to demonstrate need in the area served, as evidenced by a community needs assessment or other demographic data;

(2) the ability of the proposal to clearly describe how the project will achieve the purpose defined in paragraph (b);

(3) the ability of the proposal to reach underserved populations;

(4) the ability of the proposal to demonstrate community commitment to the project, as evidenced by letters of support and cooperation as well as formation of a community task force;

(5) the ability of the proposal to clearly describe the process for recruiting, training, and retraining volunteers; and

(6) the inclusion in the proposal of the plan to promote the project in the community, including outreach to persons needing the services.

~~(f)~~ (e) Funds for all projects under this subdivision may be used to:

(1) hire a coordinator to develop a coordinated network of volunteer and paid respite care services and assign workers to clients;

(2) recruit and train volunteer providers;

(3) train caregivers;

(4) ensure the development of support groups for caregivers;

(5) advertise the availability of the caregiver support and respite care project; and

(6) purchase equipment to maintain a system of assigning workers to clients.

~~(g)~~ (f) Project funds may not be used to supplant existing funding sources.

~~(h) An advisory committee shall be appointed to advise the caregiver support project on the development and implementation of the caregiver support and respite care services projects. The advisory committee shall review procedures and provide advice and technical assistance to the caregiver support project regarding the grant program established under this section.~~

~~The advisory committee shall consist of not more than 16 people appointed by the commissioner and shall be comprised of representatives from public and private agencies, service providers and consumers from all areas of the state.~~

~~Members of the advisory committee shall not be compensated for service.~~

Sec. 82. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 7, is amended to read:

Subd. 7. [CONTRACT.] The commissioner of human services shall execute a contract with an organization experienced in establishing and operating community-based programs that have used the principles listed in subdivision 8, paragraph (b), in order to meet the independent living and health needs of senior citizens aged 65 and over and provide community-based long-term care for senior citizens in their homes. The organization ~~awarded the contract~~ shall:

(1) assist the commissioner in developing criteria for and in awarding grants to establish community-based organizations that will implement living-at-home/block nurse programs throughout the state;

(2) assist the commissioner in awarding grants to enable current living-at-home/block nurse programs to implement the combined living-at-home/block nurse program model;

(3) serve as a state technical assistance center to assist and coordinate the living-at-home/block nurse programs established; and

(4) develop the implementation plan required by subdivision 10.

Sec. 83. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 8, is amended to read:

Subd. 8. [LIVING-AT-HOME/BLOCK NURSE PROGRAM GRANT.] (a) The commissioner, in cooperation with the organization awarded the contract under subdivision 7, shall develop and administer a grant program to establish ~~seven to ten~~ or expand up to 15 community-based organizations that will implement living-at-home/block nurse programs that are designed to enable senior citizens to live as independently as possible in their homes and in their communities. ~~Up to~~ At least seven of the programs must be in counties outside the seven-county metropolitan area. The living-at-home/block nurse program funds shall be available to the four to six SAIL projects established under this section. Nonprofit organizations and units of local government are eligible to apply for grants to establish the community organizations that will implement living-at-home/block nurse programs. In awarding grants, the commissioner shall give preference to nonprofit organizations and units of local government from communities that:

(1) have high nursing home occupancy rates;

(2) have a shortage of health care professionals; and

(3) meet other criteria established by the commissioner, in consultation with the organization under contract.

(b) Grant applicants must also meet the following criteria:

(1) the local community demonstrates a readiness to establish a community model of care, including the formation of a board of directors, advisory committee, or similar group, of which at least two-thirds is comprised of community citizens interested in community-based care for older persons;

(2) the program has sponsorship by a credible, representative organization within the community;

(3) the program has defined specific geographic boundaries and defined its organization, staffing and coordination/delivery of services;

(4) the program demonstrates a team approach to coordination and care, ensuring that the older adult participants, their families, the formal and informal providers are all part of the effort to plan and provide services; and

(5) the program provides assurances that all community resources and funding will be coordinated and that other funding sources will be maximized, including a person's own resources.

(c) Grant applicants must provide a minimum of five percent of total estimated development costs from local community funding. Grants shall be awarded for two-year periods, and the base amount shall not exceed \$40,000 per applicant for the grant period. The commissioner, in consultation with the organization under contract, may increase the grant amount for applicants from communities that have socioeconomic characteristics that indicate a higher level of need for development assistance.

(d) Each living-at-home/block nurse program shall be designed by representatives of the communities being served to ensure that the program addresses the specific needs of the community residents. The programs must be designed to:

(1) incorporate the basic community, organizational, and service delivery principles of the living-at-home/block nurse program model;

(2) provide senior citizens with registered nurse directed assessment, provision and coordination of health and personal care services on a sliding fee basis as an alternative to expensive nursing home care;

(3) provide information, support services, homemaking services, counseling, and training for the client and family caregivers;

(4) encourage the development and use of respite care, caregiver support, and in-home support programs, such as adult foster care and in-home adult day care;

(5) encourage neighborhood residents and local organizations to collaborate in meeting the needs of senior citizens in their communities;

(6) recruit, train, and direct the use of volunteers to provide informal services and other appropriate support to senior citizens and their caregivers; and

(7) provide coordination and management of formal and informal services to senior citizens and their families using less expensive alternatives.

Sec. 84. Minnesota Statutes 1991 Supplement, section 256B.0917, subdivision 11, is amended to read:

Subd. 11. [SAIL EVALUATION AND EXPANSION.] The commissioner shall evaluate the success of the SAIL projects against the objective stated in subdivision 1, paragraph (b), and recommend to the legislature the continuation or expansion of the long-term care strategy by February 15, 1993.

Sec. 85. Minnesota Statutes 1990, section 256B.092, is amended by adding a subdivision to read:

Subd. 2a. [MEDICAL ASSISTANCE FOR CASE MANAGEMENT ACTIVITIES UNDER THE STATE PLAN MEDICAID OPTION.] Upon receipt of federal approval, the commissioner shall make payments to approved vendors of case management services participating in the medical assistance program to reimburse costs for providing case management service activities to medical assistance eligible persons with mental retardation or a related condition, in accordance with the state Medicaid plan and federal requirements and limitations.

Sec. 86. Minnesota Statutes 1991 Supplement, section 256B.092, subdivision 4, is amended to read:

Subd. 4. [HOME- AND COMMUNITY-BASED SERVICES FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.] The commissioner shall make payments to approved vendors participating in the medical assistance program to pay costs of providing home- and community-based services, including case management service activities provided as an approved home- and

community-based service, to medical assistance eligible persons with mental retardation or related conditions who have been screened under subdivision 7 and according to federal requirements. Federal requirements include those services and limitations included in the federally approved application for home- and community-based services for persons with mental retardation or related conditions and subsequent amendments. Payments for home- and community-based services shall not exceed amounts authorized by the county of financial responsibility. For specifically identified former residents of regional treatment centers and nursing facilities, the commissioner shall be responsible for authorizing payments and payment limits under the appropriate home- and community-based service program. Payment is available under this subdivision only for persons who, if not provided these services, would require the level of care provided in an intermediate care facility for persons with mental retardation or related conditions.

Sec. 87. [256B.0921] [STATEWIDE CAREGIVER SUPPORT AND RESPIRE CARE PROJECT.]

(a) The commissioner shall establish and maintain a statewide caregiver support and respite care project. The project shall:

(1) provide information, technical assistance, and training statewide to county agencies and organizations on direct service models of caregiver support and respite care services;

(2) identify and address issues, concerns, and gaps in the statewide network for caregiver support and respite care;

(3) maintain a statewide caregiver support and respite care resource center;

(4) educate caregivers on the availability and use of caregiver and respite care services;

(5) promote and expand caregiver training and support groups using existing networks when possible; and

(6) apply for and manage grants related to caregiver support and respite care.

(b) An advisory committee shall be appointed to advise the caregiver support project on all aspects of the project including the development and implementation of the caregiver support and respite care services projects. The advisory committee shall review procedures and provide advice and technical assistance to the caregiver support project regarding the grant program established under section 256B.0917 and others established for caregivers.

The advisory committee shall consist of not more than 16 people appointed by the commissioner and shall be comprised of representatives from public and private agencies, service providers, and consumers from all areas of the state.

Members of the advisory committee shall not be compensated for service.

Sec. 88. Minnesota Statutes 1990, section 256B.14, subdivision 2, is amended to read:

Subd. 2. [ACTIONS TO OBTAIN PAYMENT.] The state agency shall promulgate rules to determine the ability of responsible relatives to contribute partial or complete payment or repayment of medical assistance furnished to recipients for whom they are responsible. These rules shall not require payment or repayment when payment would cause undue hardship to the responsible relative or that relative's immediate family. These rules shall be consistent with the requirements of section 252.27 for parents of children whose eligibility for medical assistance was determined without deeming of the parents' resources and income. ~~For parents of children receiving services under a federal medical assistance waiver or under section 134 of the Tax Equity and Fiscal Responsibility Act of 1982, United States Code, title 42, section 1396a(e)(3), while living in their natural home, including in-home family support services, respite care, homemaker services, and minor adaptations to the home, the state agency shall take into account the room, board, and services provided by the parents in determining the parental contribution to the cost of care.~~ The county agency shall give the responsible relative notice of the amount of the payment or repayment. If the state agency or county agency finds that notice of the payment obligation was given to the responsible relative, but that the relative failed or refused to pay, a cause of action exists against the responsible relative for that portion of medical assistance granted after notice was given to the responsible relative, which the relative was determined to be able to pay.

The action may be brought by the state agency or the county agency in the county where assistance was granted, for the assistance, together with the costs of disbursements incurred due to the action.

In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing contributions by a responsible relative found able to repay the county or state agency. The order shall be effective only for the period of time during which the recipient receives medical assistance from the county or state agency.

Sec. 89. Minnesota Statutes 1990, section 256B.36, is amended to read:

256B.36 [PERSONAL ALLOWANCE FOR CERTAIN RECIPIENTS OF MEDICAL ASSISTANCE.]

In addition to the personal allowance established in section 256B.35, any ~~disabled~~ recipient of medical assistance ~~with a handicap, mental retardation, or a related condition, confined in a skilled nursing home or intermediate care facility who is a resident of a nursing facility or intermediate care facility for the mentally retarded,~~ shall also be permitted a special personal allowance drawn solely from earnings from any ~~productive~~ employment under an individual plan of rehabilitation. This special personal allowance shall ~~not exceed (1) the limits set therefor by the commissioner, or (2) the amount of disregarded income the individual would have retained as a recipient of aid to the disabled benefits in December, 1973, whichever amount is lower~~ consist of the sum of the following amounts, deducted from earnings in the following order:

- (1) \$80 for the costs of meals and miscellaneous work expenses;
- (2) federal insurance contributions act payments withheld from the person's earned income;
- (3) actual employment related transportation expenses;
- (4) other actual employment related expenses; and
- (5) state and federal income taxes withheld from the person's earned income, if the person cannot be claimed as exempt from federal income tax withholding.

The maximum special personal allowance from earnings is the sum of items (1) to (5).

Sec. 90. Minnesota Statutes 1990, section 256B.41, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner shall establish, by rule, procedures for determining rates for care of residents of nursing homes which qualify as vendors of medical assistance, and for implementing the provisions of this section and sections 256B.421, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, 256B.50, and 256B.502. The procedures shall be based on methods and standards that the commissioner finds are adequate to provide for the costs that must be incurred for the care of residents in efficiently and economically operated nursing homes and shall specify the costs that are allowable for establishing payment rates through medical assistance.

Sec. 91. Minnesota Statutes 1990, section 256B.41, subdivision 2, is amended to read:

Subd. 2. [FEDERAL REQUIREMENTS.] If any provision of this section and sections 256B.421, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, 256B.50, and 256B.502, is determined by the United States government to be in conflict with existing or future requirements of the United States government with respect to federal participation in medical assistance, the federal requirements shall prevail.

Sec. 92. Minnesota Statutes 1990, section 256B.421, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of this section and sections 256B.41, 256B.411, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, 256B.50, and 256B.502, the following terms and phrases shall have the meaning given to them.

Sec. 93. Minnesota Statutes 1990, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983, and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2a, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special

assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, but before January 1, 1988, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the fiscal year beginning on January 1, 1988, the facility's payment rate must be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment rate must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted prior year's payment rate plus the real estate tax and special assessment per diem.

(5) For fiscal years beginning on or after January 1, 1989, the facility's payment rate must be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment

rate less the real estate tax and special assessment per diem must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted payment rate plus the real estate tax and special assessment per diem.

(6) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

(d) A facility that meets the criteria of paragraph (c) shall submit annual cost reports on forms prescribed by the commissioner.

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

(f) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

- (1) the sale or transfer of a nursing home upon death of an owner;
- (2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;
- (3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;
- (4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;
- (5) a sale and leaseback to the same licensee which does not constitute a change in facility license;

- (6) a transfer of an interest to a trust;
- (7) gifts or other transfers for no consideration;
- (8) a merger of two or more related organizations;
- (9) a transfer of interest in a facility held in receivership;
- (10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;
- (11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or
- (12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

(g) Upon receiving a recommendation from the commissioner of health for a review of rates under section 144A.15, subdivision 6, the commissioner may grant an adjustment to the nursing home's payment rate. The commissioner shall review the recommendation of the commissioner of health, together with the nursing home's cost report to determine whether or not the deficiency or need can be corrected or met by reallocating nursing home staff, costs, revenues, or other resources including any investments, efficiency incentives, or allowances. If the commissioner determines that the deficiency cannot be corrected or the need cannot be met, the commissioner shall determine the payment rate adjustment by dividing the additional annual costs established during the commissioner's review by the nursing home's actual resident days from the most recent desk-audited cost report. The payment rate adjustment must meet the conditions in section 256B.47, subdivision 2, and shall remain in effect until the receivership under section 144A.15 ends, or until another date the commissioner sets.

Upon the subsequent sale or transfer of the nursing home, the commissioner may recover amounts paid through payment rate adjustments under this paragraph. The buyer or transferee shall repay this amount to the commissioner within 60 days after the commissioner notifies the buyer or transferee of the obligation to repay. The buyer or transferee must also repay the private-pay resident the amount the private-pay resident paid through payment rate adjustment.

Sec. 94. Minnesota Statutes 1991 Supplement, section 256B.431, subdivision 21, is amended to read:

Subd. 21. [INFLATION ADJUSTMENTS AFTER JULY 1, 1990.]

(a) For rate years beginning on or after July 1, 1990, the forecasted composite price index for a nursing home's allowable operating cost per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

(b) For rate years beginning on or after July 1, 1992, the commissioner ~~shall~~ may index the prior year's operating cost limits by the percentage change in the Data Resources, Inc., nursing home market basket between the midpoint of the current reporting year and the midpoint of the previous reporting year. The commissioner ~~shall~~ may use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year. The commissioner of finance shall include annual adjustments in operating costs for nursing homes as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.

Sec. 95. Minnesota Statutes 1990, section 256B.432, is amended by adding a subdivision to read:

Subd. 7. [RECEIVERSHIPS.] This section does not apply to payment rates determined under sections 245A.12, 245A.13, and 256B.495, except that any additional identified costs directly associated with the department of human services or the department of health's managing agent under a receivership must be allocated to the facility under receivership, and are nonallowable costs to the managing agent on the facility's cost reports.

Sec. 96. Minnesota Statutes 1990, section 256B.433, subdivision 1, is amended to read:

Subdivision 1. [SETTING PAYMENT; MONITORING USE OF THERAPY SERVICES.] The commissioner shall promulgate rules pursuant to the administrative procedure act to set the amount and method of payment for ancillary materials and services provided to recipients residing in nursing homes. Payment for materials and services may be made to either the nursing home in the operating cost per diem, to the vendor of ancillary services pursuant to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475 or to a nursing home pursuant to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475. Payment for the same or similar service to a recipient shall not be made to both the nursing home and the vendor. The commissioner shall ensure the avoidance of double payments through audits and adjustments to the

nursing home's annual cost report as required by section 256B.47, and that charges and arrangements for ancillary materials and services are cost effective and as would be incurred by a prudent and cost-conscious buyer. Therapy services provided to a recipient must be medically necessary and appropriate to the medical condition of the recipient. If the vendor, nursing home, or ordering physician cannot provide adequate medical necessity justification, as determined by the commissioner, in consultation with an advisory task force that meets the requirements of section 256B.064, subdivision 1a, the commissioner may recover or disallow the payment for the services and may require prior authorization for therapy services as a condition of payment or may impose administrative sanctions to limit the vendor, nursing home, or ordering physician's participation in the medical assistance program. If the provider number of a nursing home is used to bill services provided by a vendor of therapy services that is not related to the nursing home by ownership, control, affiliation, or employment status, no withholding of payment shall be imposed against the nursing home for services not medically necessary except for funds due the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c). For the purpose of this subdivision, no monetary recovery may be imposed against the nursing home for funds paid to the unrelated vendor of therapy services as provided in subdivision 3, paragraph (c), for services not medically necessary. For purposes of this section and section 256B.47, therapy includes physical therapy, occupational therapy, speech therapy, audiology, and mental health services that are covered services according to Minnesota Rules, parts 9505.0170 to 9505.0475, and that could be reimbursed separately from the nursing home per diem.

Sec. 97. Minnesota Statutes 1990, section 256B.433, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION THAT TREATMENT IS APPROPRIATE.] The physical therapist, occupational therapist, speech therapist, mental health professional, or audiologist who provides or supervises the provision of therapy services, other than an initial evaluation, to a medical assistance recipient must certify in writing that the therapy's nature, scope, duration, and intensity are appropriate to the medical condition of the recipient every 30 days. The therapist's statement of certification must be maintained in the recipient's medical record together with the specific orders by the physician and the treatment plan. If the recipient's medical record does not include these documents, the commissioner may recover or disallow the payment for such services. If the therapist determines that the therapy's nature, scope, duration, or intensity is not appropriate to the medical condition of the recipient, the therapist must provide a statement to that effect in writing to the nursing home for inclusion in the recipient's medical record. The commissioner shall utilize a peer review program that meets the requirements of section 256B.064, subdivision 1a, to make

recommendations regarding the medical necessity of services provided.

Sec. 98. Minnesota Statutes 1990, section 256B.433, subdivision 3, is amended to read:

Subd. 3. [SEPARATE BILLINGS FOR THERAPY SERVICES.] Until new procedures are developed under subdivision 4, payment for therapy services provided to nursing home residents that are billed separate from nursing home's payment rate or according to Minnesota Rules, parts ~~9500.0750 to 9500.1080~~ 9505.0170 to 9505.0475, shall be subject to the following requirements:

(a) The practitioner invoice must include, in a format specified by the commissioner, the provider number of the nursing home where the medical assistance recipient resides regardless of the service setting.

(b) Nursing homes that are related by ownership, control, affiliation, or employment status to the vendor of therapy services shall report, in a format specified by the commissioner, the revenues received during the reporting year for therapy services provided to residents of the nursing home. For rate years beginning on or after July 1, 1988, the commissioner shall offset the revenues received during the reporting year for therapy services provided to residents of the nursing home to the total payment rate of the nursing home by dividing the amount of offset by the nursing home's actual resident days. Except as specified in paragraphs (d) and (f), the amount of offset shall be the revenue in excess of 108 percent of the cost removed from the cost report resulting from the requirement of the commissioner to ensure the avoidance of double payments as determined by section 256B.47. Therapy revenues that are specific to mental health services shall be subject to this paragraph for rate years beginning after June 30, 1993. In establishing a new base period for the purpose of setting operating cost payment rate limits and rates, the commissioner shall not include the revenues offset in accordance with this section.

(c) For rate years beginning on or after July 1, 1987, nursing homes shall limit charges in total to vendors of therapy services for renting space, equipment, or obtaining other services during the rate year to 108 percent of the annualized cost removed from the reporting year cost report resulting from the requirement of the commissioner to ensure the avoidance of double payments as determined by section 256B.47. If the arrangement for therapy services is changed so that a nursing home is subject to this paragraph instead of paragraph (b), the cost that is used to determine rent must be adjusted to exclude the annualized costs for therapy services that are not provided in the rate year. The maximum charges to the vendors shall be based on the commissioner's determination of annualized cost and may be subsequently adjusted upon resolution of appeals.

Mental health services shall be subject to this paragraph for rate years beginning after June 30, 1993.

(d) The commissioner shall require reporting of all revenues relating to the provision of therapy services and shall establish a therapy cost, as determined by section 256B.47, to revenue ratio for the reporting year ending in 1986. For subsequent reporting years, the ratio may increase five percentage points in total until a new base year is established under paragraph (e). Increases in excess of five percentage points may be allowed if adequate justification is provided to and accepted by the commissioner. Unless an exception is allowed by the commissioner, the amount of offset in paragraph (b) is the greater of the amount determined in paragraph (b) or the amount of offset that is imputed based on one minus the lesser of (1) the actual reporting year ratio or (2) the base reporting year ratio increased by five percentage points, multiplied by the revenues.

(e) The commissioner may establish a new reporting year base for determining the cost to revenue ratio.

(f) If the arrangement for therapy services is changed so that a nursing home is subject to the provisions of paragraph (b) instead of paragraph (c), an average cost to revenue ratio based on the ratios of nursing homes that are subject to the provisions of paragraph (b) shall be imputed for paragraph (d).

(g) This section does not allow unrelated nursing homes to reorganize related organization therapy services and provide services among themselves to avoid offsetting revenues. Nursing homes that are found to be in violation of this provision shall be subject to the penalty requirements of section 256B.48, subdivision 1, paragraph (f).

Sec. 99. Minnesota Statutes 1990, section 256B.48, subdivision 3, is amended to read:

Subd. 3. [INCOMPLETE OR INACCURATE REPORTS.] The commissioner may reject any annual cost report filed by a nursing home pursuant to this chapter if the commissioner determines that the report or the information required in subdivision 2, clause (a) has been filed in a form that is incomplete or inaccurate. In the event that a report is rejected pursuant to this subdivision, the commissioner shall reduce the reimbursement rate to a nursing home to 80 percent of its most recently established rate until the information is completely and accurately filed. The reinstatement of the total reimbursement rate is retroactive.

Sec. 100. Minnesota Statutes 1991 Supplement, section 256B.49, subdivision 4, is amended to read:

Subd. 4. [INFLATION ADJUSTMENT.] For the biennium ending June 30, 1993, the commissioner of human services shall not provide an annual inflation adjustment for home and community-based waived services, except as provided in section 256B.491, subdivision 3, and except that the commissioner shall provide an inflation adjustment for the community alternatives for disabled individuals (CADI) and community alternative care (CAC) waived services programs for the fiscal year beginning July 1, 1991. For fiscal years beginning after June 30, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for home- and community-based waived services. The commissioner of finance shall include, as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11, annual adjustments in reimbursement rates for each home- and community-based waived service.

Sec. 101. Minnesota Statutes 1990, section 256B.495, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT OF RECEIVERSHIP FEES.] The commissioner in consultation with the commissioner of health may establish a receivership fee ~~payment~~ that exceeds a ~~long-term care nursing facility payment rate~~ when the commissioner of health determines a ~~long-term care nursing facility~~ is subject to the receivership provisions under section 144A.14 or 144A.15 ~~or the commissioner of human services determines that a facility is subject to the receivership under section 245A.12 or 245A.13.~~ In establishing the receivership fee ~~payment~~, the commissioner must reduce the receiver's requested receivership fee by amounts that the commissioner determines are included in the ~~long-term care nursing facility's payment rate~~ and that can be used to cover part or all of the receivership fee. Amounts that can be used to reduce the receivership fee shall be determined by reallocating facility staff or costs that were formerly paid by the ~~long-term care nursing facility~~ before the receivership and are no longer required to be paid. The amounts may include any efficiency incentive, allowance, and other amounts not specifically required to be paid for expenditures of the ~~long-term care nursing facility~~.

If the receivership fee cannot be covered by amounts in the ~~long-term care nursing facility's payment rate~~, a receivership fee ~~payment~~ shall be set according to paragraphs (a) and (b) and payment shall be according to paragraphs (c) to (e).

(a) The receivership fee per diem shall be determined by dividing the annual receivership fee ~~payment~~ by the ~~long-term care nursing facility's resident days~~ from the most recent cost report for which the commissioner has established a payment rate or the estimated resident days in the projected receivership fee period.

(b) The receivership fee per diem shall be added to the ~~long-term care~~ nursing facility's payment rate.

(c) Notification of the payment rate increase must meet the requirements of section 256B.47, subdivision 2.

(d) The payment rate in paragraph (b) for a nursing ~~home facility~~ shall be effective the first day of the month following the receiver's compliance with the notice conditions in paragraph (c). ~~The payment rate in paragraph (b) for an intermediate care facility for the mentally retarded shall be effective on the first day of the rate year in which the receivership fee per diem is determined.~~

(e) The commissioner may elect to make a lump sum payment of a portion of the receivership fee to the receiver or managing agent. In this case, the commissioner and the receiver or managing agent shall agree to a repayment plan. Regardless of whether the commissioner makes a lump sum payment under this paragraph, the provisions of paragraphs (a) to (d) and subdivision 2 also apply.

Sec. 102. Minnesota Statutes 1990, section 256B.495, is amended by adding a subdivision to read:

Subd. 1a. [RECEIVERSHIP PAYMENT RATE ADJUSTMENT.] Upon receiving a recommendation from the commissioner of health for a review of rates under either section 144A.14 or 144A.15, the commissioner may grant an adjustment to the nursing home's payment rate. The commissioner shall review the recommendation of the commissioner of health, together with the nursing home's cost report to determine whether or not the deficiency or need can be corrected or met by reallocating nursing home staff, costs, revenues, or other resources including any investments, efficiency incentives, or allowances. If the commissioner determines that the deficiency cannot be corrected or the need cannot be met, the commissioner shall determine the payment rate adjustment by dividing the additional annual costs established during the commissioner's review by the nursing home's actual resident days from the most recent desk-audited cost report.

Sec. 103. Minnesota Statutes 1990, section 256B.495, subdivision 2, is amended to read:

Subd. 2. [DEDUCTION OF ADDITIONAL RECEIVERSHIP FEE PAYMENTS UPON TERMINATION OF RECEIVERSHIP.] If the commissioner has established a receivership fee per diem for a long-term care nursing facility in receivership under subdivision 1 or a payment rate adjustment under subdivision 1a, the commissioner must deduct the these receivership fee payments according to paragraphs (a) to (c).

(a) The total receivership fee payments shall be the receivership fee per diem plus the payment rate adjustment multiplied by the number of resident days for the period of the receivership fee payments. If actual resident days for the receivership fee payment period are not made available within two weeks of the commissioner's written request, the commissioner shall compute the resident days by prorating the facility's resident days based on the number of calendar days from each portion of the long-term care nursing facility's reporting years covered by the receivership period.

(b) The amount determined in paragraph (a) must be divided by the long-term care nursing facility's resident days for the reporting year in which the receivership period ends.

(c) The per diem amount in paragraph (b) shall be subtracted from the long-term care nursing facility's operating cost payment rate for the rate year following the reporting year in which the receivership period ends. This provision applies whether or not there is a sale or transfer of the nursing facility, unless the provisions of subdivision 5 apply.

Sec. 104. Minnesota Statutes 1990, section 256B.495, is amended by adding a subdivision to read:

Subd. 4. [DOWNSIZING AND CLOSING NURSING FACILITIES.] (a) If the nursing facility is subject to a downsizing to closure process during the period of receivership, the commissioner may reestablish the nursing facility's payment rate. The payment rate shall be established based on the nursing facility's budgeted operating costs, the receivership property related costs, and the management fee costs for the receivership period divided by the facility's estimated resident days for the same period. The commissioner of health and the commissioner shall make every effort to first facilitate the transfer of private paying residents to alternate service sites prior to the effective date of the payment rate. The cost limits and the case mix provisions in the rate setting system shall not apply during the portion of the receivership period over which the nursing facility downsizes to closure.

(b) Any payment rate adjustment under this subdivision must meet the conditions in section 256B.47, subdivision 2, and shall remain in effect until the receivership ends, or until another date the commissioner sets.

Sec. 105. Minnesota Statutes 1990, section 256B.495, is amended by adding a subdivision to read:

Subd. 5. [SALE OR TRANSFER OF A NURSING FACILITY IN RECEIVERSHIP AFTER CLOSURE.] (a) Upon the subsequent sale or transfer of a nursing facility in receivership, the commissioner must recover any amounts paid through payment rate adjustments

under subdivision 4 which exceed the normal cost of operating the nursing facility. Examples of costs in excess of the normal cost of operating the nursing facility include the managing agent's fee, directly identifiable costs of the managing agent, bonuses paid to employees for their continued employment during the downsizing to closure of the nursing facility, prereceivership expenditures paid by the receiver, additional professional services such as accountants, psychologists, and dietitians, and other similar costs incurred by the receiver to complete receivership. The buyer or transferee shall repay this amount to the commissioner within 60 days after the commissioner notifies the buyer or transferee of the obligation to repay. The buyer or transferee must also repay the private-pay resident the amount the private-pay resident paid through payment rate adjustment.

(b) If a nursing facility with payment rates subject to subdivision 4, paragraph (a), is later sold while the nursing facility is in receivership, the payment rates in effect prior to the receivership shall be the new owner's payment rates. Those payment rates shall continue to be in effect until the rate year following the reporting period ending on September 30 for the new owner. The reporting period shall, whenever possible, be at least five consecutive months. If the reporting period is less than five months but more than three months, the nursing facility's resident days for the last two months of the reporting period must be annualized over the reporting period for the purpose of computing the payment rate for the rate year following the reporting period.

Sec. 106. Minnesota Statutes 1990, section 256B.501, subdivision 3c, is amended to read:

Subd. 3c. [COMPOSITE FORECASTED INDEX.] For rate years beginning on or after October 1, 1988, the commissioner shall establish a statewide composite forecasted index to take into account economic trends and conditions between the midpoint of the facility's reporting year and the midpoint of the rate year following the reporting year. The statewide composite index must incorporate the forecast by Data Resources, Inc. of increases in the average hourly earnings of nursing and personal care workers indexed in Standard Industrial Code 805 in "Employment and Earnings," published by the Bureau of Labor Statistics, United States Department of Labor. This portion of the index must be weighted annually by the proportion of total allowable salaries and wages to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities.

For adjustments to the other operating costs in the program, maintenance, and administrative operating cost categories, the statewide index must incorporate the Data Resources, Inc. forecast for increases in the national CPI-U. This portion of the index must be weighted annually by the proportion of total allowable other

operating costs to the total allowable operating costs in the program, maintenance, and administrative operating cost categories for all facilities. The commissioner shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the reporting year.

For rate years beginning on or after October 1, 1990, the commissioner ~~shall~~ may index a facility's allowable operating costs in the program, maintenance, and administrative operating cost categories by using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U). The commissioner ~~shall~~ may use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins. The commissioner of finance shall include annual adjustments in operating costs for intermediate care facilities for persons with mental retardation and related conditions as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.

Sec. 107. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 4a. [INCLUSION OF HOME CARE COSTS IN WAIVER RATES.] The commissioner shall adjust the limits of the established average daily reimbursement rates for waived services to include the cost of home care services that may be provided to waived services recipients. This adjustment must be used to maintain or increase services and shall not be used by county agencies for inflation increases for waived services vendors. Home care services referenced in this section are those listed in section 256B.0627, subdivision 2. The average daily reimbursement rates established in accordance with the provisions of this subdivision apply only to the combined average, daily costs of waived and home care services and do not change home care limitations under section 256B.0627. Waivered services recipients receiving home care as of June 30, 1992, shall not have the amount of their services reduced as a result of this section.

Sec. 108. Minnesota Statutes 1990, section 256B.501, is amended by adding a subdivision to read:

Subd. 4b. [WAIVER RATES AND RESIDENTIAL HOUSING RATES.] The average daily reimbursement rates established by the commissioner for waived services shall be adjusted to include the additional costs of services eligible for waiver funding under title XIX of the Social Security Act and for which there is no group residential housing payment available as a result of the payment limitations set forth in section 256I.05, subdivision 10. The adjustment to the waiver rates shall be based on county reports of service costs that are no longer eligible for group residential housing payments. No adjustment shall be made for any amount of reported payments that prior to July 1, 1992, exceeded the group residential

housing rate limits established in section 256I.05, and were reimbursed through county funds.

Sec. 109. Minnesota Statutes 1990, section 256D.02, is amended by adding a subdivision to read:

Subd. 18. [GROUP HEALTH PLAN.] "Group health plan" means any plan of, or contributed to by, an employer, including a self-insured plan, which provides health care directly or otherwise to the employer's employees, former employees, or the families of the employees or former employees, and includes continuation coverage pursuant to title XXII of the Public Health Service Act, section 4980B of the Internal Revenue Code of 1986, or title VI of the Employee Retirement Income Security Act of 1974.

Sec. 110. Minnesota Statutes 1990, section 256D.02, is amended by adding a subdivision to read:

Subd. 19. [COST-EFFECTIVE.] "Cost-effective" means that the amount paid by the state for premiums, coinsurance, deductibles, other cost-sharing obligations under a health insurance plan, and other administrative costs is likely to be less than the amount paid for an equivalent set of services by general assistance medical care.

Sec. 111. Minnesota Statutes 1990, section 256D.03, is amended by adding a subdivision to read:

Subd. 3b. [COOPERATION.] General assistance medical care applicants and recipients must cooperate by providing information about any group health plan in which they may be eligible to enroll. They must cooperate with the state and local agency in determining if the plan is cost-effective. If the plan is determined cost-effective and the premium will be paid by the state or local agency or is available at no cost to the person, they must enroll or remain enrolled in the group health plan. Cost-effective insurance premiums approved for payment by the state agency and paid by the local agency are eligible for reimbursement according to subdivision 6.

Sec. 112. Minnesota Statutes 1991 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers:

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;

(4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;

(5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;

(6) eyeglasses and eye examinations provided by a physician or optometrist;

(7) hearing aids;

(8) prosthetic devices;

(9) laboratory and X-ray services;

(10) physician's services;

(11) medical transportation;

(12) chiropractic services as covered under the medical assistance program;

(13) podiatric services;

(14) dental services;

(15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;

(16) day treatment services for mental illness provided under contract with the county board;

(17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;

(18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;

(19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments for a person who would be eligible for medical assistance except that the person resides in an institution for mental diseases; and

(20) medical equipment not specifically listed in this paragraph

when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision.

(b) For a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.

(c) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(d) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986, to December 31, 1986, reductions

below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987, to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(e) Any county may, from its own resources, provide medical payments for which state payments are not made.

(f) Chemical dependency services that are reimbursed under

chapter 254B must not be reimbursed under general assistance medical care.

(g) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(h) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 113. Minnesota Statutes 1991 Supplement, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner and who is a resident of the state shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the county agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, licensed psychologist, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(6) a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind,

and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(7) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(8) a person who, following participation in the work readiness program, completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness service provider, the county agency work readiness service provider determines is not employable. For purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. Eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility;

(9) a person who is determined by the county agency, in accordance with emergency and permanent rules adopted by the commissioner, to be learning disabled, provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan;

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is

necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan;

(11) a woman in the last trimester of pregnancy who does not qualify for aid to families with dependent children. A woman who is in the last trimester of pregnancy who is currently receiving aid to families with dependent children may be granted emergency general assistance to meet emergency needs;

(12) a person who is eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(13) a person who lives more than two hours round-trip traveling time from any potential suitable employment; ~~and~~

(14) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day; ~~and~~

(15) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. If all children in the family are six years of age or older, or if suitable child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult member who must participate in the work readiness program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in work readiness and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination as provided by the termination provisions of section 256D.051, subdivision 1a, paragraph (b). The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause; or

(16) a person over age 18 whose primary language is not English and who is attending high school at least half time.

(b) Persons or families who are not state residents but who are otherwise eligible for general assistance may receive emergency general assistance to meet emergency needs.

(c) As a condition of eligibility under paragraph (a), clauses (1), (3), (5), (8), and (9), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(d) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or work readiness is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain.

Sec. 114. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of five consecutive calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. The person's five-month eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later, and ends on the last day of the fifth consecutive calendar month, whether or not the person has received benefits for all five months. The person is not eligible to receive work readiness benefits during the seven calendar months immediately following the five-month eligibility period; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance

must be stated in the notice of termination of work readiness benefits. The notice must be provided at least 30 days before the expiration of the period of work readiness eligibility and shall contain information concerning eligibility for emergency assistance pursuant to section 256D.06, subdivision 2.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.

(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) ~~or (d)~~.

Sec. 115. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month unless the registrants comply with work readiness requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility ~~without notice under section 256D.101, subdivision 1, paragraph (b).~~ The registrant shall, however, be sent a notice no later than five days after eligibility ends ~~shall be sent a notice under section 256D.10,~~ which informs the registrant that

family general assistance or work readiness eligibility ~~has ended will end~~ in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the five months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.

~~(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).~~

Sec. 116. Minnesota Statutes 1990, section 256D.06, subdivision 5, is amended to read:

Subd. 5. Any applicant, otherwise eligible for general assistance and possibly eligible for maintenance benefits from any other source shall (a) make application for those benefits within 30 days of the general assistance application; and (b) execute an interim assistance authorization agreement on a form as directed by the commissioner. If found eligible for benefits from other sources, and a payment received from another source relates to the period during which general assistance was also being received, the recipient shall be required to reimburse the county agency for the interim assistance paid. Reimbursement shall not exceed the amount of general assistance paid during the time period to which the other maintenance benefits apply and shall not exceed the state standard applicable to that time period. The commissioner shall adopt rules, and may adopt emergency rules, authorizing county agencies or other client representatives to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing special assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The commissioner or the county agency may contract with qualified

persons to provide the special assistance. The rules adopted by the commissioner shall include the methods by which county agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for the disabled. This subdivision does not require repayment of per diem payments made to shelters for battered women pursuant to section 256D.05, subdivision 3.

Sec. 117. Minnesota Statutes 1990, section 256D.06, is amended by adding a subdivision to read:

Subd. 5a. [SSI CONVERSIONS AND BACK CLAIMS.] The commissioner of human services shall contract with county social services agencies or directly with local nonprofit social service agencies as necessary to ensure that clients who are presently receiving assistance under sections 256D.01 to 256D.21, and who may be eligible for benefits under the federal supplemental security income program, apply and, when eligible, are converted to the federal income assistance program and made eligible for health care benefits under the medical assistance program. The commissioner shall ensure that monies owing to the state under interim assistance agreements are collected. The commissioner shall also develop procedures for collecting federal Medicare and medical assistance funds for which clients converted to SSI are retroactively eligible. The commissioner shall report to the legislature by January 15, 1993, on the implementation of this section. The report shall contain information on the following:

(1) the number of clients converted from general assistance to SSI, by county;

(2) information on whether the county social service agency or a nonprofit entity made the conversions;

(3) the amount of money collected through interim assistance agreements;

(4) the amount of money collected in federal Medicare or Medicaid funds;

(5) problems encountered in processing conversions and back claims; and

(6) recommended changes to enhance recoveries and maximize the receipt of federal money in the most efficient way possible.

Sec. 118. Minnesota Statutes 1991 Supplement, section 256D.10, is amended to read:

256D.10 [HEARINGS PRIOR TO REDUCTION; TERMINATION; SUSPENSION OF GENERAL ASSISTANCE GRANTS.]

No grant of general assistance except one made pursuant to section 256D.06, subdivision 2; 256D.051, ~~subdivisions~~ subdivision 1, paragraph (d), ~~and 1a, paragraph (b);~~ or 256D.08, subdivision 2, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the county agency.

Nothing herein shall deprive a recipient of the right to full administrative and judicial review of an order or determination of a county agency as provided for in section 256.045 subsequent to any action taken by a county agency after a prior hearing.

Sec. 119. Minnesota Statutes 1991 Supplement, section 256D.101, subdivision 3, is amended to read:

Subd. 3. [BENEFITS AFTER NOTIFICATION.] Subject to section 256D.10, assistance payments otherwise due to the registrant under section 256D.051 may not be paid after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance. Appeals of terminations from the work readiness program shall be heard within 30 days of the date that the appeal was filed.

Sec. 120. Minnesota Statutes 1990, section 256E.05, is amended by adding a subdivision to read:

Subd. 3b. [DEMONSTRATION PROJECTS.] (a) Notwithstanding section 256E.05, subdivision 3a, the commissioner shall establish a pilot project in Ramsey county to test alternatives to the delivery of mental health services required under sections 245.461 to 245.486.

(b) The authority of the county board to set policy for the provision of mental health services is prescribed in section 245.466. The authority encompasses policies relating to all local administrative, fiscal, and clinical activity.

(c) The demonstration project may include issues in the service delivery system relating to:

(1) financial assistance and the ability to use existing funds flexibly to downsize residential facilities for persons with mental illness governed by Minnesota Rules, parts 9520.0500 to 9520.0690;

(2) integrated program funding to permit flexibility in expenditures based on local needs and local control;

(3) flexibility in the delivery of case management services;

(4) waiver or removal of the rate cap and moratorium on negotiated rate facilities; and

(5) establishing a county human services department as the primary agency accountable to the county board for planning, evaluation, and monitoring of a centralized mental health service system.

(d) For purposes of the demonstration project, the integrated funding may include, but not be limited to, current mental health expenditures, including maintenance costs, from the following sources provided that any share of mental health expenditures from sources listed that are used for commitment or treatment in a regional treatment center must not be part of integrated funding:

(1) general assistance medical care;

(2) general assistance;

(3) medical assistance;

(4) Minnesota supplemental aid;

(5) grants for residential services for adults with mental illness;

(6) grants for community support services programs for persons with serious and persistent mental illness; and

(7) mental health special project grants.

(e) Evaluation of the project will be based on outcome evaluation criteria negotiated with the county before implementation of the demonstration projects.

(f) If the county fails to meet the conditions in the demonstration projects' proposals as approved by the commissioner, the commissioner may rescind the waiver rule and regulations.

(g) The demonstration project must be completed by July 1, 1996, and a report issued to the commissioner by January 1, 1997.

Sec. 121. Minnesota Statutes 1990, section 256E.14, is amended to read:

256E.14 [GRANTS FOR CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

For the biennium ending June 30, 1991, The commissioner shall distribute to counties the appropriation made available under this

section for case management services for persons with mental retardation or related conditions as follows:

(1) ~~one half of the appropriation must be distributed to the counties according to the formula in section 256E.06, subdivision 1; and~~

(2) ~~one half of as provided in this section. The appropriation must be distributed to the counties on the basis of the number of persons with mental retardation or a related condition that were receiving case management services from the county on the January 1 preceding the start of the fiscal year in which the funds are distributed. The appropriation may be reduced by the amount necessary to meet the state match for medical reimbursement under section 256B.092, subdivision 2a.~~

Sec. 122. Minnesota Statutes 1990, section 256H.01, is amended by adding a subdivision to read:

Subd. 1a. [APPLICANT.] "Child care fund applicants" means all parents, stepparents, legal guardians, or eligible relative caretakers who reside in the household that applies for child care assistance under the child care fund.

Sec. 123. Minnesota Statutes 1990, section 256H.01, subdivision 9, is amended to read:

Subd. 9. [FAMILY.] "Family" means parents, stepparents, guardians, or other caretaker relatives eligible relative caretakers, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only the minor parent or parents and the child or children. An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians, or other caregiver relatives eligible relative caretakers residing in the same household. An adult age 18 who is a full-time high school student and can reasonably be expected to graduate before age 19 may be considered a dependent member of the family unit.

Sec. 124. Minnesota Statutes 1991 Supplement, section 256H.03, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION FORMULA.] Beginning July 1, 1992, the basic sliding fee state and federal funds shall be allocated according to the following formula:

(a) One-half of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the 12-month period ending on December 31 of the preceding state fiscal year.

(b) One-fourth of the funds shall be allocated based on the number of children under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and the children's health plan on July 1, of each year.

(c) One-fourth of the funds shall be allocated based on the number of children under age 13 who reside in each county, from the most recent estimates of the state demographer.

Sec. 125. Minnesota Statutes 1991 Supplement, section 256H.03, subdivision 6, is amended to read:

Subd. 6. [GUARANTEED FLOOR.] (a) Each county's guaranteed floor shall equal the lesser of:

(1) the county's original allocation in the preceding state fiscal year; or

(2) 110 percent of the county's basic sliding fee child care program state and federal earnings for the 12-month period ending on December 31 of the preceding state fiscal year. For purposes of this clause, "state and federal earnings" means the reported ~~nonfederal~~ share of direct child care expenditures adjusted for the administrative allowance and 15 percent required county match and seven percent administration limit.

(b) When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.

Sec. 126. Minnesota Statutes 1991 Supplement, section 256H.05, subdivision 1b, is amended to read:

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are:

(1) persons receiving services under section 256.736;

(2) AFDC recipients who are employed;

(3) persons who are members of transition year families under section 256H.01, subdivision 16; ~~and~~

(4) members of the control group for the STRIDE evaluation conducted by the Manpower Demonstration Research Corporation; and

(5) AFDC caretakers who are participating in the non-STRIDE AFDC child care program.

Sec. 127. Minnesota Statutes 1991 Supplement, section 256H.05, is amended by adding a subdivision to read:

Subd. 6. [NON-STRIDE AFDC CHILD CARE PROGRAM.] Starting one month after the effective date of this subdivision, the department of human services shall reimburse eligible expenditures for 2,000 family slots for AFDC caretakers not eligible for services under section 256.736, who are engaged in an authorized educational or job search program. Each county will receive a number of family slots based on the county's proportion of the AFDC caseload. A county must receive at least two family slots. Eligibility and reimbursement are limited to the number of family slots allocated to each county. County agencies shall authorize an educational plan for each student and may prioritize families eligible for this program in their child care fund plan upon approval of the commissioner of human services.

Sec. 128. Minnesota Statutes 1990, section 256H.10, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY FACTORS.] Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(a) receive aid to families with dependent children and are receiving employment and training services under section 256.736;

(b) have household income below the eligibility levels for aid to families with dependent children; or

(c) have household income within a range established by the commissioner.

(d) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children are not AFDC caretakers, must be made available without

cost to the families with the minimum copayment required by federal law.

Sec. 129. Minnesota Statutes 1990, section 256I.01, is amended to read:

256I.01 [CITATION.]

Sections 256I.01 to 256I.06 shall be cited as the “negotiated group residential housing rate act.”

Sec. 130. Minnesota Statutes 1990, section 256I.02, is amended to read:

256I.02 [PURPOSE.]

The negotiated group residential housing rate act establishes a comprehensive system of rates and payments for persons who reside in a negotiated rate group residence and who meet the eligibility criteria of the general assistance program under sections 256D.01 to 256D.21, or the Minnesota supplemental aid program under sections 256D.33 to 256D.54.

Sec. 131. Minnesota Statutes 1990, section 256I.03, subdivision 2, is amended to read:

Subd. 2. [NEGOTIATED GROUP RESIDENTIAL HOUSING RATE.] “Negotiated Group residential housing rate” means a monthly rate set for shelter, fuel, food, utilities, household supplies, and other costs necessary to provide room and board for individuals eligible for general assistance under sections 256D.01 to 256D.21 or supplemental aid under sections 256D.33 to 256D.54. Negotiated Group residential housing rate does not include payments for foster care for children who are not blind, child welfare services, medical care, dental care, hospitalization, nursing care, drugs or medical supplies, program costs, or other social services. However, the negotiated group residential housing rate for recipients living in residences in section 256I.05, subdivision 2, paragraph (c), clause (2), includes all items covered by that residence’s medical assistance per diem rate. The rate is negotiated by the county agency or the state according to the provisions of sections 256I.01 to 256I.06.

Sec. 132. Minnesota Statutes 1990, section 256I.03, subdivision 3, is amended to read:

Subd. 3. [NEGOTIATED RATE RESIDENCE GROUP RESIDENTIAL HOUSING.] “Negotiated rate residence Group residential housing” means a group living situation that provides at a minimum room and board to unrelated persons who meet the eligibility requirements of section 256I.04. This definition includes foster care

settings for a single adult. To receive payment for a negotiated group residence rate, the residence must be licensed by either the department of health or human services and must comply with applicable laws and rules establishing standards for health, safety, and licensure. Secure crisis shelters for battered women and their children licensed by the department of corrections are not negotiated rate group residences under this chapter.

Sec. 133. Minnesota Statutes 1990, section 256I.04, as amended by Laws 1991, chapter 292, article 2, section 68, is amended to read:

256I.04 [ELIGIBILITY FOR NEGOTIATED RATE GROUP RESIDENTIAL HOUSING PAYMENT.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] To be eligible for a negotiated rate group residential housing payment, the individual must be eligible for general assistance under sections 256D.01 to 256D.21, or supplemental aid under sections 256D.33 to 256D.54. If the individual is in the negotiated rate group residence due to illness or incapacity, the individual must be in the residence under a plan developed or approved by the county agency. Residence in other negotiated rate group residences must be approved by the county agency.

Subd. 2. [DATE OF ELIGIBILITY.] For a person living in a negotiated rate group residence who is eligible for general assistance under sections 256D.01 to 256D.21, payment shall be made from the date a signed application form is received by the county agency or the date the applicant meets all eligibility factors, whichever is later. For a person living in a negotiated rate group residence who is eligible for supplemental aid under sections 256D.33 to 256D.54, payment shall be made from the first of the month in which an approved application is received by a county agency.

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF NEGOTIATED RATE GROUP RESIDENTIAL HOUSING BEDS.] County agencies shall not enter into agreements for new general assistance or Minnesota supplemental aid negotiated rate group residence housing beds except:

(1) for adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265;

(2) for facilities licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers;

(3) to ensure compliance with the federal Omnibus Budget Rec-

conciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; or

(4) for up to five handicapped accessible beds in a facility that serves primarily persons with a mental illness or chemical dependency that began construction to add space for the new beds before April 1, 1991, and will complete construction or remodeling by December 1, 1991, up to 80 beds in a single, specialized facility located in Hennepin county that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication. Planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the housing finance agency under section 462A.05, subdivision 20a, paragraph (b).

Sec. 134. Minnesota Statutes 1990, section 256I.05, subdivision 1, is amended to read:

Subdivision 1. [MONTHLY RATES.] Monthly payments for rates negotiated by a county agency, or set by the department under rules developed pursuant to subdivision 6, on behalf of a recipient living in a negotiated rate group residence may be paid at the rates in effect on March 1, 1985, must not to exceed \$919.80 in 1989. The maximum negotiated rate must be increased annually according to subdivision 7. The county agency may provide an annual increase in the March 1, 1985, payment rate using the formula in subdivision 7, provided the resulting rate does not exceed the maximum negotiated rate \$966.37 for a group residence that entered into an initial group residential housing agreement with a county agency before June 1, 1989. The county agency may at any time negotiate a lower payment rate than the rate that would otherwise be paid under this subdivision and subdivision 7.

Sec. 135. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. [LOWER MAXIMUM RATE RATES.] (a) The maximum monthly rate for a general assistance or Minnesota supplemental aid negotiated rate group residence that enters into an initial negotiated rate group residential housing agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under subdivision 1. This is effective until June 30, 1993, or until the statewide system authorized under subdivision 6 is established, whichever occurs first.

(b) The maximum monthly rate for a general assistance or Minnesota supplemental aid group residence that is neither licensed by nor registered with the department of health, or by the depart-

ment of human services, to provide programs or services in addition to room and board is an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for Minnesota supplemental aid recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a), and 3, paragraph (a); plus

(2) for persons who are not eligible to receive food stamps due to living arrangements, the maximum allotment authorized by the federal food stamp program for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

Sec. 136. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 1b, is amended to read:

Subd. 1b. [RATES FOR UNCERTIFIED BOARDING CARE HOMES.] Effective July 1, 1992, the maximum rate for a boarding care home not certified to receive medical assistance is equal to 65 percent of the average nursing home level "A" rate in effect for the geographic area in which the boarding care home is located, except that a facility's rate must not be reduced by more than ten percent for the year ending June 30, 1992. This is effective until June 30, 1993. A noncertified boarding care home licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, is exempt from this rate limit. The commissioner shall study the numbers of facilities and residents that will be affected by the limit in this subdivision, the number of facilities likely to close because of the limit, the available alternatives for affected residents, methods of relocating or securing alternative placements for residents, and other effects of the limit. The commissioner shall provide a report to the legislature by January 1, 1992, on the commissioner's findings and recommendations relating to the rate limit specified in subdivision 1 does not apply to a facility which was licensed by the department of health as a boarding care home before March 1, 1985, and which is not certified to receive medical assistance.

Sec. 137. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RATES; EXEMPTIONS.] (a) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. For residences in this clause that have less than five percent of their licensed boarding care capacity reimbursed by the medical assistance pro-

gram, rate increases shall be provided according to section 256B.431, subdivision 4, paragraph (c).

(b) The maximum negotiated rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a negotiated rate residence under general assistance or Minnesota supplemental aid. Rate increases for these residences are subject to the provisions of subdivision 7.

(c) The maximum negotiated rate does not apply to a residence certified to participate in the medical assistance program, licensed as a boarding care facility or a nursing home, and declared to be an institution for mental disease by January 1, 1989. Effective January 1, 1989, the rate for these residences is the individual's appropriate medical assistance case mix rate. The exclusion from the rate limit for residences under this clause continues until ~~June~~ September 30, 1992. The commissioner of human services, in consultation with the counties in which these residences are located, shall review the status of each certified nursing home and board and care facility declared to be an institution for mental disease. This review shall include the cost effectiveness of continued payment for residents through general assistance or Minnesota supplemental aid; the appropriateness of placement of general assistance or supplemental aid clients in these facilities; the effects of Public Law Number 100-203 on these facilities; and the role of these facilities in the mental health service delivery system. The commissioner shall make recommendations to the legislature by January 1, 1990, regarding the need to continue the exclusion of these facilities from the negotiated rate maximum and the future role of these facilities in serving persons with mental illness.

(d) The commissioner of human services shall take the following action in relation to certified boarding care facilities and nursing homes that have been declared institutions for mental diseases, excluding those facilities exempt under paragraph (a):

(1) All mental health and placement screenings and diagnostic assessments required under the federal Omnibus Budget Reconciliation Act (OBRA) must be completed by July 1, 1991, for all residents in institutions for mental diseases admitted before June 1, 1991. Residents determined to need relocation under the preadmission screening and annual resident review must be relocated to a more appropriate placement in accordance with the timelines established in the state's alternative disposition plan.

(2) By October 1, 1991, all institutions for mental diseases must be reviewed again by the commissioner to determine if they are still institutions for mental diseases, and the commissioner shall immediately revoke a declaration that a facility is an institution for

mental diseases if the commissioner determines that the facility is not an institution for mental diseases.

(3) The commissioner shall provide to institutions for mental diseases training in the criteria used in assessing residents for determination of institutions for mental diseases status and the numbers of residents in each category.

(4) For facilities whose status as an institution for mental diseases is not revoked by the commissioner by October 1, 1991, a facility-specific plan must be developed by the commissioner and the facility, in consultation with the appropriate consumer groups, to offer alternative services to enough residents by July 1, 1992, to allow the commissioner to revoke the facility's status as an institution for mental diseases.

Sec. 138. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 2, is amended to read:

Subd. 2. [MONTHLY RATES; EXEMPTIONS.] (a) The maximum negotiated group residential housing rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, and licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690. ~~For residences in this clause that have less than five percent of their licensed boarding care capacity reimbursed by the medical assistance program, rate increases shall be provided according to section 256B.431, subdivision 4, paragraph (c).~~

(b) The maximum negotiated group residential housing rate does not apply to a residence that on August 1, 1984, was licensed by the commissioner of human services under Minnesota Rules, parts 9525.0520 to 9525.0660, but funded as a negotiated rate group residence under general assistance or Minnesota supplemental aid. ~~Rate increases for these residences are subject to the provisions of subdivision 7.~~

(c) ~~The maximum negotiated rate does not apply to a residence certified to participate in the medical assistance program, licensed as a boarding care facility or a nursing home, and declared to be an institution for mental disease by January 1, 1989. Effective January 1, 1989, the rate for these residences is the individual's appropriate medical assistance case mix rate. The exclusion from the rate limit for residences under this clause continues until June 30, 1992. The commissioner of human services, in consultation with the counties in which these residences are located, shall review the status of each certified nursing home and board and care facility declared to be an institution for mental disease. This review shall include the cost effectiveness of continued payment for residents through general assistance or Minnesota supplemental aid; the appropriateness of~~

placement of general assistance or supplemental aid clients in these facilities; the effects of Public Law Number 100-203 on these facilities; and the role of these facilities in the mental health service delivery system. The commissioner shall make recommendations to the legislature by January 1, 1990, regarding the need to continue the exclusion of these facilities from the negotiated rate maximum and the future role of these facilities in serving persons with mental illness.

(d) The commissioner of human services shall take the following action in relation to certified boarding care facilities and nursing homes that have been declared institutions for mental diseases, excluding those facilities exempt under paragraph (a):

(1) All mental health and placement screenings and diagnostic assessments required under the federal Omnibus Budget Reconciliation Act (OBRA) must be completed by July 1, 1991, for all residents in institutions for mental diseases admitted before June 1, 1991. Residents determined to need relocation under the preadmission screening and annual resident review must be relocated to a more appropriate placement in accordance with the timelines established in the state's alternative disposition plan.

(2) By October 1, 1991, all institutions for mental diseases must be reviewed again by the commissioner to determine if they are still institutions for mental diseases, and the commissioner shall immediately revoke a declaration that a facility is an institution for mental diseases if the commissioner determines that the facility is not an institution for mental diseases.

(3) The commissioner shall provide to institutions for mental diseases training in the criteria used in assessing residents for determination of institutions for mental diseases status and the numbers of residents in each category.

(4) For facilities whose status as an institution for mental diseases is not revoked by the commissioner by October 1, 1991, a facility-specific plan must be developed by the commissioner and the facility, in consultation with the appropriate consumer groups, to offer alternative services to enough residents by July 1, 1992, to allow the commissioner to revoke the facility's status as an institution for mental diseases.

Sec. 139. Minnesota Statutes 1990, section 256I.05, subdivision 3, is amended to read:

Subd. 3. [LIMITS ON RATES.] When a negotiated group residential housing rate is used to pay for an individual's room and board, the rate payable to the residence must not exceed the rate paid by an individual not receiving a negotiated group residential housing rate under this chapter.

Sec. 140. Minnesota Statutes 1990, section 256I.05, subdivision 6, is amended to read:

Subd. 6. [STATEWIDE RATE SETTING SYSTEM.] The commissioner shall establish a comprehensive statewide system of rates and payments for recipients who reside in residences with negotiated rates group residential housing to be effective January 1, 1992, or as soon as possible after that date. The commissioner may adopt rules to establish this rate setting system.

Sec. 141. Minnesota Statutes 1990, section 256I.05, is amended by adding a subdivision to read:

Subd. 7b. [COMMISSIONER'S DUTIES.] The commissioner shall not provide automatic annual inflation adjustments for group residential housing rates for the fiscal year beginning on June 30, 1993, and for subsequent fiscal years. The commissioner of finance shall include as a budget change request annual adjustments in reimbursement rates for group residential housing in each biennial detailed expenditure budget submitted to the legislature under section 16A.11.

Sec. 142. Minnesota Statutes 1990, section 256I.05, subdivision 8, is amended to read:

Subd. 8. [STATE PARTICIPATION.] For a resident of a negotiated rate group residence who is eligible for general assistance under sections 256D.01 to 256D.21, state participation in the negotiated group residential housing rate is determined according to section 256D.03, subdivision 2. For a resident of a negotiated rate facility group residence who is eligible under sections 256D.33 to 256D.54, state participation in the negotiated group residential housing rate is determined according to section 256D.36.

Sec. 143. Minnesota Statutes 1990, section 256I.05, subdivision 9, is amended to read:

Subd. 9. [PERSONAL NEEDS ALLOWANCE.] In addition to the negotiated group residential housing rate paid for the room and board costs, a person residing in a negotiated rate group residence shall receive an allowance for clothing and personal needs. The allowance shall not be less than that authorized for a medical assistance recipient in section 256B.35.

Sec. 144. Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 10, is amended to read:

Subd. 10. [FOSTER CARE.] In keeping with the definition of "group residential housing rate" established in section 256I.03, subdivision 2, beginning July 1, 1992, the negotiated group residen-

tial housing rate of a residence licensed as a foster home is limited to the rate set for room and board costs payments provided the foster home is not the license holder's primary residence, or the license holder is not the primary caregiver to persons receiving services in the negotiated rate group residence, and federal funding is available to pay for so long as the cost of other necessary services meets the definition of services or costs eligible for payment under the state's Medicaid program under title XIX of the Social Security Act and the persons receiving services in the group residence also receive title XIX home- and community-based waiver services for persons with mental retardation or a related condition or persons with traumatic or acquired brain injury. For the purpose purposes of this section, the July 1, 1992, rate set for room and board costs mean costs of providing food and shelter for eligible persons, and includes the directly identifiable payments must not exceed the group residential housing rate effective June 30, 1992, minus the additional rate to be paid under title XIX of the Social Security Act. Until a statewide rate setting system is developed in accordance with subdivision 6, "room and board payments" referenced in this section means the payments for the usual costs of:

- (1) normal and special diet, food preparation and food services;
- (2) providing linen, bedding, laundering, and laundry supplies;
- (3) housekeeping, including cleaning and lavatory supplies;
- (4) maintenance and operation of the residence and grounds, including fuel, utilities, supplies, and equipment;
- (5) the allocation of salaries related to these areas; and
- (6) the lease or mortgage payment, property tax and insurance, furnishings and appliances.

For purposes of this section, room and board costs do not include the costs of modifications and adaptations of the facility required to ensure the health and safety of the resident or to meet the requirements of the applicable life safety code when those costs meet the definition of services and costs eligible for payment under the state's Medicaid program under title XIX of the Social Security Act. The facilities identified in this section shall be subject to a statewide rate setting system identified in subdivision 6 once the rate setting system has been developed. Any amount of payment made by counties prior to July 1, 1992, that exceeds the rate caps established in subdivisions 1 and 2 is not considered part of the group residential housing rate under this section and may not be considered as part of the group residential housing rate set as of July 1, 1992, nor shall that amount be considered eligible for payment under title XIX of the Social Security Act.

Sec. 145. [256I.051] [RATE LIMITATION; WAIVERED SERVICES ELIGIBILITY.]

Subdivision 1. [GROUP RESIDENTIAL HOUSING RATE.] If a group residential housing rate for an adult foster care or board and lodging placement is for an individual who would be or is eligible for the home- and community-based services, elderly, disabled, or chronically ill waivers, the group residential housing rate must include only the room and board portion of the rate. The room and board portion of the group residential housing rate is an amount equal to the total of:

(a) the combined maximum shelter and basic needs standards for Minnesota supplemental aid recipients living alone, specified in section 256D.44, subdivisions 2, paragraph (a), and 3, paragraph (a); plus

(b) the maximum allotment authorized by the federal food stamp program for a single individual in effect on the first day of July each year to be applied to persons who are not eligible to receive food stamps due to living arrangement; and less

(c) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

Subd. 2. [APPLICATION.] Subdivision 1 applies only to those facilities that provide only room and board.

Sec. 146. Minnesota Statutes 1990, section 256I.06, is amended to read:

256I.06 [PAYMENT METHODS.]

When a ~~negotiated~~ group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.01 to 256D.21, the monthly payment may be issued as a voucher or vendor payment. When a ~~negotiated~~ group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.33 to 256D.54, payments must be made to the recipient. If a recipient is not able to manage the recipient's finances, a representative payee must be appointed.

Sec. 147. Minnesota Statutes 1991 Supplement, section 268.914, subdivision 2, is amended to read:

Subd. 2. [SERVICE EXPANSION GRANTS.] One-third of any biennial increase in the state appropriations for head start programs shall be allocated by the commissioner of jobs and training, under a request for proposal system, to existing head start grantees for service expansion. The additional funds provided to a grantee under

this subdivision in fiscal year 1992 must be considered part of the grantee's funding base for future formula allocations of state and federal funds.

Priority for state-funded service expansion grants must be given to applicants who propose to:

(1) coordinate or ~~co-locate~~ colocate the services through an existing community-based, family-oriented program such as a family resource center;

(2) minimize the amount of state funding that is needed for initial construction or remodeling costs by using an existing facility, by sharing a facility with a school or other program, or by obtaining contributions for these costs from private or local sources;

(3) reduce the costs and time of transportation by enabling children to attend a program closer to their home communities;

(4) increase services in an area where less than 15 percent of eligible children are enrolled; and

(5) expand programs within a city where no center-based program exists.

The additional funds provided to a grantee under this subdivision shall be considered part of the grantees funding base for future formula allocations of state or federal funds.

Sec. 148. Minnesota Statutes 1990, section 363.071, is amended by adding a subdivision to read:

Subd. 7. [LITIGATION AND HEARING COSTS.] The administrative law judge may order a respondent who is determined to have engaged in an unfair discriminatory practice to reimburse the department and the attorney general for all or part of appropriate litigation and hearing costs expended in preparing for and conducting the hearing. Appropriate costs include, but are not limited to, the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses, as well as the costs of transcripts and other necessary supplies and materials.

Sec. 149. Minnesota Statutes 1990, section 363.14, subdivision 3, is amended to read:

Subd. 3. [ATTORNEY'S FEES AND COSTS.] In any action or proceeding brought pursuant to this section the court, in its discretion, may allow the prevailing party a reasonable attorney's fee as part of the costs. In any case brought by the department, the court

may order a respondent who is determined to have engaged in an unfair discriminatory practice to reimburse the department and the attorney general for all or part of appropriate litigation and court costs expended in preparing for and conducting the hearing. Appropriate costs include, but are not limited to, the costs of services rendered by the attorney general, private attorneys if engaged by the department, court costs, court reporters, and expert witnesses, as well as the costs of transcripts and other necessary supplies and materials.

Sec. 150. [STATE-OPERATED COMMUNITY SERVICES APPROPRIATION.]

Notwithstanding Laws 1991, chapter 292, article 1, section 2, subdivision 8, the language contained in that subdivision providing that receipts received for the state-operated community services program are appropriated to the commissioner for that purpose is of no effect. These receipts are deposited and appropriated to the commissioner as provided under Minnesota Statutes, section 246.18.

Sec. 151. [WAIVERED SERVICES RATE STRUCTURE.]

The commissioner of human services shall report to the legislature by January 15, 1993, with plans to implement on July 1, 1993, a rate structure for home- and community-based services under title XIX of the Social Security Act which bases funding on assessed client needs.

Sec. 152. [EVALUATION OF DAY HABILITATION ALTERNATIVES.]

The commissioner shall convene an advisory committee of persons concerned and affected by the projects established in sections 252.71 and 252.72 to assist in implementing and evaluating the impacts of payments to businesses and alternatives to day training and habilitation. The evaluation shall include the number and type of persons participating in the projects, the type and number of businesses supporting workers with developmental disabilities, the amount and type of alternative services provided by the vendor, and the impact of these projects on existing services. The commissioner shall report the results of the evaluation to the legislature by February 1, 1993. The number of persons with developmental disabilities participating in these projects shall not exceed 50 persons unless otherwise authorized by the legislature.

Sec. 153. [FAMILY INVESTMENT PLAN IMPLEMENTATION.]

Notwithstanding the second sentence of Laws 1991, chapter 292, article 5, section 85, subdivision 1, the commissioner shall imple-

ment the Minnesota family investment plan field trials pursuant to sections 32 to 39 beginning April 1, 1994.

Sec. 154. [SERVICE EXPANSION GRANTS FOR FISCAL YEAR 1993.]

The appropriation in Laws 1991, chapter 292, article 1, section 5, subdivision 3, for fiscal year 1993 must be used to fund center-based head start programs that received service expansion grants fund in fiscal year 1992 based upon formula allocations of state and federal funds.

Sec. 155. [MSA SHARED HOUSING DEMONSTRATION PROJECT.]

Within available appropriations, the commissioner of human services shall establish a shared housing demonstration project for mentally ill persons receiving assistance under the Minnesota supplemental aid (MSA) program established by Minnesota Statutes, sections 256D.33 to 256D.54. Persons selected for the project shall be MSA recipients who are mentally ill and who are certified by a physician as needing shared housing for medical reasons. These individuals shall be permitted to reside with other individuals while still receiving the full MSA shelter allowance and full basic needs allowance under Minnesota Statutes, section 256D.44. The purpose of the project is to demonstrate that allowing full MSA grants for certain persons with mental illness who share housing can be effective in helping those individuals avoid costly mental health treatment including repeated hospitalizations.

As part of the demonstration project, the commissioner shall conduct a survey of mental health professionals and county case managers and shall analyze the MSA caseload figures maintained by the department of human services. The purpose of the survey and analysis is to determine the likely number of individuals that would be impacted by an increase in the standard of assistance under Minnesota Statutes, section 256D.44, for mentally ill persons in shared housing situations. The commissioner shall consult with mental health advocacy and other public interest groups in preparing and carrying out the survey. The commissioner shall report to the legislature by January 15, 1994, on the results of the survey and demonstration project.

Sec. 156. [SOCIAL SERVICE PILOT PROJECT; INTERGOVERNMENTAL AGREEMENTS.]

Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds that the social service delivery system has become unnecessarily complicated and burdened by administrative regulations. In addition, there is a lack of emphasis on quality in the social service delivery system and too much emphasis on procedural requirements.

The legislature supports establishing pilot projects to evaluate alternative methods to fund, plan for, and regulate community social services to improve the quality and efficiency of community social services in Minnesota.

Subd. 2. [PILOT PROJECTS.] The commissioner of human services may approve up to six counties to participate in a pilot project to demonstrate the use of intergovernmental contracts between the state and counties to fund, administer, and regulate the delivery of programs under Minnesota Statutes, sections 245.461 to 245.4861 and 245.487 to 245.4887, and Minnesota Statutes, chapter 256E. The commissioner shall consider statewide distribution and county population in selecting counties for the pilot project. Counties may also develop integrated plans for any social service and community health programs which shall be accepted by the commissioners of health and human services in lieu of plans required in statute or rule. Two or more counties may submit joint proposals under the pilot project. The pilot projects shall expire after June 30, 1997.

Subd. 3. [PURPOSE OF PILOT PROJECTS.] Purposes of the social service contract pilot projects include:

(a) Improving the quality of social services provided to persons by county human service agencies.

(b) Eliminating administrative mandates and procedural requirements governing delivery of social services.

(c) Consolidating program funds to permit county flexibility in the use of program funds.

(d) Encouraging intercounty and regional cooperation and coordination.

(e) Simplifying and consolidating planning and reporting requirements.

(f) Determining feasibility of using outcome-based performance standards to regulate the delivery of social services by counties.

(g) Clarifying the role of counties and state in the delivery of social services programs.

Subd. 4. [TERMS; CONDITIONS OF INTERGOVERNMENTAL AGREEMENTS.] Counties participating in the pilot projects shall be exempt from the procedural requirements in state law except as required in federal law. Counties providing services under the pilot project shall continue mandated services. Program funds may be consolidated to permit the greatest flexibility in the delivery of services. Each intergovernmental agreement shall specify a limited

and reasonable number of measurable objectives based on the county's community social services plan which will be used by the state to determine compliance. Counties participating in pilot projects will be required to provide mandated services to all eligible persons but will have flexibility in the delivery of services and use of funds. The county shall review pilot projects proposed under sections 1 to 6 with all county social services and mental health advisory committees and councils.

Subd. 5. [MONITORING AND ENFORCEMENT.] The commissioner of human services shall monitor the pilot projects to determine compliance with the terms of the intergovernmental contracts and to assure that social services are delivered according to the county community social services act plan. The commissioner may rescind approval for the pilot project if the county fails to comply with the terms of the intergovernmental contract. If approval is withdrawn, the county will immediately be subject to all the requirements of the administrative rules governing programs covered under the intergovernmental contract.

Subd. 6. [DISPUTE RESOLUTION.] Nothing in this section shall alter the due process rights available to persons under state and federal law. Disputes which arise between the state and county in the development of contracts authorized in this section shall be resolved through mediation. The state and county shall select a mediator acceptable to both parties for the purpose of resolving disputes.

Sec. 157. [FEDERAL WAIVER.]

The commissioner shall enter into a contract under section 156 only if permitted under federal laws. The commissioner shall seek federal approval and apply for a waiver of existing requirements, if necessary.

Sec. 158. [MENTAL HEALTH SERVICES DELIVERY SYSTEM PILOT PROJECT IN DAKOTA COUNTY.]

Subdivision 1. [AUTHORIZATION FOR PILOT PROJECT.] (a) Notwithstanding Minnesota Statutes, section 256E.05, subdivision 3a, after July 1, 1992, the commissioner of human services shall establish a pilot project in Dakota county to test alternatives to the delivery of mental health services required under the Minnesota comprehensive mental health act, Minnesota Statutes, sections 245.461 to 245.486.

(b) The pilot project shall be established to design and plan an improved mental health services delivery system for adults with serious and persistent mental illness that would: (1) enhance consumer choice and flexibility; (2) maximize local community-based alternatives; (3) support persons in independent living ar-

rangements; (4) enhance the person's ability to work; (5) ensure the person a place in the community; and (6) enhance the development of a strong community-based psychiatric program.

(c) By January 1, 1993, the pilot program shall develop a comprehensive proposal for integrated program funding which would permit flexibility in expenditures based on local needs with local control. The planning process shall include, but not be limited to, mental health consumers, health advocacy groups, Dakota county, and the department of human services.

The integrated funding proposal shall be presented to the state legislature for approval prior to implementation on July 1, 1993.

(d) The pilot project may include, but not be limited to, issues in the service delivery system relating to:

(1) financial assistance from the state and the ability to use existing funds flexibly to downsize residential facilities for persons with mental illness governed by Minnesota Rules, parts 9520.0500 to 9520.0690;

(2) joint collaboration or program development projects between counties to enhance efficiency and expand program opportunities in such areas as mental illness and chemical dependency, downsizing of residential facilities for persons with mental illness, and residential or supported living arrangements for mothers with mental illness and their children;

(3) integrated program funding to permit flexibility in expenditures based on local needs with local control;

(4) flexibility in the delivery of case management services;

(5) waiver or removal of the rate cap and moratorium on negotiated rate facilities;

(6) broader usage and additional services to be covered under the medical assistance state plan rehabilitation option;

(7) prepaid managed health care programs; and

(8) commitment of persons under Minnesota Statutes, chapter 253B, to community facilities and programs.

(e) The integrated funding may include current mental health expenditures, including maintenance costs, from the following sources:

(1) general assistance medical care;

- (2) general assistance;
- (3) medical assistance;
- (4) Minnesota supplemental aid;
- (5) grants for residential services for adults with mental illness;
- (6) grants for community support services programs for persons with serious and persistent mental illness; and
- (7) mental health special project grants.

(f) The pilot project shall establish an opportunity to expand educational opportunities in the area of community-based psychiatry. The pilot project shall develop and may implement a psychiatric residency program at the Dakota Mental Health Center, Inc. The program may train at least one psychiatric resident per year. The program may contract with a psychiatric faculty member from a Minnesota medical school who will supervise the resident and assist in the development of a strong community-based psychiatric program.

(g) For purposes of the pilot project, for those persons committed under Minnesota Statutes, chapter 253B, and awaiting transfer to a regional treatment center, postcommitment costs of care will be added to the cost of care as provided for in Minnesota Statutes, sections 246.50, subdivision 5, and 246.54.

(h) An intergovernmental agreement or contract may be developed between the county and state to specify the terms of the pilot.

(i) Evaluation of the pilot project will be based on outcome evaluation criteria negotiated with the county prior to implementation of the pilot project.

(j) The pilot project shall be implemented after July 1, 1992.

(k) The pilot project shall be completed by July 1, 1997.

(l) A report on the pilot project must be completed by January 1, 1998, and a report presented to the commissioner.

Subd. 2. [DUTIES OF THE COMMISSIONER.] For purposes of the pilot project, the commissioner:

(1) shall combine all mental health program and funding plans into one comprehensive plan unless otherwise required by federal law. Any mental health expenditures from regional treatment center appropriations or any share of expenditures from mental

health funding used for commitment to or treatment in a regional treatment center shall not become part of any comprehensive fund or plan;

(2) may waive administrative rule requirements for the duration of the pilot project status;

(3) may exempt the participating county from fiscal sanctions for noncompliance with social services requirements in laws and rules; and

(4) shall recommend legislative changes in the biennial state plan if the results of the pilot project indicate the need for legislative change.

Sec. 159. [ADVISORY TASK FORCE; VIOLENCE AGAINST WOMEN.]

Subdivision 1. [CREATION.] An advisory task force on violence against women is created consisting of ten members. The speaker of the house of representatives and the majority leader of the senate shall each appoint two members, one woman and one man, from among the representatives and senators. The governor shall appoint the remaining six members, three women and three men, from among the general public, including representatives of programs serving battered women and victims of sexual assault and with attention to geographic and cultural diversity. The advisory task force shall elect a chair from among its members.

Members of the advisory task force shall be compensated as provided in Minnesota Statutes, section 15.059, subdivision 6.

The commissioner of corrections shall appoint a person to be liaison between the commissioner and the task force who shall assist the task force in the performance of its duties.

Subd. 2. [STAFF.] The commissioner of corrections shall provide the task force with technical, research, and other staff assistance.

Subd. 3. [DUTIES.] The advisory task force, with the assistance of the commissioner of corrections, shall conduct a comprehensive review of the problem of violence against and harassment of women. In particular, the advisory task force shall study ways of accomplishing the following objectives:

(1) early identification of individuals who commit or are at high risk of committing acts of violence or harassment against women;

(2) successful treatment of individuals who commit or are at high risk of committing acts of violence or harassment against women;

(3) effective prosecution and punishment of individuals who commit acts of violence against women so as to best protect public safety and reduce the risk of future violence against women;

(4) effective education of the public on the nature of the problem of violence and harassment against women and the best means for combating it;

(5) coordination of efforts within local communities to prevent and respond to violence against women;

(6) identification of, and methods for addressing, the emergency and long-term needs of women who have experienced violence or harassment, including advocacy, effective legal representation, financial resources, and housing; and

(7) other effective prevention methods.

Subd. 4. [REPORT.] The advisory task force shall submit a report to the legislature on or before February 1, 1993, containing its findings and recommendations on the issues described in subdivision 2.

Subd. 5. [EXPIRATION.] The advisory task force shall expire on February 15, 1993.

Sec. 160. [ACCESS TO MAXIS; TRANSFER OF FUNDS.]

The department of human services shall transfer summary data from the MAXIS data system to Alexandria technical college for the purpose of developing graphic representation of the data for legislative and executive branch use, as requested, utilizing geographic information systems. For purposes of this section, summary data has the meaning given it in section 13.021, subdivision 19. In fiscal year 1993, the department of human services shall transfer \$100,000 of its computer-related budget to the state board of technical colleges for use by the Alexandria technical college in developing information technology and related expenses, including personnel.

Sec. 161. [THERAPEUTIC SERVICES RULE SUSPENSION.]

Minnesota Rules, part 9505.0390, subpart 1, item B, is suspended until June 30, 1993.

The department of human services shall report to the legislature by February 15, 1993, on the effect of this suspension.

Sec. 162. [REVISOR'S INSTRUCTIONS.]

The revisor of statutes shall change the headnote in Minnesota Statutes, section 256B.495, from "LONG-TERM CARE RECEIVERSHIP FEES" to "NURSING FACILITY RECEIVERSHIP FEES." The revisor shall change the term "nursing home" and similar terms to "nursing facility" and similar terms in Minnesota Statutes, sections 256B.41, 256B.411, 256B.421, 256B.431, 256B.432, 256B.433, 256B.47, 256B.48, and 256B.50.

Sec. 163. [REPEALER; REGIONAL TREATMENT CENTER.]

Minnesota Statutes 1990, sections 245.0311; 245.0312; 246.14; and 253B.14, are repealed.

Sec. 164. [REPEALER; ASSET LIMITATIONS FOR VETER-ANS.]

Minnesota Statutes 1990, section 256B.056, subdivision 3a, is repealed.

Sec. 165. [REPEALER; HEALTH; NEGOTIATED GENERAL ASSISTANCE RATES.]

Minnesota Statutes 1990, sections 144A.15, subdivision 6; 256B.495, subdivision 3; and 256I.05, subdivision 7; and Minnesota Statutes 1991 Supplement, section 256I.05, subdivision 7a, are repealed.

Sec. 166. [EFFECTIVE DATE; SUPPORT OF PERSONS WITH MENTAL RETARDATION; ALTERNATIVE SERVICES FOR OLDER PERSONS WITH MENTAL RETARDATION.]

Sections 28 and 29 are effective the day following final enactment.

Sec. 167. [EFFECTIVE DATE; ELIGIBILITY FOR PAYMENT OF MEDICARE PART B PREMIUMS.]

Section 54 is effective January 1, 1993.

Sec. 168. [EFFECTIVE DATE; CHILD CARE PROGRAMS.]

Sections 123 to 128 are effective the day following final enactment. The transfer from the basic sliding fee program to the AFDC child care program in section 1, subdivision 4, is effective the day following final enactment.

Sec. 169. [EFFECTIVE DATE; SPECIALIZED HOUSING FOR CHRONIC INEBRIATES.]

Section 133, subdivision 3, clause (4), is effective July 1, 1993.

Sec. 170. [EFFECTIVE DATE; STATEWIDE CAREGIVER SUPPORT.]

Section 87 is effective the day following final enactment.

Sec. 171. [EFFECTIVE DATE; CLIENT PREMIUMS MEDICAL ASSISTANCE ALTERNATIVE CARE PROGRAM.]

Section 72 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; providing for the organization, operation, and administration of programs relating to state government, higher education, infrastructure and regulatory agencies, environment and natural resources, and human resources; making grants; imposing conditions; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1990, sections 3.21; 3.736, subdivision 8; 5.14; 10A.31, subdivision 4; 15.0597, subdivision 4; 16A.45, by adding a subdivision; 16A.48, subdivision 1; 16B.85, subdivision 5; 17.03, by adding a subdivision; 18B.26, subdivision 3; 44A.0311; 60A.1701, subdivision 5; 69.031, subdivision 5; 72B.04, subdivision 10; 80A.28, subdivision 2; 82.21, subdivision 1; 82B.09, subdivision 1; 85.015, subdivision 7; 85A.04, subdivision 1; 89.035; 89.37, by adding a subdivision; 116J.9673, subdivision 4; 116P.11; 136A.121, by adding a subdivision; 136A.1354, subdivision 4; 136A.29, subdivision 9; 136C.04, by adding a subdivision; 136C.05, subdivision 5; 138.56, by adding a subdivision; 141.21, by adding a subdivision; 144.122; 144.123, subdivision 2; 144A.071, subdivision 2; 144A.073, subdivisions 3a and 5; 147.02, by adding a subdivision; 169.01, subdivision 55; 169.965, by adding a subdivision; 202A.19, subdivision 3; 204B.11, subdivision 1; 204B.27, subdivision 2; 204D.11, subdivisions 1 and 2; 237.701, subdivision 1; 240.14, subdivision 3; 245A.02, by adding a subdivision; 245A.13, subdivision 4; 252.025, subdivision 4; 254A.03, subdivision 2; 256.81; 256.9655; 256.9695, subdivision 3; 256B.02, by adding subdivisions; 256B.035; 256B.056, subdivisions 1a, 5, and by adding a subdivision; 256B.057, by adding a subdivision; 256B.0625, subdivision 9, and by adding subdivisions; 256B.064, by adding a subdivision; 256B.092, by adding a subdivision; 256B.14, subdivision 2; 256B.19, by adding a subdivision; 256B.36; 256B.41, subdivisions 1 and 2; 256B.421, subdivision 1; 256B.431, subdivisions 2i, 4, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.433, subdivisions 1, 2, and 3; 256B.48, subdivisions 1b, 3, and by adding a subdivision; 256B.495, subdivisions 1, 2, and by adding subdivisions; 256B.501, subdivision 3c, and by adding subdivisions; 256D.02, by adding subdivisions; 256D.03, by adding a subdivision; 256D.06, subdivision 5, and by adding a subdivision; 256E.05, by adding a subdivision; 256E.14; 256H.01, subdivision 9, and by adding a subdivision; 256H.10, subdivision 1;

256I.01; 256I.02; 256I.03, subdivisions 2 and 3; 256I.04, as amended; 256I.05, subdivisions 1, 3, 6, 8, 9, and by adding a subdivision; 256I.06; 257.67, subdivision 3; 270.063; 270.71; 298.221; 299E.01, subdivision 1; 340A.301, subdivision 6; 340A.302, subdivision 3; 340A.315, subdivision 1; 340A.317, subdivision 2; 340A.408, subdivision 4; 345.32; 345.33; 345.34; 345.35; 345.36; 345.37; 345.38; 345.39; 345.42, subdivision 3; 352.04, subdivisions 2 and 3; 353.27, subdivision 13; 353.65, subdivision 7; 356.65, subdivision 1; 357.021, subdivision 1a; 357.022; 357.18, by adding a subdivision; 359.01, subdivision 3; 363.071, by adding a subdivision; 363.14, subdivision 3; 466.06; 490.123, by adding a subdivision; 514.67; 518.14; 518.171, subdivisions 1, 3, 4, and 6; 518.175, subdivision 1; 518.54, subdivision 4; 518.551, subdivisions 1, 7, 10, and by adding subdivisions; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 548.091, subdivision 1a; 588.20; 609.131, by adding a subdivision; 609.375, subdivisions 1 and 2; 609.5315, by adding a subdivision; 611.27, by adding subdivisions; and 626.861, subdivision 3; Minnesota Statutes 1991 Supplement, sections 16A.45, subdivision 1; 16A.723, subdivision 2; 17.63; 28A.08; 41A.09, subdivision 3; 43A.316, subdivision 9; 60A.14, subdivision 1; 84.0855; 89.37, subdivision 4; 121.936, subdivision 1; 135A.03, subdivisions 1a, 3a, and 7; 136A.121, subdivision 6; 136A.1353, subdivision 4; 144.50, subdivision 6; 144A.071, subdivisions 3 and 3a; 144A.31, subdivision 2a; 148.91, subdivision 3; 148.921, subdivision 2; 148.925, subdivisions 1, 2, and by adding a subdivision; 168.129, subdivisions 1 and 2; 182.666, subdivision 2; 214.101, subdivision 1; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.18, by adding a subdivision; 245A.03, subdivision 2; 252.28, subdivision 1; 252.46, subdivision 3; 252.50, subdivision 2; 254B.04, subdivision 1; 256.031, subdivision 3; 256.033, subdivisions 1, 2, 3, and 5; 256.034, subdivision 3; 256.035, subdivision 1; 256.0361, subdivision 2; 256.9656; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 2, 20, 21, and by adding a subdivision; 256.9751, subdivisions 1 and 6; 256B.0625, subdivision 13; 256B.0627, subdivision 5; 256B.064, subdivision 2; 256B.0911, subdivisions 3, 8, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 8, 11, 12, and 14; 256B.0915, subdivision 3, and by adding subdivisions; 256B.0917, subdivisions 2, 3, 4, 5, 6, 7, 8, and 11; 256B.092, subdivision 4; 256B.431, subdivisions 2l and 3f; 256B.49, subdivision 4; 256B.74, subdivisions 1 and 3; 256D.03, subdivision 4; 256D.05, subdivision 1; 256D.051, subdivisions 1 and 1a; 256D.10; 256D.101, subdivision 3; 256H.03, subdivisions 4 and 6; 256H.05, subdivision 1b, and by adding a subdivision; 256I.05, subdivisions 1a, 1b, 2, and 10; 268.914, subdivision 2; 340A.311; 340A.316; 340A.504, subdivision 3; 349A.10, subdivision 3; 357.021, subdivision 2; 508.82; 508A.82; 518.551, subdivisions 5 and 12; 518.64, subdivisions 1, 2, and 5; 611.27, subdivision 7; and 626.861, subdivisions 1 and 4; Laws 1991, chapters 233, sections 2, subdivision 2; and 3; 254, article 1, sections 7, subdivision 5; and 14, subdivision 19; and 356, articles 1, section 5, subdivision 4; 2, section 6, subdivision 3; and 6, section 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 4A; 16B; 44A; 84; 136C; 137; 144; 144A; 241; 244;

245; 246; 252; 256B; 256I; 290; and 518; repealing Minnesota Statutes 1990, sections 41A.051; 84.0885; 84A.51, subdivisions 3 and 4; 89.036; 136A.143; 136C.13, subdivision 2; 141.21, subdivision 2; 144A.15, subdivision 6; 211A.04, subdivision 2; 245.0311; 245.0312; 246.14; 253B.14; 256B.056, subdivision 3a; 256B.495, subdivision 3; 256I.05, subdivision 7; 270.185; and 609.37; Minnesota Statutes 1991 Supplement, sections 97A.485, subdivision 1a; 256.9657, subdivision 5; 256.969, subdivision 7; 256B.74, subdivisions 8 and 9; and 256I.05, subdivision 7a; Laws 1991, chapter 292, article 4, section 77."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ogren from the Committee on Taxes to which was referred:

H. F. No. 2773, A bill for an act relating to housing and redevelopment authorities; permitting use of general obligation bonds for housing development projects; amending Minnesota Statutes 1990, section 469.034.

Reported the same back with the following amendments:

Page 2, line 9, after the period insert "The authority is the municipality for purposes of chapter 475."

Page 2, delete line 36, and insert "development project providing housing either for the elderly or for individuals and families with incomes not greater than 80 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the standard metropolitan statistical area or the nonmetropolitan county in which the project is located. A qualified housing development project may admit nonelderly individuals and families with higher incomes if:

(1) three years have passed since initial occupancy;

(2) the authority finds the project is experiencing unanticipated vacancies resulting in insufficient revenues, because of changes in population or other unforeseen circumstances that occurred after the initial finding of adequate revenues; and

(3) the authority finds a tax levy or payment from general assets of the general jurisdiction governmental unit will be necessary to pay debt service on the bonds if higher income individuals or families are not admitted."

Page 3, delete lines 1 to 4

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2191, 2219, 2694 and 2773 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1693 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Pelowski introduced:

H. F. No. 3023, A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Thompson; Solberg; Johnson, R., and Anderson, R., introduced:

H. F. No. 3024, A bill for an act relating to taxation; property; providing for classification of resort property; amending Minnesota Statutes 1990, section 273.13, subdivision 24; Minnesota Statutes 1991 Supplement, section 273.13, subdivisions 22 and 25, as amended.

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

Limmer, Bettermann, Frederick and Krambeer introduced:

H. F. No. 3025, A bill for an act relating to elections; requiring delegates chosen based on the results of the presidential primary to

support their candidates for at least ten ballots with exceptions; providing for payment by the state of costs of the presidential primary; eliminating requirement that voters declare party choice; amending Minnesota Statutes 1990, section 207A.06, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1990, sections 207A.03, subdivision 2; and 207A.08.

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

Dawkins introduced:

H. F. No. 3026, A bill for an act relating to housing; imposing a gross revenues tax on real estate agents; dedicating the proceeds; establishing a local housing revitalization program; appropriating money; amending Minnesota Statutes 1990, section 462A.202, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 295.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Dawkins introduced:

H. A. No. 46, A proposal to study residential closing costs and cost containment measures.

The advisory was referred to the Committee on Housing.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 1416, A bill for an act relating to commerce; modifying the regulation of interest rate advertising; amending Minnesota Statutes 1990, section 45.025, subdivisions 1 and 2; repealing Minnesota Statutes 1990, section 45.025, subdivision 7.

H. F. No. 1833, A bill for an act relating to traffic regulations; permitting certain cities to provide for volunteer enforcement of certain regulations; amending Minnesota Statutes 1990, section 169.346, by adding a subdivision.

H. F. No. 2034, A bill for an act relating to health; allowing persons who voluntarily provide assistance at the scene of an accident to obtain test results to determine whether they have been exposed to HIV or hepatitis B; amending Minnesota Statutes 1990, section 144.761, subdivision 5.

H. F. No. 2081, A bill for an act relating to health; modifying provider appeal requirements for medical assistance; amending Minnesota Statutes 1990, section 256B.50, subdivision 1b.

H. F. No. 2572, A bill for an act relating to probate; altering the definition of successors; amending Minnesota Statutes 1990, sections 353A.02, subdivision 21; 524.1-201; 524.3-303; and 524.3-308.

H. F. No. 2683, A bill for an act relating to the city of Nashwauk; authorizing an increase in benefits payable to surviving spouses by the police relief association; repealing a surviving spouse remarriage penalty; amending Laws 1943, chapter 196, section 4, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1852, A bill for an act relating to Big Stone, Chippewa, and Kandiyohi counties; permitting each county to consolidate the offices of auditor and treasurer.

H. F. No. 1996, A bill for an act relating to retirement; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Laws 1990, chapter 570, article 3, section 11.

H. F. No. 2186, A bill for an act relating to retirement; St. Paul fire department relief association; authorizing the payment of benefits to surviving former spouses of certain members.

H. F. No. 2924, A bill for an act relating to licensure board powers; amending the examination procedure for licensing optometrists; amending Minnesota Statutes 1990, section 148.57, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 2732, A bill for an act relating to public utilities; removing the public service member from the telecommunications access for communication-impaired persons board; amending Minnesota Statutes 1990, section 237.51, subdivisions 2 and 6.

H. F. No. 2792, A bill for an act relating to retirement; providing level benefits for members of the Minneapolis fire department relief association.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam 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. 1903, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1990, section 124.495; Minnesota Statutes 1991 Supplement, section 124.479; proposing coding for new law in Minnesota Statutes, chapters 124; and 124C.

The Senate has appointed as such committee:

Messrs. Merriam; Vickerman; Johnson, D. E.; Stumpf and Morse.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam 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. 1948, A bill for an act relating to life insurance; authorizing policies for the benefit of a charity; proposing coding for new law in Minnesota Statutes, chapters 61A; and 309.

The Senate has appointed as such committee:

Messrs. Metzen, Solon and Larson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam 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. 1827, A bill for an act relating to livestock diseases; modifying requirements for certain tests; providing for adoption of certain rules; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1990, section 35.245, subdivision 1a.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dille moved that the House concur in the Senate amendments to H. F. No. 1827 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1827, A bill for an act relating to livestock diseases; modifying requirements for certain tests; amending Minnesota Statutes 1990, sections 35.245, subdivisions 1 and 2; and 35.251; proposing coding for new law in Minnesota Statutes, chapter 35; repealing Minnesota Statutes 1990, section 35.245, subdivision 1a.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Koppendraye	Milbert	Osthoff	Schreiber	Uphus
Krambeer	Morrison	Ostrom	Seaberg	Valento
Krinkie	Munger	Ozment	Segal	Vellenga
Krueger	Murphy	Pauly	Simoneau	Wagenius
Lasley	Nelson, K.	Pellow	Skoglund	Waltman
Leppik	Nelson, S.	Pelowski	Smith	Weaver
Lieder	Newinski	Peterson	Solberg	Wejcmán
Limmer	O'Connor	Pugh	Sparby	Welker
Lourey	Ogren	Reding	Stanis	Welle
Lynch	Olsen, S.	Rest	Steensma	Wenzel
Macklin	Olson, E.	Rice	Sviggum	Winter
Mariani	Olson, K.	Rodosovich	Swenson	Spk. Long
Marsh	Omann	Rukavina	Thompson	
McEachern	Onnen	Runbeck	Tompkins	
McGuire	Orenstein	Sarna	Trimble	
McPherson	Orfield	Schafer	Tunheim	

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

Madam 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. 2388, A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bodahl moved that the House concur in the Senate amendments to H. F. No. 2388 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2388, A bill for an act relating to local government; regulating certain interests in contracts by public officers; amending Minnesota Statutes 1990, section 471.88, by adding subdivisions.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Boo	Clark
Anderson, I.	Bauerly	Bishop	Brown	Cooper
Anderson, R.	Beard	Blatz	Carlson	Dauner
Anderson, R. H.	Begin	Bodahl	Carruthers	David

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

Those who voted in the negative were:

Girard

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

Madam 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. 1489, A bill for an act relating to cooperatives; regulating regular or special meetings; requiring meetings to be open to members, with certain exceptions; proposing coding for new law in Minnesota Statutes, chapter 308A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dawkins moved that the House concur in the Senate amendments to H. F. No. 1489 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1489, A bill for an act relating to cooperatives; applying the open meeting law to certain electric cooperatives; proposing coding for new law in Minnesota Statutes, chapter 308A.

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 68 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Battaglia	Hausman	Limmer	Orenstein	Skoglund
Beard	Henry	Lynch	Orfield	Sparby
Blatz	Jacobs	Macklin	Osthoff	Swenson
Boo	Janezich	Mariani	Ostrom	Tompkins
Carlson	Jaros	McGuire	Pugh	Trimble
Carruthers	Jefferson	Milbert	Reding	Tunheim
Clark	Jennings	Morrison	Rest	Vellenga
Dawkins	Johnson, A.	Murphy	Rice	Wagenius
Dorn	Kahn	Nelson, K.	Rodosovich	Weaver
Erhardt	Kelso	Newinski	Rukavina	Wejzman
Farrell	Knickerbocker	O'Connor	Sarna	Welle
Garcia	Krambeer	Ogren	Schreiber	Spk. Long
Greenfield	Lasley	Olsen, S.	Segal	
Hanson	Leppik	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Dempsey	Johnson, R.	Nelson, S.	Solberg
Anderson, I.	Dille	Johnson, V.	Olson, K.	Stanius
Anderson, R.	Frederick	Kalis	Omann	Steensma
Anderson, R. H.	Frerichs	Kinkel	Onnen	Svigum
Bauerly	Girard	Koppendrayner	Ozment	Thompson
Begich	Goodno	Krinkie	Pauly	Uphus
Bertram	Gutknecht	Krueger	Pellow	Valento
Bishop	Hartle	Lieder	Pelowski	Waltman
Bodahl	Hasskamp	Lourey	Peterson	Welker
Brown	Haukoos	Marsh	Runbeck	Wenzel
Cooper	Heir	McEachern	Schafer	Winter
Dauner	Hufnagle	McPherson	Seaberg	
Dauids	Hugoson	Munger	Smith	

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

Madam 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. 2640, A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Uphus moved that the House concur in the Senate amendments to

H. F. No. 2640 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2640, A bill for an act relating to occupations and professions; elevators and boilers; providing that boilers used for mint oil extraction are considered to be used for agricultural or horticultural purposes; amending Minnesota Statutes 1991 Supplement, section 183.56.

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

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

Those who voted in the affirmative were:

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

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

Madam 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. 2287, A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded

actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 2287 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2287, A bill for an act relating to retirement; local police and salaried firefighter relief associations; eliminating eligibility for amortization state aid and supplementary amortization state aid for relief associations and consolidation accounts with no unfunded actuarial accrued liability; amending Minnesota Statutes 1991 Supplement, section 423A.02.

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

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 2142, which was given a third reading as amended by the Senate, together with the Message from the Senate, which were continued on Tuesday, March 31, 1992, were again reported to the House.

Madam 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. 2142, A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

PATRICK E. FLAHAVEN, Secretary of the Senate

REPASSAGE

H. F. No. 2142, A bill for an act relating to employment; leaves of absence; assigning duties to the division of labor standards; modifying provisions relating to school conference leave for employees with children; amending Minnesota Statutes 1990, sections 177.26, subdivision 2; and 181.9412; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill, as amended by the Senate, was placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 87 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Abrams	Hanson	Lieder	Onnen	Segal
Anderson, I.	Hasskamp	Limmer	Orenstein	Simoneau
Battaglia	Hausman	Lourey	Orfield	Skoglund
Bauerly	Henry	Lynch	Osthoff	Solberg
Beard	Jacobs	Macklin	Ostrom	Tompkins
Begich	Janezich	Mariani	Ozment	Trimble
Bishop	Jaros	McEachern	Pauly	Tunheim
Blatz	Jefferson	McGuire	Pelowski	Vellenga
Bodahl	Jennings	Milbert	Pugh	Wagenius
Brown	Johnson, A.	Morrison	Reding	Weaver
Carlson	Johnson, R.	Munger	Rest	Wejzman
Carruthers	Kahn	Murphy	Rice	Welle
Clark	Kelso	Nelson, K.	Rodosovich	Wenzel
Dawkins	Knickerbocker	Newinski	Rukavina	Winter
Erhardt	Krambeer	O'Connor	Runbeck	Spk. Long
Farrell	Krueger	Ogren	Sarna	
Garcia	Lasley	Olsen, S.	Schreiber	
Greenfield	Leppik	Olson, K.	Seaberg	

Those who voted in the negative were:

Anderson, R.	Dorn	Hufnagle	Nelson, S.	Steensma
Anderson, R. H.	Frederick	Hugoson	Olson, E.	Sviggun
Bertram	Frerichs	Johnson, V.	Omann	Swenson
Boo	Girard	Kalis	Pellow	Thompson
Cooper	Goodno	Kinkel	Peterson	Uphus
Dauner	Gutknecht	Koppendrayner	Schafer	Valento
Davids	Hartle	Krinkie	Smith	Waltman
Dempsey	Haukoos	Marsh	Sparby	Welker
Dille	Heir	McPherson	Stanis	

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

Madam Speaker:

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

S. F. No. 1619, A bill for an act relating to crimes; expanding list of offenses that result in ineligibility for a pistol permit to include all felonies, domestic abuse, and malicious punishment of a child; amending Minnesota Statutes 1990, section 624.713, subdivision 1; and Minnesota Statutes 1991 Supplement, section 624.712, subdivision 5.

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

Messrs. Marty, Spear and Knaak.

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

Bishop 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. 1619. The motion prevailed.

Madam Speaker:

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

S. F. No. 2514, A bill for an act relating to the Yellow Medicine county hospital district; providing for hospital board membership and elections; amending Laws 1963, chapter 276, sections 2, subdivision 2, and by adding subdivisions; and 4.

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

Messrs. Frederickson, D. J.; DeCramer and Renneke.

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

Peterson 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. 2514. The motion prevailed.

Madam Speaker:

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

S. F. Nos. 2233, 2547, 430, 1821, 1935 and 2380.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2233, A bill for an act relating to natural resources; exempting snowmobile testing activities from applicable speed limits under certain conditions; allowing the use of snowmobiles on certain conservation lands unless prohibited by rule of the commissioner of natural resources; allowing towing of persons with personal watercraft equipped with rearview mirrors; amending Minnesota Statutes 1990, sections 84.87, by adding a subdivision; and 84A.55, by adding a subdivision; Minnesota Statutes 1991 Supplement, section 86B.313, subdivision 1.

The bill was read for the first time.

Rukavina moved that S. F. No. 2233 and H. F. No. 2282, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2547, A bill for an act relating to retirement; Minneapolis police relief association; recodifying the local laws applicable to the local relief association; amending Laws 1980, chapter 607, article XV, sections 8, 9, as amended, and 10; Laws 1989, chapter 319,

article 19, sections 6 and 7, subdivisions 1 and 4, as amended; and Laws 1990, chapter 589, article 1, section 6; repealing Minnesota Statutes 1957, sections 423.71; 423.715; 423.72; 423.725; 423.73; 423.735; 423.74; 423.745; 423.75; 423.755; 423.76; 423.765; 423.77; 423.775; Special Laws 1891, chapter 143; Laws 1943, chapter 280; Laws 1949, chapter 406; Laws 1953, chapter 127; Laws 1957, chapters 721 and 939; Laws 1959, chapters 428 and 662; Laws 1961, chapter 532; Laws 1963, chapter 315; Laws 1965, chapters 493, 520, and 534; Laws 1967, chapters 820 and 825; Laws 1969, chapters 258 and 560; Laws 1973, chapters 272 and 309; Laws 1975, chapter 428; Laws 1980, chapter 607, article XV, section 21; Laws 1983, chapter 88; Laws 1987, chapters 322, sections 2, 3, 4, 5, 6, 7, and 8; and 372, article 2, sections 2, 3, 4, 6, and 15; Laws 1988, chapters 572, sections 3, 5, and 6; and 574, sections 2, 4, and 5; Laws 1990, chapter 589, article 1, section 4; and Laws 1991, chapter 90.

The bill was read for the first time.

Sarna moved that S. F. No. 2547 and H. F. No. 2784, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 430, A bill for an act relating to retirement; police state aid program; requiring payments equivalent to automobile insurance premium taxes by self-insurers; amending Minnesota Statutes 1991 Supplement, section 69.021, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

S. F. No. 1821, A bill for an act relating to children; changing certain provisions for placement of children; establishing a general preference for adoption by relatives; requiring continued study of out-of-home dispositions; amending Minnesota Statutes 1990, sections 257.025; 257.071, subdivision 1; 257.072, subdivision 7; 259.255; 259.28, subdivision 2; 259.455; 260.181, subdivision 3; and 518.17, subdivision 1.

The bill was read for the first time.

Jefferson moved that S. F. No. 1821 and H. F. No. 1941, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1935, A bill for an act relating to retirement; making changes in laws governing the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 422A.12, subdi-

vision 2; 422A.14, subdivision 1; and 422A.23, by adding a subdivision; Minnesota Statutes 1991 Supplement, sections 422A.101, subdivision 1; and 422A.17; repealing Minnesota Statutes 1990, section 422A.14, subdivision 2.

The bill was read for the first time.

Jefferson moved that S. F. No. 1935 and H. F. No. 2028, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2380, A bill for an act relating to the legislature; requiring committees and commissions of the legislature to consider the effect of proposed legislation on the state's science and technology policy; proposing coding for new law in Minnesota Statutes, chapter 3.

The bill was read for the first time.

Simoneau moved that S. F. No. 2380 and H. F. No. 2189, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Vanasek:

ETHICAL PRACTICES BOARD

EMILY ANNE STAPLES

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Emily Anne Staples to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Emily Anne Staples, 1640 Xanthus Lane, Plymouth, county of Hennepin, effective April 30, 1991, for a four-year term expiring on the first Monday in January, 1995. The motion prevailed and the appointment of Emily Anne Staples was confirmed by the House.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Long:

ETHICAL PRACTICES BOARD

DOUGLAS H. SILLERS

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Douglas H. Sillers to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Douglas H. Sillers, Route 2, Box 180, Moorhead, county of Clay, effective January 7, 1992, for a four-year term expiring on the first Monday in January, 1996. The motion prevailed and the appointment of Douglas H. Sillers was confirmed by the House.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Long:

ETHICAL PRACTICES BOARD

BRUCE WILLIS

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Bruce Willis to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Bruce Willis, 2940 Walnut Grove Lane, Plymouth, county of Hennepin, effective January 7, 1992, for a four-year term expiring on the first Monday in January, 1996. The motion prevailed and the appointment of Bruce Willis was confirmed by the House.

Osthoff from the Committee on General Legislation, Veterans Affairs and Gaming reported on the following appointment which had been referred to the committee by Speaker Vanasek:

ETHICAL PRACTICES BOARD

ELSA CARPENTER

Reported the same back with the recommendation that the appointment be confirmed.

Osthoff moved that the report of the Committee on General Legislation, Veterans Affairs and Gaming relating to the appointment of Elsa Carpenter to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Osthoff moved that the House, having advised, do now consent to and confirm the appointment of Elsa Carpenter, 4724 Emerson Avenue South, Minneapolis, county of Hennepin, effective April 30, 1991, for a four-year term expiring on the first Monday in January, 1995. The motion prevailed and the appointment of Elsa Carpenter was confirmed by the House.

Welle moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

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

CONSENT CALENDAR

S. F. No. 2028, A bill for an act relating to agriculture; changing requirements for pesticide registration applications; amending Minnesota Statutes 1990, section 18B.26, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2623, A bill for an act relating to the Mississippi river headwaters area; updating and changing provisions relating to activities of the Mississippi headwaters board; amending Minnesota

Statutes 1990, sections 103F.361, subdivision 2; 103F.363, subdivision 2; 103F.365, by adding a subdivision; 103F.367, subdivision 6; 103F.369, subdivisions 1 and 4; 103F.371; 103F.373, subdivisions 1 and 2; 103F.375, subdivision 1; and 103F.377; Minnesota Statutes 1991 Supplement, section 103F.369, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Simoneau requested immediate consideration of H. F. No. 2121.

H. F. No. 2121 was reported to the House.

Nelson, K., and Kelso moved to amend H. F. No. 2121, the third engrossment, as follows:

Page 3, line 20, after "to" insert "article 6, sections 7 and 10,"

Page 8, after line 2, insert:

"Sec. 7. Minnesota Statutes 1991 Supplement, section 124.195, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 124.09, apportionments by the county auditor pursuant to section 124.10, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) The term "cumulative amount guaranteed" means the sum of the following:

(1) one-third of the final adjustment payment according to subdivision 6; plus

(2) the product of

(i) the cumulative disbursement percentage shown in subdivision 3; times

(ii) the sum of

85 percent of the estimated aid and credit entitlements paid according to subdivision 10; plus

100 percent of the entitlements paid according to subdivisions 8 and 9; plus

the other district receipts; plus

the final adjustment payment according to subdivision 6.

(c) The term "payment date" means the date on which state payments to school districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, ~~the payment shall be made on the immediately preceding business day.~~ If a payment date falls on a Sunday, ~~the payment shall be made on the immediately following business day.~~ If a payment date falls on a weekday which is a legal holiday, the payment shall be made on the immediately preceding ~~following~~ business day. The commissioner of education may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances."

Page 10, line 1, strike “or”

Page 10, line 2, after “(2)” insert “the district’s referendum allowance for fiscal year 1993; (3)”

Page 10, line 3, after “year” insert “; or (4) for a district that held a successful referendum levy election in calendar year 1991, 35 percent of the formula allowance for that fiscal year”

Page 22, after line 12, insert “, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494,”

Page 128, line 2, delete “1” and insert “4”

Renumber subsequent sections

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Nelson, K., moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 33, line 21, delete “and medical assistance services under”

Page 33, line 22, delete “chapter 256B”

Page 33, line 24, after the period, insert “Disputes regarding medical assistance services under chapter 256B are subject to the procedural safeguards under section 256.045.”

Page 105, line 2, after “fund” insert “other than the community service fund”

Page 114, line 34, delete “applying for an”

Page 114, delete lines 35 and 36

Page 115, line 1, delete “programs”

Page 115, line 4, delete “of teaching” and insert “if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in kindergarten, elementary, secondary or special education programs”

The motion prevailed and the amendment was adopted.

Kelso moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 40, delete lines 34 to 36

Page 41, delete lines 1 to 9

Page 45, delete lines 34 to 36

Page 46, delete lines 1 to 6; delete lines 14 to 16; line 18, delete "(a)"; delete lines 20 to 30

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bauerly moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 73, after line 20, insert:

"Sec. 2. Minnesota Statutes 1991 Supplement, section 121.932, subdivision 5, is amended to read:

Subd. 5. [ESSENTIAL DATA.] The department shall maintain a list of essential data elements which must be recorded and stored about each pupil, licensed and nonlicensed staff member, and educational program. Each school district shall send the essential data to the ESV regional computer center to which it belongs, ~~or where it shall be edited and transmitted~~ to the department in the form and format prescribed by the department."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Brown moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 59, line 27, delete everything after “(2)”

Page 59, line 28, delete “applicant” and insert “the group of districts that make up the Grant county project, if that group has submitted an application and if that application has been approved”

The motion prevailed and the amendment was adopted.

McEachern moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 127, line 35, before “Minnesota” insert “Minnesota Statutes 1991 Supplement, sections 120.064 and 124.248 and”; delete “is” and insert “are”

Page 128, after line 8, insert:

“That portion of section 35 repealing Minnesota Statutes 1991 Supplement, sections 120.064 and 124.248 is effective the day after final enactment. Any contract for an outcome-based school authorized by a sponsor and approved by the state board of education prior to the effective date of that portion of section 35 that repeals Minnesota Statutes 1991 Supplement, sections 120.064 and 124.248 may continue in effect for the term of the contract, but must terminate at the end of the contract term or three years, whichever comes first.”

A roll call was requested and properly seconded.

The question was taken on the McEachern amendment and the roll was called. There were 60 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Davids	Jennings	Murphy	Rukavina
Anderson, R.	Dorn	Johnson, A.	O'Connor	Sarna
Anderson, R. H.	Farrell	Johnson, R.	Olson, E.	Solberg
Battaglia	Garcia	Kalis	Orfield	Sparby
Bauerly	Goodno	Kinkel	Osthoff	Swenson
Beard	Hanson	Krinkie	Pelowski	Thompson
Begich	Hartle	Krueger	Peterson	Trimble
Bodahl	Heir	Lasley	Pugh	Tunheim
Brown	Jacobs	Lieder	Reding	Wejcmán
Carlson	Janezich	McEachern	Rest	Welle
Clark	Jaros	Milbert	Rice	Wenzel
Cooper	Jefferson	Munger	Rodosovich	Spk. Long

Those who voted in the negative were:

Abrams	Gutknecht	Limmer	Olson, K.	Smith
Bertram	Hasskamp	Lourey	Omann	Stanius
Bishop	Haukoos	Lynch	Onnen	Steensma
Blatz	Hausman	Macklin	Orenstein	Sviggum
Boo	Henry	Mariani	Ostrom	Tompkins
Carruthers	Hufnagle	Marsh	Pauly	Uphus
Dauner	Hugoson	McGuire	Pellow	Valento
Dawkins	Johnson, V.	McPherson	Runbeck	Vellenga
Dempsey	Kahn	Morrison	Schafer	Wagenius
Dille	Kelso	Nelson, K.	Schreiber	Waltman
Erhardt	Knickerbocker	Nelson, S.	Seaberg	Weaver
Frederick	Koppendrayer	Newinski	Segal	Welker
Frerichs	Krambeer	Ogren	Simoneau	Winter
Girard	Leppik	Olsen, S.	Skoglund	

The motion did not prevail and the amendment was not adopted.

Lynch, Bishop and Nelson, K., moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 45, line 24, strike "August" and insert "July"

A roll call was requested and properly seconded.

The question was taken on the Lynch et al amendment and the roll was called. There were 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. Jennings Lasley

The motion prevailed and the amendment was adopted.

Welle and Omann moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 57, after line 3, insert:

“Sec. 5. Minnesota Statutes 1991 Supplement, section 124.479, is amended to read:

124.479 [BOND ISSUE; MAXIMUM EFFORT SCHOOL LOANS, 1991.]

To provide money to be loaned to school districts as agencies and political subdivisions of the state to acquire and to better public land and buildings and other public improvements of a capital nature, in the manner provided by the maximum effort school aid law, the commissioner of finance shall issue and sell school loan bonds of the state of Minnesota in the maximum amount of \$45,065,000, in addition to the bonds already authorized for this purpose. The same amount is appropriated to the maximum effort school loan fund and must be spent under the direction of the commissioner of education to make debt service loans and capital loans to school districts as provided in sections 124.36 to 124.47. The bonds must be issued and sold and provision for their payment must be made according to section 124.46. Expenses incidental to the sale, printing, execution, and delivery of the bonds, including, but without limitation, actual and necessary travel and subsistence expenses of state officers and employees for those purposes, must be paid from the maximum effort school loan fund, and the money necessary for the expenses is appropriated from that fund.

~~No bonds may be sold or issued under this section until all bonds authorized by Laws 1990, chapter 610, sections 2 to 7, are sold and issued and the authorized project contracts have been initiated or abandoned.”~~

Page 72, line 34, after “enactment.” insert “Laws 1990, chapter 610, article 1, section 7, subdivision 4, is repealed the day following final enactment.”

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kinkel and Sarna moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 63, line 1, delete "greater" and insert "less"

Page 63, delete lines 9 to 14

Page 66, delete the new language on lines 11 to 16 and insert "Prior to July 1, 1996, a proposed fine assessed against a district shall be waived if the district has not received an audit under section 124.83, subdivision 9. However, under no circumstances shall a fine be waived if a fatality has occurred or if the requirements set forth in an abatement process are not complied with within a reasonable period of time. On or after July 1, 1996 all authority to assess a fine shall revert to the commissioner."

Page 66, delete lines 17 to 33

Page 70, line 30, delete "This amount"

Page 70, delete line 31

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Pauly moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 107, delete lines 5 to 30

Page 128, delete line 2

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Pauly amendment and the roll was called. There were 61 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krambeer	Onnen	Stanisus
Anderson, R.	Goodno	Krinkie	Ostrom	Swenson
Anderson, R. H.	Hartle	Leppik	Ozment	Tompkins
Bishop	Haukoos	Limmer	Pauly	Uphus
Blatz	Heir	Lynch	Pellow	Valento
Boo	Henry	Macklin	Pellowski	Vellenga
Carruthers	Hufnagle	Marsh	Runbeck	Weaver
Dauids	Hugoson	McPherson	Schafer	Welker
Dempsey	Jacobs	Morrison	Schreiber	Wenzel
Dille	Johnson, V.	Nelson, S.	Seaberg	
Erhardt	Kelso	Newinski	Skoglund	
Frederick	Knickerbocker	Olsen, S.	Smith	
Frerichs	Koppendrayner	Omann	Solberg	

Those who voted in the negative were:

Anderson, I.	Farrell	Krueger	Olson, K.	Sparby
Battaglia	Garcia	Lasley	Orenstein	Steensma
Bauerly	Greenfield	Lieder	Orfield	Sviggum
Beard	Gutknecht	Lourey	Osthoff	Thompson
Begich	Hanson	Mariani	Peterson	Trimble
Bertram	Hasskamp	McEachern	Pugh	Tunheim
Bodahl	Hausman	McGuire	Reding	Wagenius
Brown	Janezich	Milbert	Rest	Waltman
Carlson	Johnson, A.	Munger	Rice	Wejcmann
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	O'Connor	Sarna	Winter
Dawkins	Kalis	Ogren	Segal	Spk. Long
Dorn	Kinkel	Olson, E.	Simoneau	

The motion did not prevail and the amendment was not adopted.

Waltman moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 122, after line 3, insert:

“Sec. 20. [126.116] [NO MANDATES WITHOUT MONEY.]

A school district is not required to comply with a state mandate, as defined in section 3.881 if the mandate affects the daily operation of schools, the authority of school boards to establish locally developed education policies, changes in the school district's curriculum, or other changes in the school district's spending priorities until the additional revenue needed to pay for the mandate is identified.”

Page 128, line 4, after the period insert:

"Section 20 is effective September 1, 1992, to apply to new or increased state mandates that are effective after August 31, 1992."

Renumber sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Waltman amendment and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Krambeer	Omann	Svigum
Anderson, R. H.	Gutknecht	Krinkie	Onnen	Swenson
Blatz	Hartle	Limmer	Ozment	Tompkins
Boo	Haukoos	Lynch	Pauly	Uphus
Davids	Heir	Macklin	Pellow	Valento
Dempsey	Henry	Marsh	Pelowski	Waltman
Dille	Hufnagle	McPherson	Runbeck	Weaver
Erhardt	Hugoson	Morrison	Schafer	Welker
Frederick	Jennings	Nelson, S.	Seaberg	Winter
Frerichs	Johnson, V.	Newinski	Smith	
Girard	Knickerbocker	Olsen, S.	Stanius	
Goodno	Koppendrayner	Olson, K.	Steensma	

Those who voted in the negative were:

Anderson, I.	Dawkins	Kelso	Olson, E.	Skoglund
Anderson, R.	Dorn	Kinkel	Orenstein	Solberg
Battaglia	Farrell	Krueger	Orfield	Sparby
Bauerly	Garcia	Lasley	Osthoff	Thompson
Beard	Hanson	Lieder	Ostrom	Trimble
Begich	Hasskamp	Lourey	Peterson	Tunheim
Bertram	Hausman	Mariani	Pugh	Vellenga
Bishop	Jacobs	McEachern	Reding	Wagenius
Bodahl	Janezich	McGuire	Rest	Wejcmán
Brown	Jaros	Milbert	Rice	Welle
Carlson	Jefferson	Munger	Rodosovich	Wenzel
Carruthers	Johnson, A.	Murphy	Rukavina	Spk. Long
Clark	Johnson, R.	Nelson, K.	Sarna	
Cooper	Kahn	O'Connor	Segal	
Dauner	Kalis	Ogren	Simoneau	

The motion did not prevail and the amendment was not adopted.

Nelson, K., moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 122, after line 3, insert:

"Sec. 20. Minnesota Statutes 1991 Supplement, section 126.12, subdivision 1, is amended to read:

Subdivision 1. Except for learning programs during summer, flexible learning year programs authorized under sections 120.59 to 120.67, and learning year programs under section 121.585, a school district ~~shall not commence that commences~~ an elementary or secondary school year prior to Labor Day may not hold school the Friday before or the Tuesday after Labor Day. Days which are devoted to teachers' workshops may be held before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars."

Page 128, line 4, after the period insert "Section 20 is effective the day following final enactment and, notwithstanding Minnesota Statutes, section 126.12, subdivision 2, applies to the 1992-1993 school year as well as subsequent school years."

Renumber sections in sequence

Correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

The Speaker called Rodosovich to the Chair.

Valento moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 68, after line 5, insert:

"(g) Before applying for levy authority under this subdivision, a school board must hold a public meeting on the proposed application for levy authority. Notice of the meeting must be posted in the administrative office of the school district and must be published twice during the 14 days before the meeting in the official newspaper of the district.

(h) A levy application tentatively approved by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's action. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether the district may levy under this subdivision. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision."

The motion did not prevail and the amendment was not adopted.

Stanisus was excused between the hours of 6:00 p.m. and 8:30 p.m.

Krueger, Kahn, Abrams and Bishop moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 99, line 13, delete "sections 121.935, subdivisions 7 and 8; and" and insert "section"

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 Krueger et al amendment and the roll was called. There were 69 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Kinkel	Osthoff	Steensma
Anderson, R.	Farrell	Knickerbocker	Pauly	Sviggum
Anderson, R. H.	Frederick	Koppendrayner	Pellow	Thompson
Bertram	Frerichs	Krinkie	Pelowski	Tompkins
Bishop	Girard	Krueger	Peterson	Trimble
Blatz	Goodno	Lynch	Pugh	Uphus
Brown	Hartle	Marsh	Reding	Valento
Carlson	Hasskamp	McGuire	Rest	Wagenius
Carruthers	Haukoos	McPherson	Runbeck	Waltman
Clark	Henry	Morrison	Seaberg	Wejcmann
Cooper	Hufnagle	Nelson, S.	Segal	Welker
Dauner	Hugoson	Newinski	Smith	Wenzel
Davids	Johnson, V.	Omann	Solberg	Spk. Long
Dorn	Kahn	Orfield	Sparby	

Those who voted in the negative were:

Anderson, I.	Hausman	Lasley	Ogren	Schafer
Battaglia	Heir	Leppik	Olsen, S.	Schreiber
Bauerly	Jacobs	Lieder	Olson, E.	Simoneau
Beard	Janezich	Limmer	Olson, K.	Skoglund
Begich	Jaros	Lourey	Onnen	Swenson
Bodahl	Jefferson	Mariani	Orenstein	Tunheim
Boo	Jennings	McEachern	Ostrom	Vellenga
Dawkins	Johnson, A.	Milbert	Ozment	Weaver
Dempsey	Johnson, R.	Munger	Rice	Welle
Dille	Kalis	Murphy	Rodosovich	Winter
Garcia	Kelso	Nelson, K.	Rukavina	
Hanson	Krambeer	O'Connor	Sarna	

The motion prevailed and the amendment was adopted.

Krueger moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 99, after line 17, insert:

"Subd. 4. [JULY 1, 1993.] Notwithstanding section 29, Minnesota Statutes 1990, section 121.935, subdivision 5, is repealed July 1, 1993."

Page 99, after line 23, insert:

"Notwithstanding section 29, Laws 1991 chapter 265, article 6, section 4 is effective July 1, 1993."

Page 154, after line 22 insert:

"Section 2 is effective July 1, 1993."

Page 154, line 23, delete "Sections 2 and 7 are" and insert "Section 7 is"

A roll call was requested and properly seconded.

The question was taken on the Krueger amendment and the roll was called. There were 27 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Krueger	Smith	Welker
Anderson, R.	Hugoson	Newinski	Sviggum	Wenzel
Bertram	Kahn	Omann	Thompson	Spk. Long
Clark	Kinkel	Peterson	Tompkins	
Frerichs	Knickerbocker	Rest	Wagenius	
Girard	Krinkie	Segal	Wejcman	

Those who voted in the negative were:

Anderson, I.	Dauner	Hasskamp	Johnson, V.	Marsh
Anderson, R. H.	Dauids	Haukoos	Kalis	McEachern
Battaglia	Dawkins	Hausman	Kelso	McGuire
Bauerly	Dempsey	Heir	Koppendraye	McPherson
Beard	Dille	Henry	Krambeer	Milbert
Begich	Dorn	Hufnagle	Lasley	Morrison
Blatz	Erhardt	Jacobs	Leppik	Munger
Bodahl	Farrell	Janezich	Lieder	Murphy
Boo	Frederick	Jaros	Limmer	Nelson, K.
Brown	Garcia	Jefferson	Lourey	Nelson, S.
Carlson	Gutknecht	Jennings	Lynch	O'Connor
Carruthers	Hanson	Johnson, A.	Macklin	Ogren
Cooper	Hartle	Johnson, R.	Mariani	Olsen, S.

Olson, E.	Ozment	Rodosovich	Simoneau	Tunheim
Olson, K.	Pauly	Rukavina	Skoglund	Uphus
Onnen	Pellow	Runbeck	Solberg	Vellenga
Orenstein	Pelowski	Sarna	Sparby	Waltman
Orfield	Pugh	Schafer	Steensma	Weaver
Osthoff	Reding	Schreiber	Swenson	Welle
Ostrom	Rice	Seaberg	Trimble	Winter

The motion did not prevail and the amendment was not adopted.

Dempsey moved to amend H. F. No. 2121, the third engrossment, as amended, as follows:

Page 115, after line 4, insert “(c) The board shall require a person applying for an initial teaching license and a person applying for the renewal of a continuing license to successfully complete an examination of licensure-specific knowledge and teaching skills.”

Page 115, line 5, delete “(c)” and insert “(d)”

Page 115, line 12, delete “(d)” and insert “(e)”

Page 127, after line 33, insert:

“Sec. 35. [EXAMINATION OF TEACHER SKILLS.]

Notwithstanding any law to the contrary, a teacher, as defined in Minnesota Statutes, section 125.03, subdivision 1, who received an initial teaching license before April 4, 1988, who did not successfully complete the examination of skills in reading, writing, and mathematics required under Minnesota Statutes 1990, section 125.05, subdivision 1, and who currently holds a valid continuing license must successfully complete the skills examination before next applying to renew the teacher's continuing license. Any teacher subject to this section must provide the appropriate licensing board with official evidence of having successfully completed the skills examination when next applying to renew the teacher's continuing license.”

Page 128, line 4, after the period insert “Section 11, clause (c), is effective June 1, 1994.”

Page 128, line 8, after the period insert “Section 35 is effective June 1, 1993.”

Renumber 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 amendment and the roll was called. There were 18 yeas and 108 nays as follows:

Those who voted in the affirmative were:

Anderson, R. H.	Frerichs	Koppendraye	Schafer	Uphus
Boo	Gutknecht	Marsh	Schreiber	Welker
Dempsey	Haukoos	McPherson	Sviggum	
Frederick	Heir	Runbeck	Tompkins	

Those who voted in the negative were:

Abrams	Garcia	Knickerbocker	Olsen, S.	Segal
Anderson, I.	Girard	Krambeer	Olson, E.	Simoneau
Anderson, R.	Goodno	Krinkie	Olson, K.	Skoglund
Battaglia	Hanson	Krueger	Omann	Smith
Bauerly	Hartle	Lasley	Onnen	Solberg
Beard	Hasskamp	Leppik	Orenstein	Sparby
Begich	Hausman	Lieder	Orfield	Steensma
Bertram	Henry	Limmer	Osthoff	Swenson
Blatz	Hufnagle	Lourey	Ostrom	Thompson
Bodahl	Hugoson	Lynch	Ozment	Trimble
Brown	Jacobs	Macklin	Pauly	Tunheim
Carlson	Janezich	Mariani	Pellow	Valento
Carruthers	Jaros	McGuire	Pelowski	Vellenga
Clark	Jefferson	Milbert	Peterson	Wagenius
Cooper	Jennings	Morrison	Pugh	Waltman
Dauner	Johnson, A.	Munger	Reding	Weaver
Davids	Johnson, R.	Murphy	Rest	Wejcmann
Dawkins	Johnson, V.	Nelson, K.	Rice	Welle
Dille	Kahn	Nelson, S.	Rodosovich	Wenzel
Dorn	Kalis	Newinski	Rukavina	Spk. Long
Erhardt	Kelso	O'Connor	Sarna	
Farrell	Kinkel	Ogren	Seaberg	

The motion did not prevail and the amendment was not adopted.

H. F. No. 2121, A bill for an act relating to education; providing for general education and related revenue, transportation, special programs, other aids, levies, and programs; appropriating money; amending Minnesota Statutes 1990, sections 120.101, subdivision 5; 120.102, subdivision 1; 120.17, subdivisions 3a, 8a, 12, 14, 16, and by adding subdivisions; 121.148, subdivision 3; 121.11, by adding a subdivision; 121.16, subdivision 1; 121.935, by adding subdivisions; 122.22, by adding a subdivision; 122.23, subdivisions 13, 16, and by adding a subdivision; 122.247, subdivision 1; 122.531, subdivisions 1a, 2, 2a, 2b, and 2c; 122.532, subdivision 2; 123.35, by adding a subdivision; 123.3514, subdivisions 6, as amended, as reenacted, 6b, as amended, as reenacted, and by adding a subdivision; 123.39, subdivision 8d; 123.58, by adding a subdivision; 123.744, as amended, as reenacted; 124.243, subdivision 2, and by adding a subdivision; 124.2725, subdivision 13; 124.331, subdivisions 1 and 3; 124.431, by adding a subdivision; 124.493, subdivision 1; 124.494,

subdivisions 2, 4, and 5; 124.73, subdivision 1; 124.83, subdivisions 2, 6, and by adding subdivisions; 124.85, subdivision 4; 124A.22, subdivision 2a, and by adding subdivisions; 124A.23, subdivision 3; 124A.26, subdivision 2, and by adding a subdivision; 124C.07; 124C.08, subdivision 2; 124C.09; 124C.61; 125.05, subdivisions 1, 7, and by adding subdivisions; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 126.12, subdivision 2; 126.22, by adding a subdivision; 127.46; 128A.09, subdivision 2, and by adding a subdivision; 128C.01, subdivision 4; 128C.02, by adding a subdivision; 134.34, subdivision 1, and by adding a subdivision; 136C.69, subdivision 3; 136D.75; 182.666, subdivision 6; 275.125, subdivision 10, and by adding subdivisions; Minnesota Statutes 1991 Supplement, sections 120.062, subdivision 8a; 120.064, subdivision 4; 120.17, subdivisions 3b, 7a, and 11a; 120.181; 121.585, subdivision 3; 121.831; 121.904, subdivisions 4a and 4e; 121.912, subdivision 6; 121.932, subdivisions 2 and 5; 121.935, subdivisions 1 and 6; 122.22, subdivision 9; 122.23, subdivision 2; 122.242, subdivision 9; 122.243, subdivision 2; 122.531, subdivision 4a; 123.3514, subdivisions 4 and 11; 123.702, subdivisions 1, 1a, and 1b; 124.155, subdivision 2; 124.19, subdivisions 1, 1b, and 7; 124.195, subdivision 2; 124.214, subdivisions 2 and 3; 124.2601, subdivision 6; 124.2721, subdivision 3b; 124.2727, subdivision 6, and by adding subdivisions; 124.479; 124.493, subdivision 3; 124.646, subdivision 4; 124.83, subdivision 1; 124.95, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 124A.03, subdivisions 1c, 2, 2a, and by adding a subdivision; 124A.23, subdivisions 1 and 4; 124A.24; 124A.26, subdivision 1; 124A.29, subdivision 1; 125.185, subdivisions 4 and 4a; 125.62, subdivision 6; 126.70; 135A.03, subdivision 3a; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.76, subdivision 2; 136D.82, subdivision 3; 245A.03, subdivision 2; 275.065, subdivision 1; 275.125, subdivisions 6j and 11g; 364.09; and 373.42, subdivision 2; Laws 1990, chapter 366, section 1, subdivision 2; Laws 1991, chapter 265, articles 3, section 39, subdivision 16; 4, section 30, subdivision 11; 5, sections 18, 23, and 24, subdivision 4; 6, sections 64, subdivision 6, 67, subdivision 3, and 68; 7, sections 37, subdivision 6, 41, subdivision 4, and 44; 8, sections 14 and 19, subdivision 6; and 9, sections 75 and 76; proposing coding for new law in Minnesota Statutes, chapters 123; 124; 124C; and 135A; repealing Minnesota Statutes 1990, sections 121.25; 121.26; 121.27; 121.28; 122.23, subdivisions 16a and 16b; 124.274; 125.03, subdivision 5; 128A.022, subdivision 5; 134.34, subdivision 2; 136D.74, subdivision 3; 136D.76, and subdivision 3; Minnesota Statutes 1991 Supplement, sections 121.935, subdivisions 7 and 8; 123.35, subdivision 19; 124.2721, subdivisions 5a and 5b; 124.2727, subdivisions 1, 2, 3, 4, and 5; and 136D.90, subdivision 2; Laws 1990, chapters 562, article 12; 604, article 8, section 12; and 610, article 1, section 7, subdivision 4; and Laws 1991, chapter 265, article 9, section 73.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Erhardt	Knickerbocker	Olsen, S.
Dauner	Henry	Nelson, S.	

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Ogren requested immediate consideration of H. F. No. 2940.

H. F. No. 2940 was reported to the House.

Ogren, Rest and Schreiber moved to amend H. F. No. 2940, the first engrossment, as follows:

Page 9, line 14, delete "CORRECTIONS" and insert "CRIMINAL JUSTICE"

Page 9, line 15, delete "corrections" and insert "criminal justice"

Page 9, line 29, delete "corrections" and insert "criminal justice"

Page 10, after line 1, insert:

"Subd. 4. [HOST COUNTY REIMBURSEMENTS.] Each calendar year, four percent of the total appropriation for this section shall be retained by the commissioner of revenue to make reimbursements to counties serving as host counties under section 611.27, subdivision 2. The reimbursements shall be to defray the additional costs associated with serving as a host county. Counties may apply for reimbursement on a form prescribed by the commissioner. Any retained amounts not used for reimbursement in a year shall be carried over and distributed as additional county criminal justice aid in the following year."

Page 10, line 2, delete "4" and insert "5"

Page 13, line 11, after "pay" insert "non-school"

Page 13, delete lines 13 to 15

Page 13, line 16, delete "6" and insert "5"

Page 13, line 16, after "pay" insert "non-school"

Page 13, line 19, delete "7" and insert "6"

Page 13, line 22, delete "8" and insert "7"

Page 13, line 25, delete "9" and insert "8"

Page 13, line 28, delete "10" and insert "9"

Page 13, line 31, delete "11" and insert "10"

Page 14, line 11, after "council" insert ", \$350,000 for fiscal year 1993"

Page 14, line 12, delete "\$350,000 for fiscal year 1993" and insert "with the participation and ongoing oversight of the legislative commission on planning and fiscal policy"

Page 14, line 34, after "pay" insert "non-school"

Page 14, delete line 36

Page 15, delete lines 1 and 2

Page 15, line 3, delete "5" and insert "4"

Page 15, line 3, after "pay" insert "non-school"

Page 15, line 6, delete "6" and insert "5"

Page 15, line 9, delete "7" and insert "6"

Page 15, line 12, delete "8" and insert "7"

Page 15, line 15, delete "9" and insert "8"

Page 15, line 18, delete "10" and insert "9"

Page 15, line 21, delete "11" and insert "10"

Page 15, line 21, delete "104" and insert "103.5"

Page 15, line 28, delete "(12) \$20,265,000" and insert "(11) \$20,168,000"

Page 15, line 31, delete "(13) \$54,253,000" and insert "(12) \$53,992,000"

Page 16, line 20, delete "(11), (12), and (13)" and insert "(10), (11), and (12)"

Page 16, line 24, delete "(12) and (13)" and insert "(11) and (12)"

Page 16, line 25, delete "(11)" and insert "(10)"

Page 20, line 33, delete "assess" and insert "recover"

Page 20, line 34, delete "on" and insert "from"

Page 20, line 36, delete "Assessment" and insert "Recovery"

Page 28, delete lines 32 to 36

Page 29, delete line 1

Page 57, delete lines 24 to 36

Page 58, delete lines 1 to 25

Page 93, line 34, after "clause (18)," insert "or section 273.41"

Page 97, after line 26, insert:

"Sec. 58. Laws 1991, chapter 291, article 1, section 65, is amended to read:

Sec. 65. [EFFECTIVE DATE.]

Sections 1, 4, 35, 36, 57, 58, and 62 are effective the day following final enactment.

Sections 2, 3, 11, 15 to 22, 24, 26 to 28, 30, 37 to 49, and 63 are effective for taxes levied in 1991, payable in 1992, and thereafter.

Sections 5 and 6 are effective for referenda held after November 1, 1992, for taxes payable in 1993 and thereafter.

Sections 7 and 52 are effective July 1, 1991.

Sections 8, 9 and 31 are effective for appeals filed after July 31, 1991.

Section 10 is effective only for taxes payable in 1992, ~~1993, 1994,~~ and 1995 and thereafter.

Sections 12 and 14 are effective for taxes payable in 1993 and thereafter, except the deletion of the language "or any single contiguous lot fronting on the same street" in sections 12 and 14 shall be effective for taxes payable in 1992 and thereafter.

Section 13 is effective the day following final enactment and applies to real property acquired after December 31, 1990.

Sections 23 and 25 are effective for taxes payable in 1993 and thereafter.

Section 29 is effective for referenda for taxes payable in 1993 and thereafter.

Sections 32 and 33 are effective for taxes deemed delinquent after December 31, 1991.

Sections 50 and 51 are effective for aids payable in 1991 and thereafter.

Section 53 is effective the day after the governing body of the city of Minneapolis complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 54 is effective for the 1991 and 1992 assessment year.

Section 59 is effective the day after the governing body of independent school district No. 325, Lakefield, complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 60 is effective the day after the governing body of inde-

pendent school district No. 77, Mankato, complies with Minnesota Statutes, section 645.021, subdivision 3.

Section 61 is effective the day after the governing body of independent school district No. 284, Wayzata, complies with Minnesota Statutes, section 645.021, subdivision 3."

Page 110, after line 21, insert "Sales of supplies and equipment used in the operation of an ambulance service owned and operated by a political subdivision of the state are exempt under this subdivision provided that the supplies and equipment are used in the course of providing medical care; motor vehicle parts are not exempt under this provision."

Page 113, after line 17, insert:

"Sec. 19. [297A.46] [REPORTING OF SALES TAX ON MINNESOTA GOVERNMENTS.]

The commissioner shall estimate the amount of revenues derived from imposing the tax under this chapter and chapter 297B on state agencies and political subdivisions for each fiscal year and shall report this amount to the commissioner of finance before the time for filing reports for the fiscal year with the United States department of commerce. The commissioner of finance in reporting the sales and motor vehicle excise tax collections to the United States department of commerce shall exclude this amount from the sales and motor vehicle collections. Sales and motor vehicle excise tax revenues received from political subdivisions must be reported as intergovernmental grants or similar intergovernmental revenue. The amount of the sales and motor vehicle excise tax paid by state agencies must be reported as reduced state expenditures."

Page 116, line 19, delete "Machinery and" and insert "Capital"

Page 116, line 19, after "equipment" insert "and building materials"

Page 116, line 22, delete "subdivision 2,"

Page 127, line 21, delete ", 15, and 16" and after "9," insert "and"

Page 127, after line 27, insert "Sections 15 and 16 are effective for sales made after January 1, 1992."

Page 228, line 2, strike "This subdivision does"

Page 228, strike line 3

Page 228, line 4, strike the period

Renumber the sections in articles 2 and 3 in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Ogren moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 227, line 5, after the period insert "This payment shall be reduced by the total amount of improvements and repairs to the golf course that can be demonstrated to have been paid for by Ramsey county."

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Jaros moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 221, after line 12, insert:

"ARTICLE 9

HUMAN RESOURCES

Section 1. [HUMAN RESOURCES ACCOUNT.]

It is the policy of the state of Minnesota that no person in the state should be homeless, hungry, or without health care. Therefore, a human resources account in the general fund is created to meet these basic needs of the people of our state. The account consists of net proceeds from the income tax rate increase under section 8. The commissioner of revenue shall annually determine the revenue derived from the increase under section 8 and notify the commissioner of finance of the amount to be credited to the human services account.

Sec. 2. Minnesota Statutes 1990, section 145A.14, is amended by adding a subdivision to read:

Subd. 5. [GRANTS FOR COMMUNITY HEALTH CLINICS.] The commissioner of health may make special grants to community health boards or nonprofit corporations to establish, operate, or

subsidize clinic facilities and services, including mobile clinics, to provide community health services in areas of the state where there are inadequate facilities and services to serve populations with particular health care needs, such as the homeless population.

Applicants for grants under this subdivision must submit to the commissioner for approval a plan and budget for use of the funds in the form and detail required by the commissioner. Recipients of funds under this subdivision must provide the services required by the commissioner. They must report to the commissioner at least annually on the use of the funds. Recipients of funds under this subdivision must keep records, including records of expenditure of funds, required by the commissioner. The commissioner may audit the records to determine eligibility for funds under this subdivision.

Sec. 3. [256.922] [USES OF ACCOUNT.]

The funds in the human resources account created in section 1 are annually appropriated as provided by law for the following purposes:

(1) to the housing trust fund account in the housing development fund created under section 462A.201, for use by the commissioner of the housing finance agency for the purposes given in section 462A.201, subdivisions 2 and 3;

(2) to the commissioner of jobs and training for supplemental food grants under section 268.44;

(3) to the commissioner of health for grants under section 145A.14, subdivision 5;

(4) to the commissioner of human services for services to eligible persons under the supplemental food program for women, infants, and children (WIC);

(5) to the commissioner of human services for the work readiness program;

(6) to the commissioner of the housing finance agency for emergency rental and mortgage assistance under section 462A.30; and

(7) to the commissioner of jobs and training for payment under the emergency jobs program in sections 268.671 to 268.681 of wage subsidies to eligible employers who are eligible government agencies or eligible nonprofit agencies as defined in section 268.672, notwithstanding the limit under section 268.676, subdivision 2.

Sec. 4. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of five consecutive calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. The person's five-month eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later, and ends on the last day of the fifth consecutive calendar month, whether or not the person has received benefits for all five months. The person is not eligible to receive work readiness benefits during the seven calendar months immediately following the five-month eligibility period; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14), any person who would be defined for purposes of the food stamp program as being enrolled at least half-time in an institution of higher education is ineligible for the work readiness program.

(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) or (d).

Sec. 5. Minnesota Statutes 1991 Supplement, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS.] (a) Except as provided in this subdivision, grants of work readiness shall be deter-

mined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.

(b) Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.

At the time the county agency notifies the assistance unit that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services, the county agency must inform all mandatory registrants in the assistance unit that they must comply with all work readiness requirements that month, and that work readiness eligibility will end at the end of the month unless the registrants comply with work readiness requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.

(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the five months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.

(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).

Sec. 6. Minnesota Statutes 1991 Supplement, section 256D.052, subdivision 4, is amended to read:

Subd. 4. [PAYMENT OF WORK READINESS.] The county agency must provide assistance under section 256D.051 to persons who:

(1) participate in a literacy program assigned under subdivision 2. To "participate" means to attend regular classes, complete assignments, and make progress toward literacy goals; or

(2) are not assigned to literacy training because there is no program available or accessible to them.

~~Notwithstanding contrary provisions of section 256D.051, subdivision 1, a person eligible for assistance under this section is eligible for assistance for a maximum period of seven consecutive calendar months during any 12 consecutive calendar month period, subject to section 256D.051, subdivision 1, paragraph (d). Work readiness payments may be terminated for persons who fail to attend the orientation and participate in the assessment and development of the employment development plan.~~

Sec. 7. [268.44] [GRANTS TO FOODSHELVES.]

Subdivision 1. [GRANTS.] The commissioner of jobs and training may provide grants to community foodshelves or other nonprofit programs distributing food or meals without charge to individuals or families in need.

Subd. 2. [APPLICATION AND REPORTS.] Applicants for grants under this section must submit to the commissioner for approval a plan and budget for use of the funds in the form and detail required by the commissioner. Recipients of funds under this section must provide food or meals as required by the commissioner. They must report to the commissioner at least annually on the use of the funds. Recipients of funds under this section must keep records, including records of expenditure of funds provided by the commissioner. The commissioner may audit the records to determine eligibility for funds under this section.

Subd. 3. [RULES.] The commissioner may adopt rules setting eligibility criteria for recipients and for use of grant funds.

Sec. 8. Minnesota Statutes 1990, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of

1986 as amended through December 31, 1989, must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$19,910, 6 percent;
- (2) On all over \$19,910, but not over \$79,120, 8 percent;
- (3) On all over \$79,120, but not over \$150,000, 8.5 percent;
- (4) On all over \$150,000, 10 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$13,620, 6 percent;
- (2) On all over \$13,620, but not over \$44,750, 8 percent;
- (3) On all over \$44,750, but not over \$102,600, 8.5 percent;
- (4) On all over \$102,600, 10 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1989, must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$16,770, 6 percent;
- (2) On all over \$16,770, but not over \$67,390, 8 percent;
- (3) On all over \$67,390, but not over \$126,400, 8.5 percent;
- (4) On all over \$126,400, 10 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision,

provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) The numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1989, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1990, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1990, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 9. [462A.30] [EMERGENCY MORTGAGE AND RENTAL ASSISTANCE.]

The commissioner of the housing finance agency shall establish an emergency mortgage and rental assistance pilot project to serve individuals and families in danger of losing their housing. The agency may make grants and loans for the pilot project, establish criteria for administering the program, and pay costs and expenses necessary and incidentals to the development and operation of the program. The type of assistance and repayment must be determined on a case by case basis. Assistance to an individual or family is limited to six months or \$2,000, whichever is less. A participant is eligible for assistance only once.

Sec. 10. [EFFECTIVE DATE.]

Section 8 is effective for taxable years beginning after December 31, 1991."

Renumber the articles in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Jaros amendment and the roll was called. There were 22 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Brown	Jefferson	O'Connor	Rice	Uphus
Clark	Kahn	Olson, K.	Rukavina	Wejcman
Dawkins	Lourey	Orfield	Segal	
Hausman	Mariani	Osthoff	Skoglund	
Jaros	Munger	Reding	Trimble	

Those who voted in the negative were:

Abrams	Erhardt	Johnson, V.	Murphy	Smith
Anderson, I.	Farrell	Kalis	Nelson, S.	Solberg
Anderson, R.	Frederick	Kelso	Newinski	Sparby
Anderson, R. H.	Frerichs	Kinkel	Ogren	Steensma
Battaglia	Garcia	Knickerbocker	Olsen, S.	Svigum
Bauerly	Girard	Koppendrayner	Olson, E.	Swenson
Beard	Goodno	Krambeer	Omann	Thompson
Begich	Gutknecht	Krinkie	Onnen	Tompkins
Bertram	Hanson	Krueger	Orenstein	Tunheim
Bishop	Hartle	Lasley	Ostrom	Valento
Blatz	Hasskamp	Leppik	Pauly	Wagenius
Bodahl	Haukoos	Lieder	Pellow	Waltman
Boo	Heir	Limmer	Pelowski	Weaver
Carlson	Henry	Lynch	Peterson	Welker
Carruthers	Hufnagle	Macklin	Pugh	Welle
Cooper	Hugoson	Marsh	Rest	Wenzel
Dauner	Jacobs	McEachern	Rodosovich	Winter
Davids	Janezich	McGuire	Runbeck	Spk. Long
Dempsey	Jennings	McPherson	Schafer	
Dille	Johnson, A.	Milbert	Schreiber	
Dorn	Johnson, R.	Morrison	Seaberg	

The motion did not prevail and the amendment was not adopted.

Olsen, S.; Valento and Seaberg moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 50, line 19, strike "and"

Page 50, line 20, before "and" insert "3.3 percent of market value for taxes payable in 1994, and 3.2 percent of market value for taxes payable in 1995"

Page 58, after line 25, insert:

"Sec. 20. Minnesota Statutes 1991 Supplement, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, except that for aids payable in 1992 the class rate applied to class 4b property shall be 2.9 percent; the class rate applied to class 4a property shall be 3.55 percent; the class rate applied to noncommercial seasonal recreational residential property shall be 2.25 percent; and the class rates applied to portions of class 1a, 1b, and 2a property shall be 2 percent for the market value between \$68,000 and \$110,000 and 2.5 percent for the market value over \$110,000; for aid payable in 1993 the class rate applicable to class 4a shall be 3.5 percent; and the class rate applicable to class 4b shall be 2.65 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent; for aid payable in 1995 the class rate applicable to class 4a shall be 3.3 percent; and for aid payable in 1996, the class rate applicable to class 4a property shall be 3.2 percent, and (ii) estimated market values for the assessment two years prior to that in which aid is payable. The reclassification of mobile home parks as class 4c shall not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1991 or 1992. Any reclassification of property by Laws 1991, chapter 291, shall not be considered in determining net tax capacity for aids payable in 1992. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of

property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(f) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(g) "1989 local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989 by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(h) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the net tax capacity of the unique taxing jurisdiction.

(i) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's 1989 local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(j) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. Gross taxes levied on all properties or gross taxes are before reduction by any credits for taxes payable in 1989. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes actual amounts levied for purposes listed in subdivision 2a.

(k) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(l) "Cost-of-living adjustment factor" means the greater of one or one plus the percentage increase in the consumer price index minus .36 percent. In no case may the cost of living adjustment factor exceed 1.0394.

(m) The percentage increase in the consumer price index means the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(n) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(o) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(p) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(q) "Growth adjustment factor" means the household adjustment factor in the case of counties, cities, and towns. In the case of school districts the growth adjustment factor means the average daily membership of the school district under section 124.17, subdivision 2, for the school year ending in the second most recent year preceding that in which the aids are payable divided by the average daily membership for the third most recent year. In the case of special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(r) For aid payable in 1992 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid under section 477A.0132, plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(s) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the

unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(t) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies as defined in subdivision 2a."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olsen, S., et al amendment and the roll was called. There were 34 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Henry	Olsen, S.	Seaberg
Anderson, R. H.	Dille	Hufnagle	Olson, K.	Smith
Bishop	Dorn	Krambeer	Osthoff	Sparby
Blatz	Erhardt	Krinkie	Pellow	Swenson
Boo	Frederick	Limmer	Pugh	Tompkins
Carruthers	Frerichs	Lynch	Runbeck	Valento
Clark	Heir	Marsh	Schreiber	

Those who voted in the negative were:

Anderson, I.	Garcia	Johnson, A.	McGuire	Ostrom
Anderson, R.	Girard	Johnson, R.	McPherson	Pauly
Battaglia	Goodno	Johnson, V.	Milbert	Pelowski
Bauerly	Gutknecht	Kahn	Munger	Peterson
Beard	Hanson	Kalis	Murphy	Reding
Begich	Hartle	Kelso	Nelson, K.	Rest
Bertram	Hasskamp	Kinkel	Nelson, S.	Rice
Bodahl	Haukoos	Knickerbocker	Newinski	Rodosovich
Brown	Hausman	Koppendrayer	O'Connor	Rukavina
Carlson	Hugoson	Krueger	Ogren	Sarna
Cooper	Jacobs	Lasley	Olson, E.	Schafer
Dauner	Janezich	Leppik	Omman	Segal
Davids	Jaros	Lieder	Onnen	Simoneau
Dawkins	Jefferson	Lourey	Orenstein	Solberg
Farrell	Jennings	Mariani	Orfield	Steensma

Sviggunm	Tunheim	Wagenius	Wejman	Wenzel
Thompson	Uphus	Waltman	Welker	Winter
Trimble	Vellenga	Weaver	Welle	Spk. Long

The motion did not prevail and the amendment was not adopted.

Valento moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 221, line 26, delete "\$235,000,000" and insert "\$260,000,000"

A roll call was requested and properly seconded.

The question was taken on the Valento amendment and the roll was called. There were 51 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Krambeer	Omann	Swenson
Anderson, R. H.	Gutknecht	Krinkie	Onnen	Tompkins
Bishop	Hartle	Leppik	Ozment	Uphus
Blatz	Haukoos	Limmer	Pauly	Valento
Boo	Heir	Lynch	Pellow	Waltman
Davids	Henry	Macklin	Runbeck	Weaver
Dempsey	Hufnagle	Marsh	Schafer	Welker
Dille	Hugoson	McPherson	Schreiber	
Erhardt	Johnson, V.	Morrison	Seaberg	
Frederick	Knickerbocker	Newinski	Smith	
Frerichs	Koppendrayer	Olsen, S.	Sviggunm	

Those who voted in the negative were:

Anderson, I.	Garcia	Krueger	Orenstein	Sparby
Anderson, R.	Goodno	Lasley	Orfield	Steensma
Battaglia	Hanson	Lieder	Osthoff	Thompson
Bauerly	Hasskamp	Lourey	Ostrom	Trimble
Beard	Hausman	Mariani	Pelowski	Tunheim
Begich	Jacobs	McEachern	Peterson	Vellenga
Bertram	Janezich	McGuire	Pugh	Wagenius
Bodahl	Jaros	Milbert	Reding	Wejman
Brown	Jefferson	Munger	Rest	Welle
Carlson	Jennings	Murphy	Rice	Wenzel
Clark	Johnson, A.	Nelson, K.	Rodosovich	Winter
Cooper	Johnson, R.	Nelson, S.	Rukavina	Spk. Long
Dauner	Kahn	O'Connor	Sarna	
Dawkins	Kalis	Ogren	Segal	
Dorn	Kelso	Olson, E.	Simoneau	
Farrell	Kinkel	Olson, K.	Solberg	

The motion did not prevail and the amendment was not adopted.

Davids, Frerichs and Waltman moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 125 to 126, delete section 27

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Schreiber moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 2, delete article 1 and insert:

“ARTICLE 1

LOCAL GOVERNMENT TRUST FUND

Section 1. Minnesota Statutes 1991 Supplement, section 3.862, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] (a) By February 1 of each year, the commission shall submit to the speaker of the house and president of the senate recommendations for a formula or formulas to allocate the receipts of the local government trust fund to cities, counties, special taxing districts, and towns for the fiscal year beginning in the next calendar year. A recommendation of the commission must be approved by a three-fourths majority vote of the commission. Recommendations may be adopted, modified, or rejected by a bill enacted into law.

(b) In preparing its recommendations for intergovernmental aid formulas, the commission shall consider and balance the following goals:

(1) equalizing the access of local governments to fiscal resources relative to the need for and cost of providing local services;

(2) increasing accountability for state and local fiscal decisions;

(3) compensating for spillovers in the cost and benefits of local services; and

(4) funding municipal and county programs that are required by state law or that can only be appropriately provided on a uniform statewide basis. The commission may establish other recommenda-

tions for intergovernmental aid formulas to be financed from trust fund money.

(c) The commission shall study elements of state and local intergovernmental relations it considers appropriate. The studies may include examination of (1) requirements under state law that local governments provide services or benefits not funded by state appropriations, and (2) development of incentives or mechanisms for increased local efficiencies through cooperation or combination of local government units.

(d) The commission shall conduct a study of the property tax implications of the community social services act, the community corrections act, and the community health services act relative to: the mandate of each as specified in law or by rule; the level of state funding to support the mandates; the optional programs of each specified in law or by rule; the level of state funding to support the optional programs; the level of local property taxes and other resources to support both mandated and optional programs; the potential expansion of the community corrections act to other counties; and, whether the current allocation of state funding places a disproportionate property tax burden on any county. The commission shall provide a report to the governor and the legislature no later than February 26, 1993.

Sec. 2. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The commissioner shall deposit to the credit of the local government trust fund all money available to the credit of the trust. The commissioner shall maintain the trust as a separate fund to be used only to pay money, as provided by law, to local governments for intergovernmental aid or to repay advances made by the general fund, as provided under subdivision 4. In fiscal year 1993, the commissioner shall allocate all money available to the local government trust fund in equal portions to the credit of a local aid account and a homestead credit account within the trust fund. In fiscal year 1994 and thereafter, the commissioner shall allocate all money available to the local government trust fund as follows: 55 percent to the credit of the homestead credit account within the trust fund and 45 percent to the credit of the local aid account within the trust fund. If the fiscal year 1994 deposits in the local government trust fund exceed 110 percent of the amount deposited in the fund in fiscal year 1993, the excess of the increase over ten percent shall be transferred to the general fund. If, in any fiscal year after 1994 the total amount deposited in the local government trust fund exceeds 108 percent of the amount deposited in the fund in the prior fiscal year, the excess of the increase over eight percent shall be transferred to the general fund.

Sec. 3. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 3, is amended to read:

Subd. 3. [ESTIMATES; REDUCTION OF PAYMENTS.] (a) At the beginning of each fiscal year the commissioner, in consultation with the commissioner of revenue, shall estimate for the fiscal year:

(1) the amount of revenues to be deposited in each account within the trust fund under sections 297A.44 and 297B.09 and other law; and

(2) the payments authorized by law to be made out of each account within the trust.

For fiscal year 1993, if the estimated payments exceed the estimated receipts for either of the two accounts within the trust fund, the corresponding fiscal year appropriations from the trust to each program are that account or accounts shall be proportionately reduced, unless otherwise provided by law.

If the estimated receipts of the trust fund exceed the estimated payments by \$1,000,000 or more, the appropriation from the trust fund to each intergovernmental aid program is increased proportionately. The aid paid to each local government under the program is increased proportionately unless otherwise provided by law. At the end of fiscal year 1993, any positive balance amounts in either account of the trust fund are transferred to the general fund.

For even-numbered fiscal years after fiscal year 1993, if the estimated local aid account receipts are more than 105 percent, or less than 95 percent, of that year's estimated payments, then that fiscal year's appropriations for each program funded by the local aid account shall be proportionately increased or decreased to bring the estimated fiscal year end account balance to zero. Fiscal year end balances in the local aid account from even-numbered fiscal years shall be carried over in the account to the next fiscal year.

For odd-numbered fiscal years after fiscal year 1993, if the estimated payments and receipts for the local aid account are not equal, then the appropriations for each program funded by the account shall be proportionately increased or decreased as necessary to bring that year's estimated year end account balance to zero.

For even-numbered fiscal years after fiscal year 1993, if the estimated homestead credit account receipts are less than 95 percent of that year's estimated payments, then that fiscal year's appropriations for each program funded by the homestead credit account shall be proportionately decreased to bring the estimated fiscal year end account balance to zero. Any negative fiscal year end balances in

the homestead credit account from even-numbered fiscal years shall be carried over in the account to the next fiscal year.

For odd-numbered fiscal years after fiscal year 1993, if the estimated payments from the homestead credit account exceed the estimated receipts, then the appropriations for each program funded by the account shall be proportionately decreased as necessary to bring that fiscal year's estimated ending balance to zero.

At the end of each fiscal year after fiscal year 1993, all balances greater than zero in the homestead credit account are transferred to the general fund. The amounts so transferred shall be used to pay the general fund costs of the property tax refunds paid under chapter 290A for homeowners and renters.

(b) If as a result of changes in economic conditions or if information becomes available that indicates changes either in receipts or payments from the trust fund, the commissioner may at other times estimate the amount of receipts or payments and reduce or restore the appropriations under paragraph (a).

Sec. 4. Minnesota Statutes 1991 Supplement, section 16A.711, subdivision 4, is amended to read:

Subd. 4. [GENERAL FUND ADVANCES.] If the money in the trust fund is insufficient to make payments on the dates provided by law, but the commissioner estimates receipts for the fiscal year will be sufficient, the commissioner shall advance money from the general fund to the trust fund necessary to make the payments. On or before the close of the biennium the trust shall repay the advances ~~with interest, calculated at the rate of earnings on invested treasurer's cash,~~ to the general fund.

Sec. 5. [16A.712] [LOCAL GOVERNMENT TRUST FUND; GENERAL FUND; APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS; LOCAL GOVERNMENT TRUST FUND.] (a) The amounts necessary to make the following payments are annually appropriated from the local aid account of the local government trust fund:

(1) disparity reduction aid to counties, cities, towns, and special taxing districts under section 273.1398;

(2) local government aid and equalization aid under chapter 477A;

(3) \$52,166,000 of community social service aids under section 256E.06;

(4) \$14,112,000 of community health services subsidies under section 145A.13;

(5) \$19,848,000 of community corrections grant subsidies under sections 401.01 to 401.16;

(6) (i) to the commissioner of revenue to administer the local option tax, \$660,000;

(ii) to the commissioner of finance to administer the trust fund, \$105,000;

(iii) to the advisory commission on intergovernmental relations to pay nonlegislative members' per diem expenses, \$25,000; and

(iv) in fiscal year 1993, \$2,483,375 to the secretary of state to make payments under section 207A.10.

In fiscal year 1994, the amounts appropriated under clauses (3), (4), and (5) shall each be increased by 8.5 percent over the amounts appropriated for fiscal year 1993. In fiscal year 1995, the increase for each appropriation under clauses (3), (4), and (5) shall be eight percent of the respective fiscal year 1994 appropriations. In each case, the amount to be paid to each eligible county is increased by the same percentage.

(b) In fiscal year 1993 and thereafter, the amounts necessary to make the following payments are appropriated to the commissioner of revenue from the homestead credit account of the local government trust fund:

(1) homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under section 273.1398;

(2) additional homestead and agricultural credit guarantee for counties, cities, towns, and special taxing districts under section 273.1398, subdivision 5; and

(3) manufactured home homestead and agricultural credit aid to counties, cities, towns, and special taxing districts under section 274.20.

Subd. 2. [CONTINGENT REDUCTIONS.] If the commissioner of finance, in consultation with the commissioner of revenue, estimates that the receipts of the local aid account of the local government trust fund will be insufficient to pay the appropriations under subdivision 1, paragraph (a), the appropriations under subdivision 1, paragraph (a), clause (6), must be paid in full and the appropriations under subdivision 1, paragraph (a), clauses (1) to (5), must be reduced as provided by section 16A.711. If the appropriations under

subdivision 1, paragraph (a), are increased as provided in section 16A.711, the appropriations under subdivision 1, paragraph (a), clause (6), must not be increased.

Subd. 3. [APPROPRIATIONS; GENERAL FUND.] In fiscal year 1993 and thereafter, the amounts necessary to make the following intergovernmental aid payments are annually appropriated from the general fund:

(1) additional homestead and agricultural credit guarantee for school districts under section 273.1398, subdivision 5;

(2) disparity reduction credit under section 273.1398, subdivision 4;

(3) attached machinery aid to counties under section 273.138;

(4) supplemental homestead property tax relief under section 273.1391; and

(5) state aid for county human services under section 273.1398, subdivision 5a.

Sec. 6. [207A.10] [REIMBURSEMENT OF ELECTION EXPENSES.]

Subdivision 1. [DUTIES OF SECRETARY OF STATE.] The secretary of state shall reimburse the counties and municipalities for expenses incurred in the administration of the presidential primary from the funds appropriated by the legislature for this purpose, as provided in this section. Up to \$7,500 of the appropriation for reimbursement of election expenses may be retained by the secretary of state to administer the reimbursement program.

Subd. 2. [REIMBURSABLE EXPENSES.] The following expenses are eligible for reimbursement: salaries of election judges; postage for absentee ballots; preparation of polling places, in an amount not to exceed \$25 per polling place; preparation of electronic voting systems or lever voting machines, in an amount not to exceed \$50 per precinct; compensation of county canvassing board members; and compensation for temporary staff or overtime payments.

Subd. 3. [CERTIFICATION OF COSTS.] The county auditor shall certify to the secretary of state the costs incurred by the county for the presidential primary. The municipal clerk shall certify to the secretary of state the costs incurred by the municipality for the presidential primary. If the total amount certified by all units for temporary staff and overtime payments exceeds \$480,000, the secretary of state shall reduce those amounts so that they do not exceed \$480,000. The secretary of state shall provide each county and

municipality with the appropriate forms for this certification. The secretary of state may require that the county auditor or municipal clerk provide documentation of actual expenditures made for the presidential primary. The certification of costs must be submitted to the secretary of state no later than 60 days after the presidential primary. No reimbursement of expenses must be made unless the certification of costs has been submitted as provided in this subdivision.

Subd. 4. [APPORTIONMENT OF REIMBURSEMENTS.] If the total amount of requests for reimbursement of expenses exceeds the total amount appropriated to the secretary of state for this purpose, the secretary of state shall proportionately reduce the reimbursements so that they do not exceed the amount appropriated.

Sec. 7. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 3, is amended to read:

Subd. 3. [PAYMENT METHODS.] (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 and funded by the human services account established under section 273.1392, except as follows:

(1) beginning July 1, 1992, through June 30, 1993, the county shall pay 25 percent of the costs of the growth in emergency general assistance payments which exceed expenditures during the base year of calendar year 1990;

(2) beginning July 1, 1992, through June 30, 1993, the county shall pay 25 percent of the costs of the growth in eligible general assistance negotiated rate payments which exceed expenditures during the base year of calendar year 1990;

(3) beginning July 1, 1992, through June 30, 1993, the county shall pay 15 percent of the costs of the growth in Minnesota supplemental aid negotiated rate payments made which exceed expenditures during the base year of calendar year 1990;

(4) beginning July 1, 1992, through June 30, 1993, the county shall pay 50 percent of the nonfederal portion of the growth in emergency assistance payments made which exceed expenditures during the base year of calendar year 1990.

(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.

(c) The state and the county agencies shall pay for assistance programs as follows:

(1) Where the state issues payments for the programs, the county shall monthly advance to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;

(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and

(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.

Sec. 8. Minnesota Statutes 1991 Supplement, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the county share of county agency expenditures for the programs specified in subdivision 2.

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, and 1993 shall be made on or before July 10 in each of those years. Payments for the period August through December for calendar years 1991, 1992, and 1993 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) Payment for 1/24 of the base amount and the January 1994 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, 1994. For the period of February 1, 1994, through July 31, 1994, payment of the base amount shall be made on or before July 10, 1994, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1994. Payments for the period August 1994 through December 1994 shall be made on or before the third of each month thereafter through December 31, 1994.

(c) Payment for the county share of county agency expenditures during January 1995 shall be made on or before January 3, 1995. Payment for 1/24 of the base amount and the February 1995 county share of county agency expenditures growth amount for the pro-

grams identified in subdivision 2 shall be made on or before February 3, 1995. For the period of March 1, 1995, through July 31, 1995, payment of the base amount shall be made on or before July 10, 1995, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1995. Payments for the period August 1995 through December 1995 shall be made on or before the third of each month thereafter through December 31, 1995.

(d) Monthly payments for the county share of county agency expenditures from January 1996 through February 1996 shall be made on or before the third of each month through February 1996. Payment for 1/24 of the base amount and the March 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March 1996. For the period of April 1, 1996, through July 31, 1996, payment of the base amount shall be made on or before July 10, 1996, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1996. Payments for the period August 1996 through December 1996 shall be made on or before the third of each month thereafter through December 31, 1996.

(e) Monthly payments for the county share of county agency expenditures from January 1997 through March 1997 shall be made on or before the third of each month through March 1997. Payment for 1/24 of the base amount and the April 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, 1997. For the period of May 1, 1997, through July 31, 1997, payment of the base amount shall be made on or before July 10, 1997, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1997. Payments for the period August 1997 through December 1997 shall be made on or before the third of each month thereafter through December 31, 1997.

(f) Monthly payments for the county share of county agency expenditures from January 1998 through April 1998 shall be made on or before the third of each month through April 1998. Payment for 1/24 of the base amount and the May 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, 1998. For the period of June 1, 1998, through July 31, 1998, payment of the base amount shall be made on or before July 10, 1998, and payment of the growth amount over the base amount shall be made on or before ~~the third of each month~~ July 10, 1998. Payments for the period August 1998 through December 1998 shall be made on or before the third of each month thereafter through December 31, 1998.

(g) Monthly payments for the county share of county agency

expenditures from January 1999 through May 1999 shall be made on or before the third of each month through May 1999. Payment for 1/24 of the base amount and the June 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, 1999. ~~For the period of June 1, 1999, through July 31, 1999, payment shall be made on or before July 10, 1999.~~ Payments for the period ~~August~~ July 1999 through December 1999 shall be made on or before the third of each month thereafter through December 31, 1999.

(h) Effective January 1, 2000, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 9. Minnesota Statutes 1990, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.]

(a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the gross tax capacity of those properties by applying the appropriate class rates. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the gross tax capacity of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times the total local tax rate for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the gross tax capacity times 105 percent of the previous year's statewide average local tax rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payment shall be made by the state on December 15 26 to each of the affected taxing jurisdictions, other than school districts, in the same proportion that the ad valorem tax is distributed if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.

Sec. 10. Minnesota Statutes 1991 Supplement, section 477A.0132, is amended to read:

477A.0132 [AID REDUCTIONS TO LOCAL GOVERNMENTS.]

Subdivision 1. [AFFECTED LOCAL GOVERNMENTS.] The following permanent and nonpermanent reductions shall be made in aids paid to the following local units of government:

(a) ~~For aids payable in 1990, there shall be a permanent reduction in aids to counties and cities of \$28,000,000.~~

(b) ~~For aids payable on July 20, 1991, there shall be a nonpermanent reduction in aid payments to counties, cities, towns, and special taxing districts of \$50,000,000.~~

(c) ~~For aids payable on December 15, 1991, there shall be a nonpermanent reduction in aids to counties, cities, towns, and special taxing districts of \$35,000,000. For purposes of this reduction, hospital districts are not considered special taxing districts.~~

(d) For aids payable in 1992, there shall be a permanent reduction in aids to counties, cities, and special taxing districts of \$86,000,000. For purposes of this reduction, hospital districts are not considered special taxing districts.

(e) (b) For aids payable in 1992, in addition to the reduction in clause (a), there shall be a permanent reduction in aids to cities of \$41,000,000.

(c) Aid reductions required under section 477A.014, subdivision

1a, ~~there shall be a nonpermanent reduction~~ reductions in aids to counties, cities, towns, and special taxing districts equal to the difference between the aid amounts certified to be paid and the amount ~~appropriated under Laws 1991, chapter 291, article 2, section 3, of the appropriation~~ to pay the aids.

Subd. 2. [CALCULATION OF AID REDUCTION.] The aid reduction to each local government as provided under subdivision 1 will be equal to the product of the reduction percentage and its reduction base. The reduction base is defined as the following:

(a) For subdivision 1, clause (a), the reduction base is equal to the adjusted revenue base for ~~1991~~ 1992.

(b) For subdivision 1, clause (b), the reduction base is equal to the revenue base for ~~1992~~ 1993.

(c) For subdivision 1, clause (c), the reduction base is equal to the ~~adjusted~~ revenue base for ~~1992.~~

(d) ~~For subdivision 1, clause (d), the reduction base is equal to the adjusted revenue base for 1992.~~

(e) ~~For subdivision 1, clause (e), the reduction base is equal to the adjusted revenue base for the year in which the aid payment is to be made.~~

Subd. 3. [ORDER OF AID REDUCTIONS.] (a) The aid reduction to a local government as calculated under subdivisions 1, clause (a), and 2, is first applied to its local government aid under sections 477A.012 and 477A.013 excluding aid under section 477A.013, subdivision 5; then, if necessary, to its equalization aid under section 477A.013, subdivision 5; then if necessary, to its homestead and agricultural credit aid under section 273.1398, subdivision 2; and then, if necessary, to its disparity reduction aid under section 273.1398, subdivision 3; and then, if necessary, to its homestead and agricultural credit guarantee under section 273.1398, subdivision 5. No aid payment may be less than \$0. Aid reductions under this section in any given year shall be divided equally between the July 20 and December 15 aid payments unless specified otherwise in subdivision 1.

(b) The aid reduction to cities as calculated under subdivisions 1, clause (b), and 2 is first applied to its local government aid under section 477A.013; then if necessary, to its equalization aid under section 477A.013; and then if necessary, to its disparity reduction aid under section 273.1398, subdivision 3. No aid payment may be less than \$0. Aid reductions under this section in any given year shall be divided equally between the July and December aid payments unless specified otherwise in subdivision 1.

Sec. 11. Minnesota Statutes 1991 Supplement, section 477A.014, subdivision 1a, is amended to read:

Subd. 1a. [ADJUSTMENTS FOR LOCAL GOVERNMENT TRUST FUND REVENUES.] For aids payable in ~~1991 and 1992 only and thereafter~~, if the amount appropriated ~~under Laws 1991, chapter 291, article 2, section 3, under section 16A.712 for homestead and agricultural credit aid and disparity reduction aid under section 273.1398, and local government aid and equalization aid under sections 477A.011 to 477A.013, and the additional homestead and agricultural credit guarantee under section 273.1398, subdivision 5, and manufactured home homestead and agricultural credit aid under section 274.20,~~ is less than or greater than the amounts certified to be paid by the commissioner of revenue, the aids will be reduced or increased in the following manner unless otherwise provided for in law.

In the case of an aid reduction, each city's, county's, town's, and special taxing district's aids will be reduced as provided for in section 477A.0132. In the case of an aid increase, each city's, county's, town's, and special taxing district's aid shall be increased proportionately. The aid reduction or increase will be split equally between the July 20 and December aid payments each year.

If the commissioner estimates an additional reduction or increase in appropriations for these programs after the July 20 aid payment but before the December payment, the December aid payments to local governments for these programs will be reduced or increased proportionately.

Sec. 12. Minnesota Statutes 1990, section 477A.015, is amended to read:

477A.015 [PAYMENT DATES.]

The commissioner of revenue shall make the payments of local government aid to affected taxing authorities in two installments on July 20 and December 15 26 annually.

The commissioner may pay all or part of the payment due ~~on~~ in December 15 at any time after August 15 upon the request of a city that requests such payment as being necessary for meeting its cash flow needs.

Sec. 13. [477A.0121] [COUNTY CORRECTIONS AID.]

Subdivision 1. [PURPOSE.] County corrections aid is intended to reduce the reliance of county criminal justice and corrections programs and associated costs on local property taxes.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply:

(1) "population" means the population according to the most recent federal census, or according to the state demographer's most recent estimate if it has been issued subsequent to the most recent federal census; and

(2) "part one crimes" means the total number of part one crimes reported for each county by the department of public safety for the most recent year available.

Subd. 3. [FORMULA.] Each calendar year, the commissioner of revenue shall distribute county corrections aid to each county in an amount determined according to the following formula:

(1) one-half shall be distributed to each county in the same proportion that the county's population is to the population of all counties in the state; and

(2) one-half shall be distributed to each county in the same proportion that the county's part one crimes are to the total part one crimes for all counties in the state.

Subd. 4. [PAYMENT DATES.] The aid amounts for each calendar year shall be paid in two equal payments, on July 15 and December 15 of each year.

Sec. 14. [APPROPRIATION.]

The sum of \$9,400,000 for calendar year 1993 and \$9,400,000 for calendar year 1994 is appropriated from the general fund to the commissioner of revenue to make payments under Minnesota Statutes, section 477A.0121.

Sec. 15. [APPROPRIATION CANCELLATION.]

Any 1993 fiscal year appropriations from the general fund enacted prior to enactment of this act to pay community social service aids under Minnesota Statutes, section 256E.06, community health services subsidies under Minnesota Statutes, section 145A.13, and community corrections grant subsidies under Minnesota Statutes, section 401.01 to 401.16, are canceled.

Sec. 16. [REPEALER.]

Laws 1991, chapter 291, article 2, section 3, is repealed.

Sec. 17. [EFFECTIVE DATE.]

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

Page 110, delete section 12

Page 127, delete line 23

Page 176, after line 8, insert:

"Section 1. Minnesota Statutes 1991 Supplement, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time before September 1 preceding the general election. An agreement may not be signed or rescinded after that date.

~~(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.~~

~~(d) Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.~~

Sec. 2. Minnesota Statutes 1991 Supplement, section 10A.43, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION OF AGREEMENT.] (a) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also make agreement forms available to congressional candidates on request at any time.

(b) The congressional candidate may sign an agreement and submit it, along with a copy of the candidate's federal designation of a principal campaign committee, to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in

which case the filing officer shall without delay forward signed agreements to the board. Alternatively, for a general election the congressional candidate may obtain an agreement form from the board and submit the agreement, along with a copy of the candidate's federal designation of a principal campaign committee, directly to the board at any time before September 1 preceding the general election.

(c) An agreement may not be signed or rescinded after September 1 preceding the general election.

~~(d) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.~~

(e) Notwithstanding any provisions of this section, when a vacancy in a congressional office occurs that will be filled by means of a special election, and the filing period does not coincide with the filing period for the general election, a congressional candidate may sign and submit a spending limit agreement at any time before one day after the candidate files an affidavit of candidacy or nominating petition for the office.

Sec. 3. Minnesota Statutes 1991 Supplement, section 270A.03, subdivision 7, is amended to read:

Subd. 7. "Refund" means an individual income tax refund ~~or political contribution refund~~, pursuant to chapter 290, or a property tax credit or refund, pursuant to chapter 290A.

For purposes of this chapter, lottery prizes, as set forth in section 349A.08, subdivision 8, shall be treated as refunds."

Page 182, after line 4, insert:

"Sec. 11. Minnesota Statutes 1991 Supplement, section 289A.50, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RIGHT TO REFUND.] (a) Subject to the requirements of this section and section 289A.40, a taxpayer who has paid a tax in excess of the taxes lawfully due and who files a written claim for refund will be refunded or credited the overpayment of the tax determined by the commissioner to be erroneously paid.

(b) The claim must specify the name of the taxpayer, the date when and the period for which the tax was paid, the kind of tax paid, the amount of the tax that the taxpayer claims was erroneously paid, the grounds on which a refund is claimed, and other information relative to the payment and in the form required by the commissioner. An income tax, estate tax, or corporate franchise tax return,

or amended return claiming an overpayment constitutes a claim for refund.

(c) When, in the course of an examination, and within the time for requesting a refund, the commissioner determines that there has been an overpayment of tax, the commissioner shall refund or credit the overpayment to the taxpayer and no demand is necessary. If the overpayment exceeds \$1, the amount of the overpayment must be refunded to the taxpayer. If the amount of the overpayment is less than \$1, the commissioner is not required to refund. In these situations, the commissioner does not have to make written findings or serve notice by mail to the taxpayer.

(d) If the amount allowable as a credit for withholding, estimated taxes, or dependent care exceeds the tax against which the credit is allowable, the amount of the excess is considered an overpayment. ~~The refund allowed by section 290.06, subdivision 23, is also considered an overpayment.~~

(e) If the entertainment tax withheld at the source exceeds by \$1 or more the taxes, penalties, and interest reported in the return of the entertainment entity or imposed by section 290.9201, the excess must be refunded to the entertainment entity. If the excess is less than \$1, the commissioner need not refund that amount.

(f) If the surety deposit required for a construction contract exceeds the liability of the out-of-state contractor, the commissioner shall refund the difference to the contractor.

(g) An action of the commissioner in refunding the amount of the overpayment does not constitute a determination of the correctness of the return of the taxpayer.

(h) There is appropriated from the general fund to the commissioner of revenue the amount necessary to pay refunds allowed under this section.

Sec. 12. Minnesota Statutes 1990, section 290.01, subdivision 6, is amended to read:

Subd. 6. [TAXPAYER.] The term "taxpayer" means any person or corporation subject to a tax imposed by this chapter. ~~For purposes of section 290.06, subdivision 23, the term "taxpayer" means an individual eligible to vote in Minnesota under section 201.014.~~

Page 184, delete section 9

Page 187, after line 21, insert:

"Sec. 19. [REPEALER.]

Minnesota Statutes 1991 Supplement, section 290.06, subdivision 23, is repealed."

Page 187, after line 26, insert:

"Sections 3, 11, 12, and 19 are effective for claims based on contributions made after the day of final enactment."

Page 210, delete article 8

Renumber the sections in sequence

Renumber the articles in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Schreiber amendment and the roll was called. There were 54 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Kelso	Morrison	Seaberg
Anderson, R. H.	Goodno	Knickerbocker	Newinski	Smith
Bishop	Gutknecht	Koppendrayner	Olsen, S.	Sviggum
Blatz	Hartle	Krambeer	Omann	Swenson
Boo	Haukoos	Krinkie	Onnen	Tompkins
Davids	Heir	Leppik	Ozment	Uphus
Dempsey	Henry	Limmer	Pauly	Valento
Dille	Hufnagle	Lynch	Pellow	Waltman
Erhardt	Hugoson	Macklin	Runbeck	Weaver
Frederick	Jaros	Marsh	Schafer	Welker
Frerichs	Johnson, V.	McPherson	Schreiber	

Those who voted in the negative were:

Anderson, I.	Dorn	Krueger	Olson, K.	Simoneau
Anderson, R.	Farrell	Lasley	Orenstein	Skoglund
Battaglia	Garcia	Lieder	Orfield	Solberg
Bauerly	Greenfield	Lourey	Osthoff	Sparby
Beard	Hanson	Mariani	Ostrom	Steenasma
Begich	Hausman	McEachern	Pelowski	Thompson
Bertram	Jacobs	McGuire	Peterson	Trimble
Bodahl	Janezich	Milbert	Pugh	Tunheim
Brown	Jefferson	Munger	Reding	Vellenga
Carlson	Jennings	Murphy	Rest	Wagenius
Carruthers	Johnson, A.	Nelson, K.	Rice	Wejcman
Clark	Johnson, R.	Nelson, S.	Rodosovich	Wenzel
Cooper	Kahn	O'Connor	Rukavina	Winter
Dauner	Kalis	Ogren	Sarna	Spk. Long
Dawkins	Kinkel	Olson, E.	Segal	

The motion did not prevail and the amendment was not adopted.

Marsh and Bauerly moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 31, line 8, after "12," delete "and" and after "13" insert ", and 14"

Page 34, after line 27, insert:

"Sec. 12. Minnesota Statutes 1990, section 273.11, is amended by adding a subdivision to read:

Subd. 14. [IMPROVEMENTS FOR HANDICAPPED PERSONS.] In valuing homestead property, the assessor shall not take into account improvements or additions to the property necessary to accommodate the needs of a handicapped individual residing in the household. To receive benefits under this subdivision, the property owner shall apply to the assessor on or before March 1 for property taxes payable in the succeeding year and thereafter. The property owner shall provide the assessor with the information the assessor considers necessary to determine eligibility under this section."

Page 98, after line 5, insert:

"Section 12 is effective for taxes levied in 1992, payable in 1993, and thereafter. In 1993 only, the application required in section 12 must be filed by June 15, 1992."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McGuire; Osthoff; Johnson, A.; Mariani; Trimble; Farrell; Vellenga; Orenstein and Hausman moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 226, delete line 32 to page 227, line 21

Renumber sections accordingly

The motion prevailed and the amendment was adopted.

Leppik; Weaver; Boo; Abrams; Hartle; Onnen; Clark; Segal; Kahn; Morrison; Bauerly; Dawkins; Olson, K.; Milbert; Pauly; Trimble; Blatz; Kelso; Johnson, A.; Garcia; Vellenga; Olsen, S.; Wagenius; Mariani; Lourey; McGuire; Steensma; Bodahl; Orfield; Jefferson; Wejman; Stanius; Runbeck; Nelson, K., and Henry moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 95, line 26, before "Each" insert "(a)"

Page 95, after line 29, insert "(b) The district's authority to levy is contingent upon the district demonstrating to the satisfaction of the office of monitoring in the department of education that the district will provide equal sports opportunities for male and female students to use the Bronco arena, particularly in areas of access to prime practice time, team support, and providing junior varsity and younger level teams for girls' ice sports and ice sports offerings."

A roll call was requested and properly seconded.

Anderson, I.; Osthoff; Pugh; Milbert and Kahn moved to amend the Leppik et al amendment to H. F. No. 2940, the first engrossment, as amended, as follows:

Page 1 of the Leppik et al amendment, after line 2, insert:

"Page 95, line 25, delete "INTERNATIONAL FALLS;"

Page 95, line 26, after the comma insert "an"

Page 95, line 27, delete "No. 361, International Falls" and insert "operating and maintaining an ice arena"

Page 95, line 28, delete "Bronco" and insert "ice"

Page 1 of the Leppik et al amendment, line 4, delete "The district's"

Page 1 of the Leppik et al amendment, line 5, delete "authority to levy is contingent upon the district demonstrating" and insert "Any school district operating and maintaining an ice arena must demonstrate"

Page 1 of the Leppik et al amendment, lines 8 and 9, delete "the Bronco" and insert "its ice"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Leppik et al amendment, as amended, and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. H. Davids

Dille

Ostrom

Schreiber

The motion prevailed and the amendment, as amended, was adopted.

McEachern moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 95, line 26, delete "Subdivision 1. [LEVY.]"

Page 95, delete lines 30 to 33

The motion prevailed and the amendment was adopted.

Limmer, Abrams, Henry, Smith, Stanius, Pellow, Blatz, Krinkie, Goodno, Welker, Heir, Davids, Hufnagle, Tompkins, Knickerbocker, Runbeck, Frederick, Krambeer and Jennings moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 110, delete section 12

Page 127, delete line 23

Page 238, after line 25, insert:

"Sec. 20. [CONSTITUTIONAL AMENDMENT PROPOSED.]

The following amendment to the Minnesota Constitution, article X, is proposed to the people. If the amendment is adopted, a new section will read as follows:

Sec. 9. [TAX LAWS; THREE-FIFTHS VOTES.] The passage of a law raising, changing, or enacting a tax requires the vote of three-fifths of the members of each house of the legislature.

Sec. 21. [SUBMISSION TO VOTERS; SCHEDULE.]

The amendment proposed in section 20 shall be submitted to the people at the 1992 general election. The question submitted shall be:

"Shall the Minnesota Constitution be amended to require that a law raising, changing, or enacting a tax requires the vote of three-fifths of the members of each house of the legislature?"

Yes
No"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Welle moved that the Limmer et al amendment to H. F. No. 2940, the first engrossment, as amended, be referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

The question was taken on the Welle motion and the roll was called. There were 75 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Farrell	Kinkel	Olson, K.	Simoneau
Battaglia	Garcia	Krueger	Orenstein	Skoglund
Bauerly	Greenfield	Lasley	Orfield	Solberg
Beard	Hanson	Lieder	Osthoff	Sparby
Begich	Hasskamp	Lourey	Ostrom	Steensma
Bertram	Hausman	Mariani	Pelowski	Thompson
Bodahl	Jacobs	McEachern	Peterson	Trimble
Brown	Janezich	McGuire	Pugh	Tunheim
Carlson	Jaros	Milbert	Reding	Vellenga
Carruthers	Jefferson	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Wejcman
Cooper	Johnson, R.	Nelson, K.	Rodosovich	Welle
Dauner	Kahn	Nelson, S.	Rukavina	Wenzel
Dawkins	Kahis	Ogren	Sarna	Winter
Dorn	Kelso	Olson, E.	Segal	Spk. Long

Those who voted in the negative were:

Abrams	Frerichs	Johnson, V.	Morrison	Schreiber
Anderson, R.	Girard	Knickerbocker	Newinski	Seaberg
Anderson, R. H.	Goodno	Koppendrayner	O'Connor	Smith
Bishop	Gutknecht	Krambeer	Olsen, S.	Sviggum
Blatz	Hartle	Krinkie	Omman	Swenson
Boo	Haukoos	Leppik	Onnen	Tompkins
Davids	Heir	Limmer	Ozment	Uphus
Dempsey	Henry	Lynch	Pauly	Valento
Dille	Hufnagle	Macklin	Pellow	Waltman
Erhardt	Hugoson	Marsh	Runbeck	Weaver
Frederick	Jennings	McPherson	Schafer	Welker

The motion prevailed and the Limmer et al amendment was referred to the Committee on Rules and Legislative Administration.

Blatz and Sviggum moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 238, after line 25, insert:

"Sec. 20. [EXPENDITURES FOR LOBBYISTS.]

A home rule or statutory city may expend funds for only one of the following:

(1) pay one individual or employee to act as a lobbyist as defined in Minnesota Statutes, section 10A.01, subdivision 11; or

(2) pay dues or other consideration to one association that pays funds to individuals or employees to act as lobbyists.

A city shall report its expenditures of funds for the purposes given in this section with the report to the commissioner of revenue on tax levies under article 5, section 10. Notwithstanding any other law to the contrary, if the commissioner determines that the requirements of this section have not been met by the city, the levy of the city for all purposes in the following levy year may not exceed the levy made in the current levy year."

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 Blatz and Sviggum amendment and the roll was called. There were 58 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abrams	Frederick	Johnson, R.	Nelson, S.	Smith
Anderson, R. H.	Frerichs	Kelso	Newinski	Stanius
Beard	Girard	Knickerbocker	O'Connor	Sviggum
Bertram	Gutknecht	Koppendrayner	Olsen, S.	Tompkins
Bishop	Hartle	Krambeer	Omann	Uphus
Blatz	Hasskamp	Krinkie	Onnen	Valento
Boo	Haukoos	Leppik	Ozment	Waltman
Brown	Heir	Limmer	Pauly	Weaver
Carruthers	Henry	Lynch	Pellow	Welker
Dempsey	Hufnagle	Macklin	Runbeck	Wenzel
Dille	Hugoson	Marsh	Schreiber	
Erhardt	Johnson, A.	McPherson	Seaberg	

Those who voted in the negative were:

Anderson, I.	Goodno	Lourey	Pelowski	Sparby
Anderson, R.	Greenfield	Mariani	Peterson	Steensma
Battaglia	Hanson	McEachern	Pugh	Swenson
Begich	Hausman	McGuire	Reding	Thompson
Bodahl	Jacobs	Milbert	Rest	Trimble
Carlson	Janezich	Morrison	Rice	Tunheim
Clark	Jefferson	Murphy	Rodosovich	Vellenga
Cooper	Jennings	Ogren	Rukavina	Wagenius
Dauner	Johnson, V.	Olson, E.	Sarna	Wejman
Dauids	Kahn	Olson, K.	Schafer	Welle
Dawkins	Kinkel	Orenstein	Segal	Winter
Dorn	Krueger	Orfield	Simoneau	Spk. Long
Farrell	Lasley	Osthoff	Skoglund	
Garcia	Lieder	Ostrom	Solberg	

The motion did not prevail and the amendment was not adopted.

POINT OF ORDER

Stanis raised a point of order pursuant to rule 5.10 that H. F. No. 2940, as amended, was not in order. The Speaker ruled the point of order not well taken and H. F. No. 2940, as amended, in order.

Dempsey appealed the decision of the Chair.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 75 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Garcia	Kinkel	Olson, K.	Simoneau
Battaglia	Greenfield	Krueger	Orenstein	Skoglund
Bauerly	Hanson	Lasley	Orfield	Solberg
Beard	Hasskamp	Lieder	Osthoff	Sparby
Begich	Hausman	Lourey	Ostrom	Steensma
Bertram	Jacobs	Mariani	Pelowski	Thompson
Bodahl	Janezich	McEachern	Peterson	Trimble
Brown	Jaros	McGuire	Pugh	Tunheim
Carlson	Jefferson	Milbert	Reding	Vellenga
Carruthers	Jennings	Munger	Rest	Wagenius
Clark	Johnson, A.	Murphy	Rice	Wejman
Dauner	Johnson, R.	Nelson, S.	Rodosovich	Welle
Dawkins	Kahn	O'Connor	Rukavina	Wenzel
Dorn	Kalis	Ogren	Sarna	Winter
Farrell	Kelso	Olson, E.	Segal	Spk. Long

Those who voted in the negative were:

Abrams	Bishop	Boo	Dempsey	Erhardt
Anderson, R. H.	Blatz	Dauids	Dille	Frederick

Frerichs	Johnson, V.	McPherson	Schafer	Waltman
Girard	Knickerbocker	Morrison	Schreiber	Weaver
Goodno	Koppendrayner	Newinski	Seaberg	Welker
Gutknecht	Krambeer	Olsen, S.	Smith	
Hartle	Krinkie	Omman	Stanis	
Haukoos	Leppik	Onnen	Sviggum	
Heir	Limmer	Ozment	Swenson	
Henry	Lynch	Pauly	Tompkins	
Hufnagle	Macklin	Pellow	Uphus	
Hugoson	Marsh	Runbeck	Valento	

So it was the judgment of the House that the decision of the Speaker should stand.

Krueger moved to amend H. F. No. 2940, the first engrossment, as amended, as follows:

Page 154, strike lines 32 and 33

Page 154, line 34, strike "and by the county"

Page 155, lines 1 to 3, delete the new language

The motion prevailed and the amendment was adopted.

H. F. No. 2940, A bill for an act relating to the financing and operation of government in Minnesota; changing the funding and payment of certain aids to local governments; modifying the administration, computation, collection, and enforcement of taxes and refunds; changing tax rates, bases, credits, exemptions, and payments; reducing the amount in the budget and cash flow reserve account; updating references to the Internal Revenue Code; changing certain bonding provisions; making technical corrections and clarifications; enacting provisions relating to certain cities, counties, and watershed districts; imposing penalties; appropriating money; amending Minnesota Statutes 1990, sections 60A.15, subdivision 1; 60A.19, subdivision 6; 103B.241; 103B.335; 103F.221, subdivision 3; 124.2131, subdivision 1; 174.27; 268.672, by adding subdivisions; 268.6751, subdivision 1; 268.676, subdivision 1; 268.677, subdivisions 1 and 2; 268.681, subdivisions 1, 2, and 3; 268.682, subdivisions 1, 2, and 3; 270.075, subdivision 1; 270A.05; 270A.07, subdivisions 1 and 2; 270A.11; 270B.01, subdivision 8; 271.06, subdivision 7; 272.115; 273.11, by adding subdivisions; 273.13, subdivision 24; 273.135, subdivision 2; 274.19, subdivision 8; 274.20, subdivisions 1, 2, and 4; 278.01, subdivision 2; 278.02; 282.01, subdivision 7; 282.012; 282.09, subdivision 1; 282.241; 282.36; 289A.25, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, and 9; 289A.50, subdivision 5; 290.05, subdivision 4; 290.06, by adding a subdivision; 290.091, subdivision 6; 290.0922, subdivision 2; 290.9201, subdivision 11; 290.923, by adding a subdivision; 290A.03, subdivision 8; 290A.19; 290A.23; 297A.01, by adding a

subdivision; 297A.02, by adding a subdivision; 297A.14, subdivision 1; 297A.15, subdivisions 5 and 6; 297A.25, subdivisions 11, 45, and by adding subdivisions; 297B.01, subdivision 8; 327C.01, by adding a subdivision; 327C.12; 373.40, subdivision 7; 383.06; 383B.152; 398A.06, subdivision 2; 401.02, subdivision 3; 401.05; 414.0325, by adding a subdivision; 414.033, subdivisions 2, 3, 5, and by adding a subdivision; 462A.22, subdivision 1; 469.107, subdivision 2; 469.153, subdivision 2; 469.177, subdivision 1a; 471.571, subdivision 2; 473.388, subdivision 4; 473.446, subdivision 1; 473.711, subdivision 2; 473H.10, subdivision 3; 477A.013, subdivision 5; 477A.015; 477A.12; 477A.13; 488A.20, subdivision 4; 541.07; and 641.24; Minnesota Statutes 1991 Supplement, sections 4A.02; 16A.15, subdivision 6; 16A.711, subdivision 4; 47.209; 69.021, subdivisions 5 and 6; 124A.23, subdivision 1; 256.025, subdivisions 3 and 4; 256E.05, subdivision 3; 256E.09, subdivision 6; 270A.04, subdivision 2; 270A.08, subdivision 2; 271.21, subdivision 6; 272.02, subdivision 1; 273.11, subdivision 1; 273.124, subdivisions 1, 6, 9, and 13; 273.13, subdivisions 22 and 25, as amended; 273.1398, subdivisions 5 and 7; 273.1399; 275.065, subdivisions 3, 5a, and 6; 275.125, subdivisions 5 and 6j; 276.04, subdivision 2; 277.17; 278.01, subdivision 1; 278.05, subdivision 6; 279.01, subdivision 1; 279.03, subdivision 1a; 281.17; 289A.20, subdivisions 1 and 4; 289A.26, subdivisions 1 and 6; 290.01, subdivisions 19 and 19a; 290.06, subdivision 23; 290.0671, subdivision 1; 290.091, subdivision 2; 290.0921, subdivision 8; 290.0922, subdivision 1; 290.92, subdivision 23; 290A.04, subdivision 2h; 297A.01, subdivision 3; 297A.135, subdivision 1, and by adding a subdivision; 297A.21, subdivision 4; 297A.25, subdivision 12, as amended; 375.192, subdivision 2; 423A.02, subdivision 1a; and 477A.011, subdivisions 27 and 29; Laws 1971, chapter 773, sections 1, subdivision 2, as amended; and 2, as amended; Laws 1990, chapter 604, article 6, section 11; Laws 1991, chapter 291, articles 1, section 65; 2, section 3; and 7, section 27; proposing coding for new law in Minnesota Statutes, chapters 13; 60A; 207A; 216B; 268; 275; 289A; 290A; 297; 297A; 473F; and 477A; repealing Minnesota Statutes 1990, sections 60A.15, subdivision 6; 134.342, subdivisions 2 and 4; 268.6751, subdivision 2; 289A.12, subdivision 1; 290.48, subdivision 7; 297.32, subdivision 7; and 414.031, subdivision 5; Minnesota Statutes 1991 Supplement, sections 271.04, subdivision 2; 273.124, subdivision 15; 295.367; and 477A.03, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 78 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Kalis	Olson, K.	Skoglund
Anderson, R.	Dorn	Kelso	Orenstein	Solberg
Battaglia	Farrell	Kinkel	Orfield	Sparby
Bauerly	Garcia	Krueger	Ostrom	Steensma
Beard	Greenfield	Lasley	Pelowski	Thompson
Begich	Gutknecht	Lieder	Peterson	Trimble
Bertram	Hanson	Lourey	Pugh	Tunheim
Bishop	Hasskamp	Mariani	Reding	Vellenga
Bodahl	Hausman	McEachern	Rest	Wagenius
Boo	Jacobs	McGuire	Rice	Wejcmán
Brown	Janezich	Milbert	Rodosovich	Welle
Carlson	Jaros	Munger	Rukavina	Wenzel
Carruthers	Jefferson	Nelson, S.	Sarna	Winter
Clark	Johnson, A.	O'Connor	Schreiber	Spk. Long
Cooper	Johnson, R.	Ogren	Segal	
Dauner	Kahn	Olson, E.	Simoneau	

Those who voted in the negative were:

Abrams	Hartle	Krinkie	Onnen	Swenson
Anderson, R. H.	Haukoos	Leppik	Osthoff	Tompkins
Blatz	Heir	Limmer	Ozment	Uphus
Davids	Henry	Lynch	Pauly	Valento
Dempsey	Hufnagle	Macklin	Pellow	Waltman
Dille	Hugoson	Marsh	Runbeck	Weaver
Erhardt	Jennings	McPherson	Schafer	Welker
Frederick	Johnson, V.	Morrison	Seaberg	
Frerichs	Knickerbocker	Newinski	Smith	
Girard	Koppendrayner	Olsen, S.	Stanisus	
Goodno	Krambeer	Omann	Svigum	

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

SPECIAL ORDERS

Welle moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Welle moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Carruthers moved that the name of Wenzel be added as an author on H. F. No. 2250. The motion prevailed.

Runbeck moved that her name be stricken as an author on H. F. No. 2415. The motion prevailed.

Ogren moved that the name of Jacobs be added as an author on H. F. No. 2940. The motion prevailed.

O'Connor moved that the name of Runbeck be added as an author on H. F. No. 3010. The motion prevailed.

Wenzel moved that the following statement be printed in the Permanent Journal of the House:

"It was my intention to vote in the negative on Monday, March 30, 1992 on final passage of S. F. No. 1298." The motion prevailed.

Thompson moved that H. F. No. 1893 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 1448 be returned to its author. The motion prevailed.

Anderson, R. H., moved that H. F. No. 2606 be returned to its author. The motion prevailed.

Krambeer moved that H. F. No. 2668 be returned to its author. The motion prevailed.

Sviggunn moved that H. F. No. 2725 be returned to its author. The motion prevailed.

Dempsey moved that H. F. No. 2726 be returned to its author. The motion prevailed.

Sviggunn moved that H. F. No. 2737 be returned to its author. The motion prevailed.

Krambeer moved that H. F. No. 2856 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. 1619:

Bishop, Vellenga and Solberg.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2514:

Peterson, Brown and Knickerbocker.

ADJOURNMENT

Welle moved that when the House adjourns today it adjourn until 12:00 noon, Monday, April 6, 1992. The motion prevailed.

Welle moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Monday, April 6, 1992.

EDWARD A. BURDICK, Chief Clerk, House of Representatives