STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

EIGHTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 11, 1994

The House of Representatives convened at 11:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Mark Underdahl, Seminarian, St. Hubert Catholic Community, Chanhassen, Minnesota.

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

The roll was called and the following members were present:

Abrams	Dawkins	Holsten	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Pugh	Tompkins
Asch	Delmont	Huntley	Leppik	Neary	Reding	Trimble
Battaglia	Dempsey	Jacobs	Lieder	Nelson	Rest	Tunheim
Bauerly	Dorn	Jaros	Limmer	Ness	Rhodes	Van Dellen
Beard	Erhardt	Jefferson	Lindner	Olson, E.	Rice	Van Engen
Bergson	Evans	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Bishop	Garcia	Kahn	Lynch	Opatz	Seagren	Waltman
Brown, C.	Girard	Kalis	Macklin	Orenstein	Sekhon	Weaver
Brown, K.	Goodno	Kelley	Mahon	Orfield	Simoneau	Wejcman
Carlson	Greenfield	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Carruthers	Greiling	Kinkel	McCollum	Ostrom	Smith	Winter
Clark	Gruenes	Klinzing	McGuire	Ozment	Solberg	Wolf
Commers	Gutknecht	Knickerbocker	Milbert	Pauly	Stanius	Worke
Cooper	Hasskamp	Knight	Molnau	Pawlenty	Steensma	Workman
Dauner	Haukoos	Koppendrayer	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hausman	Krinkie	Mosel	Perlt	Swenson	

A quorum was present.

Jennings was excused until 11:40 a.m. Farrell was excused until 11:50 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Workman moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 584 and H. F. No. 1155, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 584 be substituted for H. F. No. 1155 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 862 and H. F. No. 1449, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 862 be substituted for H. F. No. 1449 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1694 and H. F. No. 2088, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 1694 be substituted for H. F. No. 2088 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1740 and H. F. No. 1840, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Morrison moved that the rules be so far suspended that S. F. No. 1740 be substituted for H. F. No. 1840 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1741 and H. F. No. 2517, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Weaver moved that S. F. No. 1741 be substituted for H. F. No. 2517 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2551 and H. F. No. 2806, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Huntley moved that the rules be so far suspended that S. F. No. 2551 be substituted for H. F. No. 2806 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 1316, A bill for an act relating to occupations and professions; establishing a board of nutrition and dietetics practice; requiring nutritionists and dietitians to be licensed; establishing licensing requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the following amendments:

Page 14, line 3, delete "$....." and insert "$185,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1995, A bill for an act relating to waste management; applying government waste reduction requirements to compilations of game and fish laws; clarifying the state's waste management goals; adding heat pumps to the definition of major appliances; authorizing larger capital assistance grants to resource recovery projects under certain circumstances; establishing enforcement of the authority of certain counties to inspect records of certain facilities; clarifying management of waste motor oil filters; establishing a process for resolution of disputes related to toxics in packaging and requiring a report; clarifying the prohibition on toxics in certain products and providing for exemptions; authorizing the issuance of field citations; requiring and authorizing training and certification of appliance recyclers and services respectively; removing the federal government from the definition of commercial transporter of medical waste; requiring medical waste management plans to contain information regarding mailing of sharps; banning sale of apparel containing mercury switches; clarifying the potential role of the private sector in metropolitan waste management; authorizing metropolitan counties to enforce prohibitions on disposal of unprocessed waste and to inspect the records of waste management facilities; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring a report on management of waste electronic appliances; requiring a report on products that contain mercury; requiring a report on recycling facilities; amending Minnesota Statutes 1992, sections 97A.051, subdivision 1; 115A.02; 115A.03, subdivision 17a; 115A.554; 115A.557, subdivision 3; 115A.87; 115A.882, subdivision 3, and by adding a subdivision; 115A.9157, subdivisions 4 and 5; 115A.918, subdivision 1, and by adding a subdivision; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.9301, by adding a subdivision; 115A.95; 115A.9561, subdivision 2; 115A.965, subdivision 6, and by adding a subdivision; 116.07, subdivision 4h; 116.76, subdivision 4; 116.92, subdivision 8; 473.803, by adding a subdivision; 473.811, subdivisions 5 and 5a; 473.843, subdivision 1; 473.844, subdivision 1a; 473.845, subdivision 3; and 473.848, subdivisions 1 and 5; Minnesota Statutes 1993 Supplement, sections 115A.54, subdivision 2a; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 473.149, subdivision 6; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 116; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542.

Reported the same back with the following amendments:

Page 10, line 35, after "publicly" insert "or privately"

Page 22, delete section 27

Page 33, line 32, delete "31 to 41" and insert "30 to 40"

Page 33, line 36, delete "30 and 45" and insert "29 and 44"

Page 34, line 3, delete "39" and insert "38"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, delete everything after the semicolon

Page 1, delete line 17

Page 1, line 18, delete "respectively;"

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2054, A bill for an act relating to natural resources; authorizing the commissioner of administration to sell lands in the Gordy Yaeger wildlife management area in Olmsted county; appropriating money.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2120, A bill for an act relating to occupations and professions; providing that health-related licensing boards may establish a program to protect the public from impaired regulated persons; providing for appointments; providing for rulemaking; appropriating money; amending Minnesota Statutes 1993 Supplement, section 214.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 214.

Reported the same back with the following amendments:

Page 7, line 13, after "fund" insert "for the fiscal year ending June 30, 1995,"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2132, A bill for an act relating to commerce; agriculture; adding labeling requirements for salvaged food; adding licensing and permit requirements for salvaged food distributors; adding record keeping requirements; requiring salvaged food served for compensation to be identified; providing for labeling of Canadian wild rice; amending Minnesota Statutes 1992, sections 30.49, subdivision 2; and 31.495, subdivisions 1, 2, 5, and by adding subdivisions.

Reported the same back with the following amendments:

Page 3, delete lines 33 to 36

Page 4, delete line 1

Page 4, line 2, delete "(d)" and insert "(c)"

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

The report was adopted.

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

H. F. No. 2158, A bill for an act relating to pollution; requiring that cities and counties adopt ordinances complying with pollution control agency rules regarding individual sewage treatment systems; requiring the agency to license sewage treatment professionals; requiring rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

Reported the same back with the following amendments:

Page 2, after line 3, insert:

"(i) "Local unit of government" means a township, city, or county."

Page 2, line 4, delete "(i)" and insert "(j)"

Page 2, line 7, delete "(j)" and insert "(k)"

Page 2, delete lines 11 to 14, and insert:

"Subd. 2. [LOCAL ORDINANCES; AGENCY RULES.] (a) Any ordinance adopted by a local unit of government to regulate individual sewage treatment systems must be in substantial compliance with the provisions of Minnesota Rules, chapter 7080, by January 1, 1996."

Page 2, line 21, delete "will adopt and" and insert "shall"

Page 2, line 34, after "(a)" insert "A local unit of government under subdivision 2 may not issue"

Page 2, line 35, delete "may not be issued"

Page 3, line 8, delete "city or county" and insert "local unit of government"

Page 4, line 5, delete "required"

Page 4, lines 9 and 13, delete "county or city" and insert "local unit of government"

Page 5, line 32, delete "performance" and insert "corporate surety"

Page 6, line 3, delete "Counties and cities" and insert "A local unit of government"

Page 6, after line 23, insert:

"Subd. 6. [FEE DEPOSIT.] The fee under subdivision 5 shall be deposited by the commissioner in the environmental fund."

Page 6, delete lines 25 to 28, and insert:

"(a) $120,000 is appropriated from the environmental fund to the commissioner of the pollution control agency for the purposes of sections 1 and 2 to be available for the biennium ending June 30, 1995.

(b) Amounts spent by the commissioner of the pollution control agency from the appropriation in paragraph (a) must be reimbursed to the environmental fund no later than June 30, 1997."

Amend the title as follows:

Page 1, line 2, after "that" insert "certain towns," and after "cities" insert a comma

Page 1, line 3, delete "adopt" and insert "have"

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2234, A bill for an act relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; appropriating money; amending Minnesota Statutes 1992, sections 116P.05, subdivision 2; 116P.08, subdivisions 6 and 7; and 116P.09, subdivision 4; Minnesota Statutes 1993 Supplement, section 116P.11; Laws 1993, chapter 172, section 14, subdivisions 4 and 11.

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

The report was adopted.

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

H. F. No. 2249, A bill for an act relating to agricultural businesses; providing an interest buy-down program for farmers and small businesses; authorizing a protein analysis equipment lease pilot program; providing supplemental funding for certain emergency employment programs; creating a crop disaster insurance study; limiting corn producer checkoff refunds; increasing funding for the farm advocates program, agricultural resource centers, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; expanding research on grain diseases, soybean varieties, and genetics; appropriating money; amending Minnesota Statutes 1992, section 17.63; proposing coding for new law in Minnesota Statutes, chapter 17B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LEGISLATIVE FINDINGS; NATURAL DISASTER RELIEF

Section 1. [FINDINGS.]

The legislature finds that the Minnesota agricultural economy and rural communities have been severely damaged by natural disasters in 1993. Cold weather, heavy snows, excessive rainfall, floods, near total crop failures, and grain diseases drastically reduced the income of farm families and the economic vitality of small towns throughout the state. The legislature further finds that it is in the public interest to act promptly to provide assistance to farm operators and small businesses to restore economic stability, maintain a viable workforce, and reduce the emotional stress caused by the natural disasters. The legislature therefore provides for the implementation of appropriate disaster relief programs in this act.

ARTICLE 2

FARM AND SMALL BUSINESS LOAN
INTEREST BUY-DOWN PROGRAM

Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this article.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 3. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer or small business operator who applies to a participating lender for a loan and meets all qualifications established in section 2 and any further qualifications that may be announced by the commissioner.

Subd. 4. [FARMER.] "Farmer" means a state resident, a domestic family farm corporation, or a family farm partnership as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 5. [FARM LOAN.] "Farm loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Subd. 6. [INTEREST BUY-DOWN.] "Interest buy-down" means a reduction in the effective interest rate on a farm loan or a small business loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.

Subd. 7. [LENDER.] "Lender" means a bank, credit union, or savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.

Subd. 8. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Subd. 9. [SMALL BUSINESS.] "Small business" means a business entity as defined in Minnesota Statutes, section 645.445, with its principal place of business in Minnesota.

Subd. 10. [SMALL BUSINESS LOAN.] "Small business loan" means an original, extended, or renegotiated loan or line of credit obtained by a small business for purposes of financing the operations of a small business. A small business loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Sec. 2. [ELIGIBILITY; FARM LOAN.]

A farmer is eligible for the farm loan interest buy-down program under this article if a participating lender determines that the farmer meets the criteria in this section.

(a) The farmer suffered significant losses during 1993 from a natural disaster and the farm operation faces economic stress without the assistance of the farm loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The farmer has a reasonable opportunity for long-term financial viability in the farmer's current farm operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 3. [ELIGIBILITY; SMALL BUSINESS LOAN.]

A small business is eligible for the small business loan interest buy-down program if a participating lender determines that the small business meets the criteria in this section.

(a) The small business received, or was eligible to receive, assistance from one or more federal programs because of a natural disaster that occurred during calendar year 1993.

(b) The small business has a reasonable opportunity for long-term financial viability in the small business's current operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 4. [LENDER ELIGIBILITY; OBLIGATIONS; TIMELY APPLICATION.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be approved as a participating lender.

Subd. 2. [RECEIPT OF APPLICATIONS FOR INTEREST BUY-DOWN.] A participating lender shall receive and evaluate loan applications from a farmer or small business. An eligible borrower must complete a loan application with a participating lender before December 31, 1994. In determining whether to make a farm or small business loan, the participating lender may use criteria in addition to those in sections 2 and 3.

Subd. 3. [MAXIMUM INTEREST RATE.] To qualify for interest buy-down payments, a participating lender shall offer to make a farm or small business loan to an eligible borrower at a rate of interest equivalent to that offered to other borrowers having similar security and financial status, less the lender's contribution under the program. The commissioner, in cooperation with the commissioner of commerce, may use appropriate means to verify that the interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Subd. 4. [PRIORITY.] Properly completed applications for the interest buy-down program take priority in the order they are received by the commissioner.

Sec. 5. [RESPONSIBILITIES OF COMMISSIONER.]

Subdivision 1. [ANNOUNCEMENT OF PROGRAM PROCEDURES.] Within 30 days after the effective date of this article, the commissioner shall announce procedures for the interest buy-down program.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner, in cooperation with the commissioner of commerce, shall prepare and distribute forms and instructions to all lenders in the state.

Subd. 3. [APPROVAL OF APPLICATIONS FOR INTEREST BUY-DOWN PAYMENT.] (a) The commissioner shall review, within five working days of submission by a participating lender, a properly completed application for interest buy-down payments on a farm or small business loan. If a participating lender does not receive written notice that the commissioner has denied interest buy-down payments within seven working days, the borrower is an eligible borrower and interest buy-down payments on the farm or small business loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest buy-down program funds have been encumbered, plus an amount anticipated to become available because of loans that may be retired early, must be returned immediately to the lender with an explanation that participation in the interest buy-down program is denied due to prior commitment of available program funds.

Subd. 4. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] Within 60 days after a request by a participating lender, the commissioner shall pay to the participating lender one-half of the expected interest buy-down amount. The balance of the state contribution must be paid by the commissioner to the participating lender within 30 days after the loan matures or is repaid in full and the request is submitted by the participating lender. All interest buy-down payments under this article must be made by joint-payee checks in the name of the participating lender and the eligible borrower.

Sec. 6. [STATE CONTRIBUTION; MAXIMUM LOAN.]

The commissioner shall pay to a participating lender for the first $50,000 of an approved farm or small business loan made to an eligible borrower an amount equal to an annual rate of three percent interest on the loan, but the payment may not exceed $2,250 per farm or small business loan.

Sec. 7. [LENDER CONTRIBUTION.]

A participating lender shall provide a reduction in interest rate for the first $50,000 of an approved farm or small business loan made to an eligible borrower in an amount equal to an annual rate of at least one-half of one percent interest on the loan.

Sec. 8. [APPROPRIATION; INTEREST BUY-DOWN.]

(a) $16,000,000 is appropriated from the general fund to the commissioner of agriculture for the interest buy-down program in sections 1 to 7. Any unencumbered balance remaining on July 1, 1995, does not cancel but is transferred to and becomes additional funding for the emergency job creation program in article 9, section 1. Not more than $100,000 of this appropriation may be used by the commissioner for program administrative costs.

(b) The commissioner shall not approve an application for a loan under the interest buy-down program after the appropriation for the program, plus an amount anticipated to become available because of loans that may be retired early, has been fully committed.

Sec. 9. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

SUPPLEMENTAL CROP DISASTER INSURANCE

Section 1. [CROP DISASTER INSURANCE.]

Subdivision 1. [STUDY.] The commissioner of agriculture, in consultation with the commissioner of commerce and farm and insurance organizations in Minnesota, shall perform a comprehensive study to determine the feasibility of establishing a captive nonprofit insurance company to provide supplemental crop disaster insurance coverage to farm operators. The captive insurance company would obtain reinsurance for at least 80 percent of its risk. The companies providing reinsurance would be allowed to invest assets in grain commodity options and the options must be considered admitted assets for purposes of state insurance regulation.

Subd. 2. [REPORT.] Not later than December 15, 1994, the commissioner of agriculture must report to the legislature on the findings and recommendations of the study in subdivision 1.

Sec. 2. [APPROPRIATION.]

$250,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the study and report in section 1.

ARTICLE 4

PROTEIN ANALYSIS EQUIPMENT LEASE PILOT PROGRAM

Section 1. [17B.042] [PROTEIN ANALYSIS EQUIPMENT; COMMISSIONER MAY PROVIDE BY LEASE.]

Subdivision 1. [EQUIPMENT LEASING PROGRAM; PURPOSE.] The legislature finds that Minnesota wheat producers face a critical problem because country elevators currently use a wide variety of technologies, brands, and models of wheat protein analysis equipment. Inaccurate and inconsistent protein readings on wheat samples result in the loss of millions of dollars of income each year for farmers, and contribute to further decline in the economic base of Minnesota's rural communities. The legislature further finds that country elevators often lack the resources to acquire adequate, reliable protein testing equipment on their own. It is therefore found to be in the public interest for the commissioner of agriculture to establish a voluntary program to lease to country elevators, at cost, high quality wheat protein testing equipment.

Subd. 2. [SELECTION OF EQUIPMENT; PILOT LEASING PROGRAM.] Not later than April 1, 1995, the commissioner shall evaluate available wheat protein analysis equipment and determine a brand and model to be used in the pilot lease program. Selection may be made on the basis of competitive bid price but must also take into consideration operational factors such as reliability, replicability, durability, ease of calibration and use, and the availability of comprehensive operator training.

Subd. 3. [PARTICIPATION IN PILOT EQUIPMENT LEASE PROGRAM; ELIGIBILITY.] The commissioner shall designate up to eight counties in which to implement the pilot equipment lease program.

Subd. 4. [TERMS OF LEASE.] The commissioner shall establish terms and conditions of the protein equipment test program so that the cost of equipment will be amortized over the estimated useful life of the equipment.

Subd. 5. [MANDATORY EQUIPMENT OPERATOR TRAINING.] The principal protein test equipment operator in each country elevator that participates in the pilot equipment lease program must undergo comprehensive training as determined appropriate by the commissioner.

Sec. 2. [APPROPRIATION; PROTEIN ANALYSIS EQUIPMENT LEASE PILOT PROJECT.]

$2,000,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the pilot equipment lease program in section 1. Of this appropriation, not more than $25,000 may be used for costs of administering the program.

Sec. 3. [APPROPRIATION; GRAIN INSPECTION AND WEIGHING ACCOUNT DEFICIT.]

$250,000 is appropriated from the general fund to the grain inspection and weighing account established in Minnesota Statutes, chapter 17B, and from the account to the commissioner of agriculture as needed for carrying out the purposes of Minnesota Statutes, chapter 17B.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 5

CORN PRODUCER CHECKOFF FEES

Section 1. Minnesota Statutes 1992, section 17.63, is amended to read:

17.63 [REFUND OF FEES.]

(a) Any producer, except

(1) a producer of potatoes in area number one, as listed in section 17.54, subdivision 9~~, or~~;

(2) a producer of paddy wild rice~~;~~ or

(3) a producer of corn,

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) Notwithstanding the provisions of paragraph (a) that prohibit checkoff refunds to producers of corn, the commissioner ~~must~~ shall, not later than June 30, 1994, implement procedures to allow ~~partial refund requests from~~ corn producers who have checked off ~~and must allow for assignment of payment~~ to certify by signature assignment of partial refund payments to the Minnesota corn growers association for purposes of paying annual membership dues or fees 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.

ARTICLE 6

VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM

Section 1. [41B.045] [VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agriculture crops, including waste and residues from agriculture crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(2) "Value-added agricultural product" means a product derived from agricultural crops, including waste and residues from agricultural crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility.

Subd. 3. [REVOLVING FUND.] There is established in the state treasury a value-added agricultural product revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the value-added agricultural loan program, including costs incurred by the authority to establish and administer the program.

Subd. 4. [ELIGIBILITY.] To be eligible for this program a borrower must:

(1) be a resident of Minnesota or a domestic family farm corporation as defined in section 500.24, subdivision 2;

(2) be a grower of the agricultural product which is to be processed by an agricultural product processing facility;

(3) demonstrate an ability to repay the loan; and

(4) meet any other requirements which the authority may impose by rule.

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or $24,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially $50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(f) Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.

(g) The authority may not grant stock loans in a cumulative amount exceeding $3,000,000 for the financing of stock purchases in any one cooperative.

Subd. 6. [RULES.] The authority may adopt rules necessary for the administration of the program including rules which establish a minimum cost of any agricultural product processing facility for which financial assistance may be given to any farmer to help finance the purchase of stock in a cooperative.

Sec. 2. [APPROPRIATION; VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

$2,000,000 is appropriated from the general fund to the value-added agricultural product revolving fund for use by the rural finance authority as provided in section 1.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 7

RURAL FINANCE AUTHORITY PROGRAM REVIEW; REPORT

Section 1. [RURAL FINANCE AUTHORITY PROGRAM REVIEW.]

Subdivision 1. [REVIEW OF LOCAL LENDER PARTICIPATION; BARRIERS.] (a) The commissioner of agriculture and the director of the rural finance authority shall initiate an effort to examine local lender participation in programs of the rural finance authority and expand participation in programs of the authority where possible. The effort must examine the reasons why lenders do not participate in programs of the authority. The effort must attempt to determine if current programs of the authority fail to meet the needs of lenders and the scale and types of farming practiced in areas with low participation.

Subd. 2. [REPORT; RECOMMENDATIONS.] Not later than March 1, 1995, the commissioner shall report to the legislature on the findings, conclusions, and recommendations of the investigation and promotion effort. The report must include suggestions for changes in rural finance authority programs to make the programs more attractive to lenders and farm operators in areas where lenders do not participate in rural finance authority programs. The report may recommend statutory changes to make rural finance authority programs more available to Minnesota farm operators.

Sec. 2. [APPROPRIATION; RFA PROGRAM REVIEW.]

$50,000 is appropriated from the general fund to the commissioner of agriculture for the employment and expenses of additional staff to carry out the rural finance authority examination and promotion effort in section 1. This appropriation remains available until June 30, 1995.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 8

CORPORATE FARMING LAW TASK FORCE

Section 1. [CORPORATE FARMING LAW TASK FORCE.]

Subdivision 1. [PURPOSE.] Current Minnesota law generally precludes corporations from owning farm land or operating a farming enterprise. Corporate farming law has been developed over a period of 14 decades, and the development has included numerous changes to accommodate shifting priorities in agriculture and a recognition that the economic and social climate of the state is not static. There is a concern whether current corporate farming law, especially as it relates to the breeding and raising of swine, represents the appropriate balance between protection of family farms and opportunity for creative new enterprise structures organized by multiple farmers. Farmers wish to support a corporate farming law that is in the overall best interest of production agriculture and preservation of the family farm unit as the main component of the agricultural economy in the state. The study, legislative report, and legislative recommendations authorized by this section will increase public and legislative understanding of the issues involved.

Subd. 2. [CREATION; MEMBERSHIP.] (a) There is hereby created a corporate farming law task force with ten members appointed as follows:

(1) the chairs of the agriculture policy committees of the Minnesota senate and house of representatives, or their designees;

(2) two members of the Minnesota house of representatives appointed by the speaker of the house;

(3) one member of the Minnesota house of representatives appointed by the minority leader of the house;

(4) two members of the Minnesota senate appointed by the senate committee on rules and administration;

(5) one member of the Minnesota senate appointed by the minority leader of the senate;

(6) one member with education and experience in the area of agricultural economics appointed by the governor of Minnesota; and

(7) one member who is the operator of a production agriculture farm in Minnesota appointed by the governor.

(b) Each of the appointing authorities must make their respective appointments not later than June 15, 1994.

(c) Citizen members of the task force may be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.

(d) The first meeting of the task force must be called and convened by the chairs of the agriculture policy committees of the senate and the house of representatives. Task force members must then elect a permanent chair from among the task force members.

Subd. 3. [CHARGE.] The task force must examine current and projected impacts of corporate farming enterprises on the economic, social, and environmental conditions and structures of rural Minnesota. The study should consider probable impacts on both agriculture related and nonagricultural businesses in rural communities. Issues of nonpoint source pollution and other environmental issues must also be considered.

Subd. 4. [RESOURCES; STAFF SUPPORT; CONTRACT SERVICES.] The commissioner of agriculture shall provide necessary resources and staff support for the meetings, hearings, activities, and report of the task force. To the extent the task force determines it appropriate to contract with nonstate providers for research or analytical services, the commissioner shall serve as the fiscal agent for the task force. To the extent practicable, the task force may also use services and resources of the Farmers' Legal Action Group, Inc.

Subd. 5. [PUBLIC HEARINGS.] The task force shall hold at least four public hearings on the issue of corporate farming law, with specific emphasis on appropriate regulation of business structures involved in swine breeding and raising. At least three of the hearings must be held in greater Minnesota.

Subd. 6. [REPORT.] Not later than February 15, 1995, the corporate farming law task force shall report to the legislature on the findings of its study. The report must include recommendations for changes in Minnesota Statutes and rules of the department of agriculture that are negative to the best interests of production agriculture in the state and the economic, environmental, and social environment and preservation of the family farm.

Subd. 7. [EXPIRATION.] The corporate farming law task force expires 45 days after its report and recommendations are delivered to the legislature or on May 15, 1995, whichever date is earlier.

Sec. 2. [APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.]

$50,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force in section 1.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 9

MISCELLANEOUS APPROPRIATIONS

Section 1. [APPROPRIATION; EMERGENCY JOB CREATION; DEPARTMENT OF JOBS AND TRAINING.]

$3,700,000 is appropriated from the general fund to the commissioner of jobs and training to supplement the federal emergency job creation program. This appropriation is available when federal funding for the emergency job creation program in Minnesota is exhausted. The commissioner may allow projects that would not have been funded by the federal government in order to fund public projects, employing flood victims, that are not necessarily related to flood damage, but which local governments are unable to undertake because of flood expenses. The commissioner may also fund the leasing or other use of specialized equipment and services for projects undertaken with this appropriation. This appropriation is available until August 31, 1995.

Sec. 2. [APPROPRIATION; FARM ADVOCATES.]

$100,000 is appropriated from the general fund to the commissioner of agriculture to supplement other sources of funding for the farm advocates program. This appropriation is available until June 30, 1995.

Sec. 3. [APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.]

$100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for agricultural resource centers. This appropriation is available until June 30, 1995.

Sec. 4. [APPROPRIATION; WHEAT SCAB RESEARCH.]

$200,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make grants to the University of Minnesota or other Minnesota educational institutions for research into the problem of wheat scab (vomitoxin) in Minnesota. The research should be designed to minimize the adverse effects of future wheat scab infestations in the short term while seeking to fully eliminate the problem in the long term.

Before making grants under this section, the commissioner shall develop grant criteria priorities including:

(1) locating a small grains specialist in the wheat growing area of the state;

(2) long-term variety development and short-term marketing solutions;

(3) alternative agronomic and management techniques for wheat production that minimize scab and describe the biology and the pathology of wheat scab infestation; and

(4) alternative uses for scabby wheat that minimize the adverse effects of mycotoxin produced by the scab infestation.

Sec. 5. [APPROPRIATION; FARMERS' LEGAL ACTION GROUP.]

$100,000 is appropriated from the general fund to the supreme court as supplemental funding for the Farmers' Legal Action Group, Inc. This appropriation is available until June 30, 1995.

Sec. 6. [APPROPRIATION; HIGH OIL SOYBEANS RESEARCH.]

$200,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make research grants to the University of Minnesota or other educational institutions in Minnesota to develop higher protein, higher oil content varieties of soybeans that would grow in Minnesota.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural businesses; providing an interest buy-down program for farmers and small businesses; authorizing a protein analysis equipment lease pilot program; providing for a value-added agricultural product loan program; requiring studies of rural finance authority program participation, the corporate farming law, and supplemental crop disaster insurance; providing supplemental funding for certain emergency employment programs; limiting corn producer checkoff refunds; increasing funding for the farm advocates program, agricultural resource centers, and the Farmers' Legal Action Group; expanding research on grain diseases and soybean varieties; appropriating money; amending Minnesota Statutes 1992, section 17.63; proposing coding for new law in Minnesota Statutes, chapters 17B; and 41B."

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2351, A bill for an act relating to firearms; imposing criminal penalties for certain acts committed with a BB gun; amending Minnesota Statutes 1992, section 609.713, subdivision 3; Minnesota Statutes 1993 Supplement, section 624.7181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [CRIMINAL JUSTICE AND CRIME PREVENTION; 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 article, to be available for the fiscal years indicated for each purpose. The figures "1994" and "1995," where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1994	1995	TOTAL
General	$ 1,549,000	$ 42,473,000	$ 44,022,000

	APPROPRIATIONS Available for the Year Ending June 30	
	1994	1995
Sec. 2. ATTORNEY GENERAL	$ -0-	$ 230,000

$230,000 is for four attorney positions for purposes of the merger of the public higher education systems.

For the 1996-1997 detailed operating budget submitted to the legislature, the department of finance, in consultation with the attorney general's office and the agencies covered by article 11 shall make the proper base adjustments to the budgets of each agency in order to implement the funding changes that result from article 11.

The commissioner of human services is directed to transfer $178,000 in fiscal year 1994 and $178,000 in fiscal year 1995, to the special revenue fund to fund the appropriation from the special project account created in Minnesota Statutes, section 256.01, subdivision 2, clause (15), for costs incurred in the resolution of long-term care appeals in Laws 1993, chapter 192, section 11, subdivision 3.

Sec. 3. BOARD OF PUBLIC DEFENSE	-0-	4,454,000

$4,426,000 is for the purpose of completing the assumption by the state of the costs of public defense services. This appropriation is for the period January 1, 1995, to June 30, 1996, and shall be annualized for the 1996-1997 biennium.

$28,000 is for the purpose of replacing discontinued federal funding.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 4. CORRECTIONS	1,549,000	28,854,000
Subdivision 1. Correctional Institutions	1,549,000	21,729,000

$2,000,000 is for increased correctional facility operating costs associated with the prison bed impact of 1994 criminal and juvenile justice legislation.

$622,000 is for correctional officer salary adjustments according to the arbitration settlement.

$3,306,000 is available October 1, 1994, and is for correctional positions at MCF-Oak Park Heights, MCF-St. Cloud, and MCF-Stillwater. The appropriation must be used to add these positions according to the plans agreed to by corrections department management and union officials at the three facilities.

$2,250,000 is for additional security staff positions and is available January 1, 1995.

Subd. 2. Community Services	-0-	4,125,000

$300,000 is for two pilot programs in Hennepin and Ramsey counties to provide transitional programming and intensive surveillance and supervision for offenders who have just been released from prison on supervised release. The pilot programs shall be designed to improve offender accountability for observing the conditions of supervised release, to reduce recidivism, and to reduce the risk these offenders may pose to public safety.

The pilot programs shall include a research component designed to answer the following questions, at a minimum:

(a) Did the higher level of supervision, surveillance, and control provided under the pilot programs increase the number of offenders who successfully complied with the conditions of supervised release as compared to offenders who did not participate in the programs?

(b) Over the longer term, were there fewer felony-level crimes committed by the offenders who participated in the pilot programs as compared to offenders who did not participate in the programs?

$250,000 is for a grant to the counties of Dodge, Fillmore, and Olmsted to help fund the operation of a community corrections center established under Minnesota Statutes, section 241.31.

$75,000 is to implement the CHIPS-delinquents demonstration projects and to prepare the required report.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Subd. 3. Federal Revenue Study		
The commissioner of finance shall convene a working group composed of representatives of the departments of corrections and human services, the association of Minnesota counties, and the Minnesota association of community corrections act counties to develop state budget options for state fiscal years 1996 and 1997 which will maximize use of federal revenue or grant revenue for medical or other treatment of inmates in correctional facilities and for the treatment of juveniles adjudicated delinquent. The working group shall examine a wide range of federal and state revenue sources including, but not limited to, AFDC-Emergency Assistance available under Title IV-A of the Social Security Act; AFDC-Foster Care payments available under Title IV-E of the Social Security Act; General Assistance Medical Care (GAMC); and Medical Assistance (MA); available under Title XIX of the Social Security Act.		
Sec. 5. CORRECTIONS OMBUDSMAN	-0-	20,000
Sec. 6. DISTRICT COURTS	-0-	4,000,000
Sec. 7. EDUCATION	-0-	870,000
$400,000 for grants to school districts to advance the efforts of elementary schools to develop and improve parent education and involvement programs.		
$150,000 is for awarding male responsibility and fathering program grants. This appropriation is available until June 30, 1996. The grant recipient must match $1 of state money with at least 50 cents of nonstate money or in-kind contributions. The commissioner shall give greater consideration to awarding a grant to those programs with a higher nonstate match.		
$130,000 is to make payments for purposes of the post-secondary enrollment options program to an opportunities industrialization center accredited by the north central association of colleges and schools.		
$100,000 is for grants to cities, counties, and school boards for community violence prevention councils or for nonprofit organizations serving cities, counties, and school boards. The councils and organizations shall identify community needs and resources for violence prevention and development services that address community needs relating to violence prevention. Any of the funds awarded in fiscal year 1995 that are not expended by the grant recipient in that fiscal year are available in fiscal year 1996 for the same purpose. This amount is added to the appropriation in Laws 1993, chapter 224, article 4, section 44, subdivision 17. One hundred percent of the appropriation must be paid in fiscal year 1995 in the same manner as specified in Minnesota Statutes, section 124.195, subdivision 9.		
$20,000 is for providing training for Indian social work aides employed by school districts. The training must focus on helping Indian students and their families with special education concerns.		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
$50,000 is for a grant to the Spanish speaking affairs council for a study of drop-out rates among Chicano and Latino students. The council shall consult with the state board of education in conducting the study and shall make recommendations to the legislature regarding its findings by January 15, 1995.		
$20,000 is for the Model School for Truants located in the Law Enforcement Center in Mankato.		
Sec. 8. HUMAN SERVICES	-0-	300,000
This appropriation is for incentive grants to communities opting to include the Home Instruction Program for Preschool Youngsters (HIPPY) program as part of their family service collaborative efforts. Of this amount, the commissioner shall allocate $50,000 to the Center for Asian-Pacific Islanders for its child care and parenting program. If the Center for Asian-Pacific Islanders does not apply for or utilize the $50,000 by September 30, 1994, the money shall be available for funding an alternative HIPPY site.		
Sec. 9. JOBS AND TRAINING	-0-	2,500,000
$2,000,000 is for the Minnesota Youth Program.		
$500,000 is for the emergency jobs program under Minnesota Statutes, sections 268.672 to 268.88.		
Sec. 10. PUBLIC SAFETY	-0-	2,770,000
Subdivision 1. Administration and Related Services		
	-0-	2,160,000
$110,000 is for upgrades and enhancements of information services and communications within the department and for the services provided to the criminal justice community through the Criminal Justice Communications Network.		
$200,000 is to reimburse local law enforcement agencies for a portion of the costs they incur in conducting background checks and issuing permits under Minnesota Statutes, sections 624.711 to 624.717. Within the limits of this appropriation, the department shall reimburse local law enforcement agencies up to $10 per firearms background check, based on satisfactory invoices submitted by the local agency.		
$400,000 is to fund neighborhood block clubs and community-oriented policing efforts.		
$400,000 is for the crime information reward fund.		
$100,000 is for the fund established by Minnesota Statutes, section 299C.065.		

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

$50,000 is to develop the criminal alert network plan; to conduct a pilot crime-fax project to test the usefulness of broadcast fax for crime alert and crime prevention communications to private businesses and other entities; to evaluate the appropriateness of using various existing state computer networks and the Internet as an alert network to disseminate information about crime and criminal suspects; and for a network coordinator position to facilitate the development of the plan, the crime-fax pilot project and the evaluation of the networks for use as a crime alert network.

$200,000 is to implement community-based truancy action projects. Funds shall not be used to replace existing funding, but may be used to supplement it. This appropriation is available until expended.

$500,000 is to make grants to local law enforcement jurisdictions to develop three truancy service centers. This appropriation is available until expended.

$200,000 is to implement intensive neglect intervention projects. Funds shall not be used to replace existing funding for services to children. This appropriation is available until expended.

Subd. 2. Criminal Apprehension

-0- 310,000

$170,000 is to supplement current funding for drug abuse resistance education training programs.

$40,000 is to fund the gang resistance education training pilot program.

$100,000 is to establish and maintain the tattoo identification system.

Subd. 3. Crime Victim Services

-0- $300,000

Of this amount, $155,000 is for payment of crime victim reparations; $45,000 is for administrative costs associated with the crime victims reparations act; and $100,000 is for the operation of the crime victim ombudsman.

Sec. 11. SUPREME COURT -0- 175,000

$75,000 is to conduct the civil commitment study.

$100,000 is to the state court administrator for the establishment of a statewide judicial interpreter certification and training program. Interpreters, translators, non-English speaking persons, persons for whom English is a second language, and other interested members of the public, must have an opportunity to assist in the development of the certification program criteria.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 12. NORTHWEST COMMUNITY LAW ENFORCEMENT PROJECT	-0-	100,000

This appropriation is to administer the Northwest Law Enforcement Project.

Sec. 13. PRODUCTIVE DAY INITIATIVE PROGRAMS	-0-	1,200,000

Subdivision 1. Amounts

Of this amount, the following amounts are appropriated to the counties named in this section to develop and implement the productive day initiative programs.

Subd. 2. Hennepin County

-0-	600,000

Subd. 3. Ramsey County

-0-	300,000

Subd. 4. St. Louis County

-0-	300,000

Sec. 14. TRANSFERS

Subdivision 1. General Procedure

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

Subd. 2. Transfer Prohibited

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

Sec. 15. UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 1995, unless a different expiration is explicit.

ARTICLE 2

GENERAL CRIME PROVISIONS

Section 1. Minnesota Statutes 1992, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

(a) The commissioner of natural resources may adopt emergency and permanent rules restricting the introduction, propagation, use, possession, and spread of ecologically harmful exotic species in the state, as outlined in section 84.967. The emergency rulemaking authority granted in this paragraph expires July 1, 1994.

(b) The commissioner shall adopt rules to identify bodies of water with limited infestation of Eurasian water milfoil. The areas that are infested shall be marked and prohibited for use.

(c) A violation of a rule adopted under this section is a misdemeanor.

Sec. 2. Minnesota Statutes 1992, section 152.01, is amended by adding a subdivision to read:

Subd. 22. [TRANSIT ZONE.] "Transit zone" means a public transit vehicle or facility as defined in section 609.855, subdivision 1.

Sec. 3. Minnesota Statutes 1992, section 152.021, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing cocaine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; or

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, or one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone.

Sec. 4. Minnesota Statutes 1993 Supplement, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any of the following in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone:

(i) any amount of a schedule I or II narcotic drug, or lysergic acid diethylamide (LSD);

(ii) one or more mixtures containing methamphetamine or amphetamine; or

(iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 5. Minnesota Statutes 1993 Supplement, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;

(4) the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD) in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone;

(5) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or

(6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone.

Sec. 6. Minnesota Statutes 1992, section 152.024, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule I, II, or III, except marijuana or Tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV or V to a person under the age of 18;

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in schedule IV or V; or

(4) the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone, except a small amount for no remuneration.

Sec. 7. Minnesota Statutes 1992, section 169.89, subdivision 2, is amended to read:

Subd. 2. [PENALTY; JURY TRIAL.] A person charged with a petty misdemeanor is not entitled to a jury trial but shall be tried by a judge without a jury. If convicted, the person is not subject to imprisonment but shall be punished by a fine of not more than ~~$100~~ $200.

Sec. 8. Minnesota Statutes 1992, section 171.18, subdivision 1, is amended to read:

Subdivision 1. [OFFENSES.] The commissioner may suspend the license of a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction;

(2) has been convicted by a court for violating a provision of chapter 169 or an ordinance regulating traffic and department records show that the violation contributed in causing an accident resulting in the death or personal injury of another, or serious property damage;

(3) is an habitually reckless or negligent driver of a motor vehicle;

(4) is an habitual violator of the traffic laws;

(5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

(6) has permitted an unlawful or fraudulent use of the license;

(7) has committed an offense in another state that, if committed in this state, would be grounds for suspension;

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a);

(9) has committed a violation of section 171.22, except that the commissioner may not suspend a person's driver's license based solely on the fact that the person possessed a fictitious or fraudulently altered Minnesota identification card;

(10) has failed to appear in court as provided in section 169.92, subdivision 4; or

(11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges.

However, an action taken by the commissioner under clause (2) or (5) must conform to the recommendation of the court when made in connection with the prosecution of the licensee.

Sec. 9. Minnesota Statutes 1993 Supplement, section 171.24, is amended to read:

171.24 [VIOLATIONS; DRIVING WITHOUT VALID LICENSE.]

~~(a)~~ Subdivision 1. [DRIVING AFTER SUSPENSION.] Except as otherwise provided in ~~paragraph (c)~~ subdivision 5, ~~any~~ a person ~~whose~~ is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been ~~canceled,~~ suspended~~, or revoked and who~~;

(2) the person has been given notice of~~,~~ or reasonably should know of the ~~revocation,~~ suspension~~, or cancellation,~~; and ~~who~~

(3) the person disobeys ~~such~~ the order by operating ~~anywhere~~ in this state any motor vehicle, the operation of which requires a driver's license, while ~~such~~ the person's license or privilege is ~~canceled,~~ suspended~~, or revoked is guilty of a misdemeanor~~.

~~(b)~~ Subd. 2. [DRIVING AFTER REVOCATION.] A person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been revoked;

(2) the person has been given notice of or reasonably should know of the revocation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.

Subd. 3. [DRIVING AFTER CANCELLATION.] A person is guilty of a misdemeanor if:

(1) the person's driver's license or driving privilege has been canceled;

(2) the person has been given notice of or reasonably should know of the cancellation; and

(3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled.

Subd. 4. [DRIVING AFTER DISQUALIFICATION.] ~~Any~~ A person ~~who~~ is guilty of a misdemeanor if the person:

(1) has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle~~, who~~;

(2) has been given notice of or reasonably should know of the disqualification~~;~~ and ~~who~~

(3) disobeys the order by operating in this state a commercial motor vehicle while the person is disqualified to hold the license or privilege~~, is guilty of a misdemeanor~~.

~~(c)~~ Subd. 5. [GROSS MISDEMEANOR.] A person is guilty of a gross misdemeanor if:

(1) the person's driver's license or driving ~~privileges~~ privilege has been canceled or denied under section 171.04, subdivision 1, clause (8)~~, and~~;

(2) the person has been given notice of or reasonably should know of the cancellation or denial; and

~~(2)~~ (3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled or denied.

Subd. 6. [SUFFICIENCY OF NOTICE.] (a) Notice of revocation, suspension, cancellation, or disqualification is sufficient if personally served, or if mailed by first class mail to the person's last known address or to the address listed on the person's driver's license. Notice is also sufficient if the person was informed that revocation, suspension, cancellation, or disqualification would be imposed upon a condition occurring or failing to occur, and where the condition has in fact occurred or failed to occur.

(b) It is not a defense that a person failed to file a change of address with the post office, or failed to notify the department of public safety of a change of name or address as required under section 171.11.

Sec. 10. Minnesota Statutes 1993 Supplement, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (5), or (6); or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.25, subdivision 2, clause (3); or 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 11. Minnesota Statutes 1993 Supplement, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (5), or (6); 609.25, subdivision 2, clause (3); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 12. Minnesota Statutes 1992, section 388.051, is amended by adding a subdivision to read:

Subd. 3. [PLEA NEGOTIATION POLICIES AND PRACTICES; WRITTEN GUIDELINES REQUIRED.] (a) On or before January 1, 1995, each county attorney shall adopt written guidelines governing the county attorney's plea negotiation policies and practices. The guidelines shall address, but need not be limited to, the following matters:

(1) the circumstances under which plea negotiation agreements are permissible;

(2) the factors that are considered in formulating plea agreements; and

(3) the extent to which input from other persons concerned with a prosecution, such as victims and law enforcement officers, is considered in formulating plea agreements.

(b) Plea negotiation policies and procedures adopted under this subdivision are public data, as defined in section 13.02.

Sec. 13. Minnesota Statutes 1993 Supplement, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, pawn shops, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies, insurance records relating to the monetary payment or settlement of claims, and wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation ~~or welfare fraud investigation and there is probable cause that a crime has been committed~~. Administrative subpoenas may only be issued in welfare fraud cases if there is probable cause to believe a crime has been committed. This provision applies only to the records of business entities and does not extend to private individuals or their dwellings. Subpoenas may only be served by peace officers as defined by section 626.84, subdivision 1, paragraph (c), or persons designated by the county attorney.

Sec. 14. Minnesota Statutes 1993 Supplement, section 473.407, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The metropolitan transit commission may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (h), known as the metropolitan transit commission police, to police its property and routes and to make arrests under sections 629.30 and 629.34. The jurisdiction of the law enforcement agency is limited to offenses relating to public transit vehicles and facilities and commission property, equipment, employees, and passengers.

Sec. 15. Minnesota Statutes 1993 Supplement, section 518B.01, subdivision 6, is amended to read:

Subd. 6. [RELIEF BY THE COURT.] (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and visitation shall in no way delay the issuance of an order for protection granting other reliefs provided for in this section;

(4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;

(5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

(6) order the abusing party to participate in treatment or counseling services;

(7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;

(9) order the abusing party to pay restitution to the petitioner;

(10) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation; and

(11) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or constable, as provided by this section.

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate. When a referee presides at the hearing on the petition, the order granting relief becomes effective upon the referee's signature.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 16. Minnesota Statutes 1993 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. Upon conviction, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A person is guilty of a gross misdemeanor who violates this paragraph during the time period between a previous conviction under this paragraph; sections 609.221 to 609.224; 609.713, subdivisions 1 or 3; 609.748, subdivision 6; 609.749; or a similar law of another state and the end of the five years following discharge from sentence for that conviction. Upon conviction, the defendant must be sentenced to a minimum of ten days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed $10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also shall refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by paragraph (b).

Sec. 17. Minnesota Statutes 1992, section 609.0331, is amended to read:

609.0331 [INCREASED MAXIMUM PENALTIES FOR PETTY MISDEMEANORS.]

~~Except as provided in this section,~~ A law of this state that provides, on or after August 1, 1987, for a maximum penalty of $100 for a petty misdemeanor is considered to provide for a maximum fine of $200. ~~However, a petty misdemeanor under chapter 168 or 169 remains subject to a maximum fine of $100, except that a violation of chapter 168 or 169 that was originally charged as a misdemeanor and is being treated as a petty misdemeanor under section 609.131 or the rules of criminal procedure is subject to a maximum fine of $200.~~

Sec. 18. Minnesota Statutes 1992, section 609.0332, is amended to read:

609.0332 [INCREASED MAXIMUM PENALTY FOR PETTY MISDEMEANOR ORDINANCE VIOLATIONS.]

~~Subdivision 1. [INCREASED FINE.]~~ From August 1, 1987, if a state law or municipal charter sets a limit of $100 or less on the fines that a statutory or home rule charter city, town, county, or other political subdivision may prescribe for an ordinance violation that is defined as a petty misdemeanor, that law or charter is considered to provide that the political subdivision has the power to prescribe a maximum fine of $200 for the petty misdemeanor violation.

~~Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, no fine of more than $100 may be imposed for a petty misdemeanor ordinance violation which conforms in substantial part to a petty misdemeanor provision contained in section 152.027, subdivision 4, or chapter 168 or 169.~~

Sec. 19. [609.132] [CONTINUANCE FOR DISMISSAL.]

The decision to offer a continuance of a criminal prosecution and to dismiss criminal charges based on the defendant's satisfactory completion of the conditions of the continuance is an exercise of prosecutorial discretion resting solely with the prosecuting attorney.

Sec. 20. Minnesota Statutes 1993 Supplement, section 609.14, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay and direct that the defendant be taken into immediate custody.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the rules of criminal procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

(c) Notwithstanding the provisions of section 609.135 or any law to the contrary, after proceedings to revoke the stay have been initiated by a court order revoking the stay and directing either that the defendant be taken into custody or that a summons be issued in accordance with paragraph (a), the proceedings to revoke the stay may be concluded and the summary hearing provided by subdivision 2 may be conducted after the expiration of the stay or after the six month period set forth in paragraph (b) of this section. The proceedings to revoke the stay shall not be dismissed on the basis that the summary hearing is conducted after the term of the stay or after the six month period. The ability or inability to locate or apprehend the defendant prior to the expiration of the stay or during or after the six month period shall not preclude the court from conducting the summary hearing.

Sec. 21. Minnesota Statutes 1992, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer ~~or~~, a guard employed at a Minnesota state correctional facility, or a local correctional officer with intent to effect the death of that person or another, while the peace officer ~~or~~, guard, or correctional officer is engaged in the performance of official duties;

(5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life; or

(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, 609.377, 609.378, or 609.713.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344; 609.345, or 609.713; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

Sec. 22. Minnesota Statutes 1992, section 609.2231, subdivision 2, is amended to read:

Subd. 2. [FIREFIGHTERS AND EMERGENCY MEDICAL PERSONNEL.] Whoever assaults any of the following persons and inflicts demonstrable bodily harm is guilty of a gross misdemeanor:

(1) a member of a municipal or volunteer fire department or emergency medical services personnel unit in the performance of the member's duties~~, or assaults~~;

(2) a physician, nurse, or other person providing health care services in a hospital emergency department; or

(3) an employee of the department of natural resources who is engaged in forest fire activities~~, and inflicts demonstrable bodily harm is guilty of a gross misdemeanor~~.

Sec. 23. Minnesota Statutes 1992, section 609.224, is amended by adding a subdivision to read:

Subd. 5. [FELONY; VICTIM UNDER FOUR.] Whoever violates subdivision 1 against a victim under the age of four, and causes bodily harm to the child's head, eyes, or neck, or otherwise causes multiple bruises to the body, 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. 24. [609.2245] [FEMALE GENITAL MUTILATION; PENALTIES.]

Subdivision 1. [CRIME.] Except as otherwise permitted in subdivision 2, whoever knowingly circumcises, excises, or infibulates, in whole or in part, the labia majora, labia minora, or clitoris of another is guilty of a felony. Consent to the procedure by the person on whom it is performed is not a defense to a violation of this subdivision.

Subd. 2. [PERMITTED ACTIVITIES.] A surgical procedure is not a violation of subdivision 1 if the procedure:

(1) is necessary to the health of the person on whom it is performed and is performed by a physician licensed under chapter 147 or a physician in training under the supervision of a licensed physician; or

(2) is performed on a person who is in labor or who has just given birth and is performed for medical purposes connected with that labor or birth by a physician licensed under chapter 147 or a physician in training under the supervision of a licensed physician.

Sec. 25. Minnesota Statutes 1992, section 609.245, is amended to read:

609.245 [AGGRAVATED ROBBERY.]

Whoever, while committing a robbery, is armed with or implies, by word or act, possession of a dangerous weapon, or is armed with any article used or fashioned in a manner to lead the victim to reasonably believe it to be a dangerous weapon, or inflicts bodily harm upon another, is guilty of aggravated robbery and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $35,000, or both.

Sec. 26. Minnesota Statutes 1992, section 609.25, subdivision 2, is amended to read:

Subd. 2. [SENTENCE.] Whoever violates subdivision 1 may be sentenced as follows:

(1) If the victim is released in a safe place without great bodily harm, to imprisonment for not more than 20 years or to payment of a fine of not more than $35,000, or both; ~~or~~

(2) If the victim is not released in a safe place, or if the victim suffers great bodily harm during the course of the kidnapping, or if the person kidnapped is under the age of 16, to imprisonment for not more than 40 years or to payment of a fine of not more than $50,000, or both; or

(3) If the defendant is convicted under subdivision 1 and, at the time of sentencing, the victim has not been found, the defendant shall be sentenced to imprisonment for life.

Sec. 27. Minnesota Statutes 1992, section 609.321, subdivision 12, is amended to read:

Subd. 12. A "public place" means a public street or sidewalk, a pedestrian skyway system as defined in section 469.125, subdivision 4, a hotel, motel, or other place of public accommodation, a public transit vehicle or facility, or a place licensed to sell intoxicating liquor, wine, nonintoxicating malt beverages, or food.

Sec. 28. Minnesota Statutes 1992, section 609.3241, is amended to read:

609.3241 [PENALTY ASSESSMENT AUTHORIZED.]

~~In any county that has established a multidisciplinary child protection team pursuant to section 626.558,~~ When a court sentences an adult convicted of violating section 609.322, 609.323, or 609.324, while acting other than as a prostitute, the court shall impose an assessment of not less than $250 and not more than $500 for a violation of section 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose an assessment of not less than $500 and not more than $1,000. The mandatory minimum portion of the assessment is to be used for the purposes described in section 626.558, subdivision 2a, and is in addition to the assessment or surcharge required by section 609.101. Any portion of the assessment imposed in excess of the mandatory minimum amount shall be forwarded to the general fund and is appropriated annually to the commissioner of corrections. The commissioner, with the assistance of the general crime victims advisory council, shall use money received under this section for grants to agencies that provide assistance to individuals who have stopped or wish to stop engaging in prostitution. Grant money may be used to provide these individuals with medical care, child care, temporary housing, and educational expenses.

Sec. 29. Minnesota Statutes 1992, section 609.325, subdivision 2, is amended to read:

Subd. 2. Consent or mistake as to age shall be no defense to prosecutions under section 609.322 ~~or~~, 609.323, or 609.324.

Sec. 30. Minnesota Statutes 1992, section 609.341, subdivision 11, is amended to read:

Subd. 11. (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to (k), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by coercion or the use of a position of authority, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or the use of a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts; or

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

Sec. 31. Minnesota Statutes 1992, section 609.341, subdivision 12, is amended to read:

Subd. 12. "Sexual penetration" means any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, whether or not emission of semen occurs:

(1) sexual intercourse, cunnilingus, fellatio, or anal intercourse~~,~~; or

(2) any intrusion however slight into the genital or anal openings:

(i) of the complainant's body ~~of~~ by any part of the actor's body or any object used by the actor for this purpose~~, where the act is committed without the complainant's consent, except in those cases where consent is not a defense. Emission of semen is not necessary.~~;

(ii) of the complainant's body by any part of the body of the complainant, by any part of the body of another person, or by any object used by the complainant or another person for this purpose, when effected by coercion or the use of a position of authority, or by inducement if the child is under 13 years of age or mentally impaired; or

(iii) of the body of the actor or another person by any part of the body of the complainant or by any object used by the complainant for this purpose, when effected by coercion or the use of a position of authority, or by inducement if the child is under 13 years of age or mentally impaired.

Sec. 32. Minnesota Statutes 1992, section 609.341, is amended by adding a subdivision to read:

Subd. 21. [SCHOOL.] "School" means a public or private middle or secondary school, college, university, community college, vocational or technical school, or any other institution engaged in instructing pupils who are at least 16 but less than 18 years of age.

Sec. 33. Minnesota Statutes 1992, section 609.341, is amended by adding a subdivision to read:

Subd. 22. [TEACHER.] "Teacher" means all persons employed in a school as instructional, supervisory, and support staff including superintendents, principals, supervisors, secondary vocational and other classroom teachers, teachers' aides and classroom assistants, librarians, counselors, school psychologists, school nurses, school social workers, audio-visual directors and coordinators, recreation personnel and coaches, media generalists, media supervisors, and speech therapists.

Sec. 34. Minnesota Statutes 1992, section 609.342, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person, or in sexual contact with a person under 13 as defined in section 609.341, subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

(i) an accomplice uses force or coercion to cause the complainant to submit; or

(ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Sec. 35. Minnesota Statutes 1993 Supplement, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense; ~~or~~

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private.

Consent by the complainant is not a defense; or

(m) the actor is a teacher in a school and the complainant is a student or former student of the teacher who is at least 16 but less than 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Sec. 36. Minnesota Statutes 1993 Supplement, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. Consent by the complainant to the act is not a defense. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense; ~~or~~

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private.

Consent by the complainant is not a defense; or

(m) the actor is a teacher in a school and the complainant is a student or former student of the teacher who is at least 16 but less than 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Sec. 37. Minnesota Statutes 1992, section 609.3451, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] (a) A person is guilty of criminal sexual conduct in the fifth degree if the person engages in nonconsensual sexual contact.

(b) For purposes of this section, "sexual contact" has the meaning given in section 609.341, subdivision 11, paragraph (a), clauses (i) and (iv), but does not include the intentional touching of the clothing covering the immediate area of the buttocks. This exclusion does not apply to conduct in public transit vehicles or facilities.

(c) Sexual contact also includes the intentional removal or attempted removal of clothing covering the complainant's intimate parts or undergarments, if the action is performed with sexual or aggressive intent.

Sec. 38. Minnesota Statutes 1993 Supplement, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, or if a person is convicted under sections 609.342 to 609.345 of an offense involving multiple contemporaneous victims, the court shall

commit the defendant to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may not stay the execution of the sentence imposed under this subdivision solely upon a finding that the offender is amenable to probation or treatment. The court may stay the execution of the sentence imposed under this subdivision only if it finds: (a) that the offender does not present a danger to public safety; (b) the offender is not likely to reoffend by committing further violations of sections 609.342 to 609.345; (c) that the crime did not involve an aggravating factor which would justify a departure from the presumptive sentence under the sentencing guidelines; and (d) that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 39. Minnesota Statutes 1992, section 609.377, is amended to read:

609.377 [MALICIOUS PUNISHMENT OF A CHILD.]

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts with respect to a child, evidences unreasonable force or cruel discipline that is excessive under the circumstances is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both. If the punishment results in substantial bodily harm, that person 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. If the punishment results in great bodily harm, that person may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both. If the punishment is to a child under the age of four and causes bodily harm to the head, eyes, neck, or otherwise causes multiple bruises to the body, the person may be sentenced to imprisonment for not more than five years or a fine of $10,000, or both.

Sec. 40. [609.381] [CONTRIBUTING TO MINOR'S DELINQUENCY OR NEED FOR PROTECTION OR SERVICES.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them in this subdivision:

(1) "Delinquency" has the meaning given in section 260.015, subdivision 5;

(2) "Habitual truant" has the meaning given in section 260.015, subdivision 19;

(3) "Juvenile petty offender" has the meaning given in section 260.015, subdivision 21;

(4) "Need for protection or services" has the meaning given in section 260.015, subdivision 2a; and

(5) "Runaway" has the meaning given in section 260.015, subdivision 20.

Subd. 2. [CRIME.] Any person who by act or omission causes, assists, or contributes to the need for protection or services or delinquency of a child, or to a child's status as a juvenile petty offender, is guilty of a crime and may be sentenced as provided in subdivision 3.

Subd. 3. [SENTENCE.] (a) An adult who violates subdivision 2 by causing or assisting the minor to be a runaway and to leave this state is guilty of a felony and, upon conviction, may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both.

(b) An adult who violates subdivision 2 under any of the following circumstances is guilty of a gross misdemeanor:

(1) the minor was 15 years of age or younger at the time of the alleged act;

(2) the adult caused or assisted the minor to be a runaway within this state for more than two days; or

(3) the adult caused or assisted the minor to be an habitual truant.

(c) A person who violates subdivision 2 under any circumstance not listed in paragraph (a) or (b) is guilty of a misdemeanor.

Subd. 4. [EXCEPTION.] This section does not apply to:

(1) licensed social service agencies and outreach workers who, while acting within the scope of their professional duties, provide services to runaway children; or

(2) any person who reasonably believed the action taken was necessary to protect the minor from physical, sexual, or emotional abuse.

Sec. 41. Minnesota Statutes 1992, section 609.485, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held in lawful custody on a charge or conviction of a crime, or while held in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape; or

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause.

For purposes of clause (1), "escapes while held in lawful custody" includes absconding from electronic monitoring or absconding after removing an electronic monitoring device from the person's body.

Sec. 42. Minnesota Statutes 1992, section 609.485, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] (a) Except as otherwise provided in subdivision 3a, whoever violates this section may be sentenced as follows:

(1) if the person who escapes is in lawful custody on a charge or conviction of a felony, to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both~~.~~;

(2) if the person who escapes is in lawful custody after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a, to imprisonment for not more than one year and one day or to payment of a fine of not more than $3,000, or both~~.~~; or

(3) if such charge or conviction is for a gross misdemeanor or misdemeanor, or if the person who escapes is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age, to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both.

~~(4) If such charge or conviction is for a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than $700, or both.~~

~~(5)~~ (b) If the escape was a violation of subdivision 2, clause (1), (2), or (3), and was effected by violence or threat of violence against a person, the sentence may be increased to not more than twice those permitted in paragraph (a), clauses (1)~~,~~ and (3)~~, and (4)~~.

~~(6)~~ (c) Unless a concurrent term is specified by the court, a sentence under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when the person escaped.

~~(7)~~ (d) Notwithstanding ~~clause (6)~~ paragraph (c), if a person who was committed to the commissioner of corrections under section 260.185 escapes from the custody of the commissioner while 18 years of age, the person's sentence under this section shall commence on the person's 19th birthday or on the person's date of discharge by the commissioner of corrections, whichever occurs first. However, if the person described in this clause is convicted under this section after becoming 19 years old and after having been discharged by the commissioner, the person's sentence shall commence upon imposition by the sentencing court.

~~(8)~~ (e) Notwithstanding ~~clause (6)~~ paragraph (c), if a person who is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age escapes from a local juvenile correctional facility, the person's sentence under this section begins on the person's 19th birthday or on the person's date of discharge from the jurisdiction of the juvenile court, whichever occurs first. However, if the person described in this ~~clause~~ paragraph is convicted after becoming 19 years old and after discharge from the jurisdiction of the juvenile court, the person's sentence begins upon imposition by the sentencing court.

Sec. 43. Minnesota Statutes 1992, section 609.497, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] A person is guilty of a felony and may be sentenced under subdivision 2 if the person knowingly initiates, organizes, plans, finances, directs, manages, supervises, or otherwise engages in ~~a business~~ an activity that has as a primary or secondary purpose concealing money or property that was gained as a direct result of the commission of a felony under this chapter or chapter 152, or of an offense committed in another jurisdiction that would be a felony under this chapter or chapter 152 if committed in Minnesota.

Sec. 44. Minnesota Statutes 1992, section 609.497, is amended by adding a subdivision to read:

Subd. 3. [PAYMENT OF REASONABLE ATTORNEY FEES.] Subdivision 1 does not preclude the payment or receipt of reasonable attorney fees.

Sec. 45. Minnesota Statutes 1992, section 609.506, is amended by adding a subdivision to read:

Subd. 3. [GROSS MISDEMEANOR.] Whoever in any criminal proceeding with intent to obstruct justice gives a fictitious name, other than a nickname, or gives a false date of birth to a court official is guilty of a misdemeanor. Whoever in any criminal proceeding with intent to obstruct justice gives the name and date of birth of another person to a court official is guilty of a gross misdemeanor. "Court official" includes a judge, referee, court administrator, or any employee of the court.

Sec. 46. Minnesota Statutes 1993 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used or possessed in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources division of enforcement, metropolitan transit commission police, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 47. Minnesota Statutes 1992, section 609.561, is amended by adding a subdivision to read:

Subd. 3. Whoever unlawfully by means of fire or explosives, intentionally destroys or damages any building not included in subdivision 1, whether the property of the actor or another, commits arson in the first degree if a combustible or flammable liquid is used to start or accelerate the fire may be sentenced to imprisonment for not more than 20 years or a fine of not more than $20,000, or both.

As used in this subdivision, "flammable liquid" means any liquid having a flash point below 100 degrees Fahrenheit and having a vapor pressure not exceeding 40 pounds per square inch (absolute) at 100 degrees Fahrenheit, but does not include intoxicating liquor as defined in section 340A.101. As used in this subdivision, "combustible liquid" means a liquid having a flash point at or above 100 degrees Fahrenheit.

Sec. 48. [609.5642] [INCREASED PENALTIES FOR ARSON RESULTING IN INJURY TO PERSONS.]

Subdivision 1. [HARM TO VICTIMS; PENALTY ENHANCEMENTS.] The statutory maximum penalties for the crimes listed in subdivision 2, shall be increased by three years if another person who is not a participant in the crime sustains substantial bodily harm as a result of the fire or explosion, or during efforts to extinguish or contain the fire or explosion, or during efforts to rescue persons who may be trapped or harmed by the fire or explosion.

Subd. 2. [APPLICATION.] This section applies to arson in the first degree, arson in the second degree, arson in the third degree, and wildfire arson under the circumstances described in sections 609.561, 609.562, 609.563, and 609.5641.

Sec. 49. Minnesota Statutes 1992, section 609.611, is amended to read:

609.611 [DEFRAUDING INSURER.]

Subdivision 1. [DEFRAUD; DAMAGES OR CONCEALS PROPERTY.] Whoever with intent to injure or defraud an insurer, damages, removes, or conceals any property real or personal, whether the actor's own or that of another, which is at the time insured by any person, firm, or corporation against loss or damage;

(a) May be sentenced to imprisonment for not more than three years or to payment of fine of not more than $5,000, or both if the value insured for is less than $20,000; or

(b) May be sentenced to imprisonment for not more than five years or to payment of fine of not more than $10,000, or both if the value insured for is $20,000 or greater;

(c) Proof that the actor recovered or attempted to recover on a policy of insurance by reason of the ~~fire~~ alleged loss is relevant but not essential to establish the actor's intent to defraud the insurer.

Subd. 2. [DEFRAUD; FALSE LOSS CLAIM.] Whoever intentionally makes a claim to an insurance company that personal property was lost, stolen, damaged, destroyed, misplaced, or disappeared, knowing the claim to be false may be sentenced as provided in section 609.52, subdivision 3. The applicable statute of limitations provision under section 628.26 shall not begin to run until the insurance company or law enforcement agency is aware of the fraud, but in no event may the prosecution be commenced later than seven years after the claim was made.

Sec. 50. Minnesota Statutes 1992, section 609.66, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR AND GROSS MISDEMEANOR CRIMES.] (a) Whoever does any of the following is guilty of a crime and may be sentenced as provided in paragraph (b):

(1) recklessly handles or uses a gun or other dangerous weapon or explosive so as to endanger the safety of another; or

(2) intentionally points a gun of any kind, capable of injuring or killing a human being and whether loaded or unloaded, at or toward another; or

(3) manufactures or sells for any unlawful purpose any weapon known as a slungshot or sand club; or

(4) manufactures, transfers, or possesses metal knuckles or a switch blade knife opening automatically; or

(5) possesses any other dangerous article or substance for the purpose of being used unlawfully as a weapon against another; or

(6) outside of a municipality and without the parent's or guardian's consent, furnishes a child under 14 years of age, or as a parent or guardian permits the child to handle or use, outside of the parent's or guardian's presence, a firearm or airgun of any kind, or any ammunition or explosive.

Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under clause (6).

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, ~~or~~ a park zone, as defined in section 152.01, subdivision 12a, or a transit zone, as defined in section 152.01, subdivision 22, to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both; or

(2) otherwise, including where the act was committed on residential premises within a zone described in clause (1) if the offender was at the time an owner, tenant, or invitee for a lawful purpose with respect to those residential premises, to imprisonment for not more than 90 days or to payment of a fine of not more than $700, or both.

Sec. 51. Minnesota Statutes 1993 Supplement, section 609.66, subdivision 1a, is amended to read:

Subd. 1a. [FELONY CRIMES; SILENCERS PROHIBITED; RECKLESS DISCHARGE.] (a) Whoever does any of the following is guilty of a felony and may be sentenced as provided in paragraph (b):

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm;

(2) intentionally discharges a firearm under circumstances that endanger the safety of another; or

(3) recklessly discharges a firearm within a municipality.

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, ~~or~~ a park zone, as defined in section 152.01, subdivision 12a, or a transit zone, as defined in section 152.01, subdivision 22, to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both; or

(2) otherwise, to imprisonment for not more than two years or to payment of a fine of not more than $5,000, or both.

Sec. 52. Minnesota Statutes 1993 Supplement, section 609.685, subdivision 3, is amended to read:

Subd. 3. [PETTY MISDEMEANOR.] Whoever possesses, smokes, chews, or otherwise ingests, purchases, or attempts to purchase tobacco or tobacco related devices and is under the age of 18 years is guilty of a petty misdemeanor. This subdivision does not apply to a person under the age of 18 years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a responsible adult for training, education, research, or enforcement purposes.

Sec. 53. Minnesota Statutes 1993 Supplement, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or ~~facility of~~ public ~~transportation~~ transit facility or vehicle, as defined in section 609.855, subdivision 1, or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than five years. As used in this subdivision, "crime of violence" has the meaning given "violent crime" in section 609.152, subdivision 1, paragraph (d).

Sec. 54. Minnesota Statutes 1992, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, including on a school bus, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

(1) Engages in brawling or fighting; or

(2) Disturbs an assembly or meeting, not unlawful in its character; or

(3) Engages in offensive, obscene, abusive, boisterous, or noisy conduct or in offensive, obscene, or abusive language tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure.

Sec. 55. Minnesota Statutes 1993 Supplement, section 609.748, subdivision 5, is amended to read:

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. Relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

(b) An order issued under this subdivision must be personally served upon the respondent.

Sec. 56. Minnesota Statutes 1992, section 609.855, is amended to read:

609.855 [CRIMES AGAINST TRANSIT PROVIDERS AND OPERATORS.]

Subdivision 1. [PUBLIC TRANSIT VEHICLE OR FACILITY DEFINED.] A public transit vehicle or facility means a vehicle, facility, or location that is owned, operated, used, contracted for, funded by, or identified by a political subdivision for the purpose of providing public transit service or where passengers can wait, board, or alight the vehicle. The vehicle, facility, or location must be clearly identified as public transit related. Public transit vehicle or facility does not include a taxi or taxi stand.

Subd. 2. [UNLAWFULLY OBTAINING SERVICES.] Whoever intentionally obtains or attempts to obtain service from a provider of ~~regular route~~ public transit ~~as defined in section 174.22, subdivision 8, or from a public conveyance,~~ service without ~~making~~ paying the required fare ~~deposit~~ or otherwise obtaining the consent of ~~the transit operator or other~~ an authorized transit representative is guilty of unlawfully obtaining services and may be sentenced as provided in subdivision ~~4~~ 7.

Subd. ~~2~~ 3. [UNLAWFUL INTERFERENCE WITH TRANSIT OPERATOR.] (a) Whoever intentionally commits an act ~~that unreasonably interferes with or obstructs~~ tending reasonably to interfere with or obstruct the safe operation of a transit vehicle is guilty of unlawful interference with a transit operator and may be sentenced as provided in subdivision ~~4~~ 7.

(b) An act that is committed on a transit vehicle that distracts the driver from the safe operation of the vehicle or that endangers passengers is unreasonable provided that an authorized transit representative has clearly warned the person once to stop the act. This would include an act prohibited by subdivision 4 after the person has been warned once by the driver and the act continues.

Subd. ~~3~~ 4. [PROHIBITED ACTIVITIES.] Whoever, while ~~riding~~ in a public transit vehicle ~~providing regular route transit service~~ or facility:

(1) operates a radio, television, tape player, electronic musical instrument, or other electronic device, other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;

(2) smokes or carries lighted smoking paraphernalia;

(3) consumes food or beverages, except when authorized by the operator or other official of the transit system;

(4) throws or deposits litter;

(5) carries or is in control of an animal without the operator's consent; or

(6) ~~acts in any other manner which disturbs the peace and quiet of another person~~ engages in brawling or fighting or engages in offensive, obscene, abusive, boisterous, or noisy conduct or in offensive, obscene, or abusive language tending reasonably to arouse alarm, anger, or resentment in others;

is guilty of disruptive behavior and may be sentenced as provided in subdivision 4 7.

Subd. 5. [SHOOTING AT PUBLIC TRANSIT VEHICLE OR FACILITY.] Whoever recklessly discharges a firearm at any portion of a public transit vehicle or facility is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than $6,000, or both. If the transit vehicle or facility is occupied, the person 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.

Subd. 6. [THROWING OBJECTS AT A PUBLIC TRANSIT VEHICLE OR FACILITY.] Whoever intentionally throws, shoots, or propels any stone, brick, or other missile at a public transit vehicle or facility in a manner which the actor knows or reasonably should know is capable of causing bodily harm is guilty of a gross misdemeanor.

Subd. 4 7. [PENALTY.] Whoever violates ~~subdivision 1, 2, or 3~~ subdivisions 2 to 4 may be sentenced as follows:

(a) to imprisonment for not more than ~~one year~~ three years or to payment of a fine of not more than ~~$3,000~~ $5,000, or both, if the violation was accompanied by force or violence or a communication of a threat of force or violence; or

(b) to imprisonment for not more than 90 days or to payment of a fine of not more than $700, or both, if the violation was not accompanied by force or violence or a communication of a threat of force or violence.

Subd. 8. [RESTRAINING ORDERS.] (a) At the sentencing on a violation of subdivision 2, 3, 4, 5, or 6, the district court shall consider the extent to which the person's conduct has negatively disrupted the delivery of transit services or has affected the utilization of public transit services by others. The district court may, in its discretion, include as part of any sentence for a violation of subdivision 2, 3, 4, 5, or 6, an order restraining the person from using public transit vehicles and facilities for a fixed period, not to exceed two years or any term of probation, whichever is longer.

(b) The district court administrator shall forward copies of any orders, and any subsequent orders of the court rescinding or modifying the original order, promptly to the operator of the transit system on which the offense took place.

(c) A person who violates an order issued under this subdivision is guilty of a gross misdemeanor.

Sec. 57. Minnesota Statutes 1992, section 609.87, is amended by adding a subdivision to read:

Subd. 2a. [AUTHORIZATION.] "Authorization" means with the permission of the owner of the computer, computer system, computer network, computer software, or other property. Authorization may be limited by the owner by: (1) giving the user actual notice orally or in writing; (2) posting a written notice in a prominent location adjacent to the computer being used; or (3) using a notice displayed on or announced by the computer being used.

Sec. 58. Minnesota Statutes 1992, section 609.88, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer damage and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6;

(b) Intentionally and without authorization ~~and~~ or with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; or

(c) Distributes a destructive computer program, without authorization and with intent to damage or destroy any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6.

Sec. 59. Minnesota Statutes 1992, section 609.89, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer theft and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization or claim of right accesses or causes to be accessed any computer, computer system, computer network or any part thereof for the purpose of obtaining services or property; or

(b) Intentionally and without claim of right, and with intent to ~~permanently~~ deprive the owner of use or possession, takes, transfers, conceals or retains possession of any computer, computer system, or any computer software or data contained in a computer, computer system, or computer network.

Sec. 60. [609.8911] [REPORTING VIOLATIONS.]

A person who has reason to believe that any provision of section 609.88, 609.89, or 609.891 is being or has been violated shall report the suspected violation to the prosecuting authority in the county in which all or part of the suspected violation occurred. A person who makes a report under this section is immune from any criminal or civil liability that otherwise might result from the person's action, if the person is acting in good faith.

Sec. 61. Minnesota Statutes 1992, section 617.23, is amended to read:

617.23 [INDECENT EXPOSURE; PENALTIES.]

Every person who shall willfully and lewdly expose the person's body, or the private parts thereof, in any public place, or in any place where others are present, or shall procure another to expose private parts, and every person who shall be guilty of any open or gross lewdness or lascivious behavior, or any public indecency other than hereinbefore specified, shall be guilty of a misdemeanor~~, and punished by a fine of not less than $5, or by imprisonment in a county jail for not less than ten days~~.

~~Every person committing the offense herein set forth, after having once been convicted of such an offense in this state, shall be guilty of a gross misdemeanor.~~

A person is guilty of a gross misdemeanor if the person violates this section after having been previously convicted of violating this section, sections 609.342 to 609.3451, or a statute from another state in conformity with any of those sections.

Sec. 62. Minnesota Statutes 1993 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so, failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so, or failure to take steps to ensure that a child is educated in accordance with state law. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that there is a duty to report if a lack of medical care may cause imminent and serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care. Neglect includes prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance. Neglect also means "medical neglect" as defined in section 260.015, subdivision 2a, clause (5).

(d) "Physical abuse" means any physical or mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem services.

(k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(l) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

Sec. 63. Minnesota Statutes 1992, section 626.557, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed to serve adults pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed to serve adults pursuant to sections 245A.01 to 245A.16; or a home care provider licensed under section 144A.46.

(b) "Vulnerable adult" means any person 18 years of age or older:

(1) who is a resident or inpatient of a facility;

(2) who receives services at or from a facility required to be licensed to serve adults pursuant to sections 245A.01 to 245A.16, except a person receiving outpatient services for treatment of chemical dependency or mental illness;

(3) who receives services from a home care provider licensed under section 144A.46; or

(4) who, regardless of residence or type of service received, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

(d) "Abuse" means:

(1) any act which constitutes a violation under sections 609.221 to 609.223, 609.23 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345;

(2) nontherapeutic conduct which produces or could reasonably be expected to produce pain or injury and is not accidental, or any repeated conduct which produces or could reasonably be expected to produce mental or emotional distress;

(3) any sexual contact between a facility staff person and a resident or client of that facility;

(4) the illegal use of a vulnerable adult's person or property for another person's profit or advantage, or the breach of a fiduciary relationship through the use of a person or a person's property for any purpose not in the proper and lawful execution of a trust, including but not limited to situations where a person obtains money, property, or services from a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud; or

(5) any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Neglect" means:

(1) failure by a caretaker to supply a vulnerable adult with necessary food, clothing, shelter, health care or supervision;

(2) the absence or likelihood of absence of necessary food, clothing, shelter, health care, or supervision for a vulnerable adult; or

(3) the absence or likelihood of absence of necessary financial management to protect a vulnerable adult against abuse as defined in paragraph (d), clause (4). Nothing in this section shall be construed to require a health care facility to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

(f) "Report" means any report received by a local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

(1) the commissioner of health, for facilities as defined in clause (a) which are required to be licensed or certified by the department of health;

(2) the commissioner of human services, for facilities required by sections 245A.01 to 245A.16 to be licensed;

(3) any licensing board which regulates persons pursuant to section 214.01, subdivision 2; and

(4) any agency responsible for credentialing human services occupations.

(h) "Substantiated" means a preponderance of the evidence shows that an act that meets the definition of abuse or neglect occurred.

(i) "False" means a preponderance of the evidence shows that an act that meets the definition of abuse or neglect did not occur.

(j) "Inconclusive" means there is less than a preponderance of evidence to show that abuse or neglect did or did not occur.

Sec. 64. Minnesota Statutes 1992, section 626.557, subdivision 10a, is amended to read:

Subd. 10a. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under section 144A.02 or sections 245A.01 to 245A.16, the local welfare agency investigating the report shall notify the guardian or conservator of the person of a vulnerable adult under guardianship or conservatorship of the person who is alleged to have been abused or neglected. The local welfare agency shall notify the person, if any, designated to be notified in case of an emergency by a vulnerable adult not under guardianship or conservatorship of the person who is alleged to have been abused or neglected, unless consent is denied by the vulnerable adult. The notice shall contain the following information: the name of the facility; the fact that a report of alleged abuse or neglect of a vulnerable adult in the facility has been received; the nature of the alleged abuse or neglect; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) In a case of alleged neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245A.01 to 245A.16, the local welfare agency may also provide the information in paragraph (a) to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred.

(c) When the investigation required under subdivision 10 is completed, the local welfare agency shall provide a written memorandum containing the following information to every guardian or conservator of the person or other person notified by the agency of the investigation under paragraph (a) or (b): the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigative findings; a statement of whether the report was found to be substantiated, inconclusive, or false as to abuse or neglect; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the alleged victim and shall not contain the name or, to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation.

(d) In a case of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245A.01 to 245A.16, the local welfare agency may also provide the written memorandum to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the report is substantiated or if the investigation is inconclusive and the report is a second or subsequent report of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of the facility.

(e) In determining whether to exercise the discretionary authority granted under paragraphs (b) and (d), the local welfare agency shall consider the seriousness and extent of the alleged neglect, physical abuse, or sexual abuse and the impact of notification on the residents of the facility. The facility shall be notified whenever this discretion is exercised.

(f) Where federal law specifically prohibits the disclosure of patient identifying information, the local welfare agency shall not provide any notice under paragraph (a) or (b) or any memorandum under paragraph (c) or (d) unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 65. Minnesota Statutes 1992, section 626.557, subdivision 12, is amended to read:

Subd. 12. [RECORDS.] (a) Each licensing agency shall maintain summary records of reports of alleged abuse or neglect and alleged violations of the requirements of this section with respect to facilities or persons licensed or credentialed by that agency. As part of these records, the agency shall prepare an investigation memorandum. Notwithstanding section 13.46, subdivision 3, the investigation memorandum shall be accessible to the public pursuant to section 13.03 and a copy shall be provided to any public agency which referred the matter to the licensing agency for investigation. It shall contain a complete review of the agency's investigation, including but not limited to: the name of any facility investigated; a statement of the nature of the alleged abuse or neglect or other violation of the requirements of this section; pertinent information obtained from medical or other records reviewed; the investigator's name; a summary of the investigation's findings; a statement of whether the report was found to be substantiated, inconclusive, or false as to abuse or neglect; and a statement of any action taken by the agency. The investigation memorandum shall be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the name or, to the extent possible, the identity of the alleged perpetrator or of those interviewed during the investigation. During the licensing agency's investigation, all data collected pursuant to this section shall be classified as investigative data pursuant to section 13.39. After the licensing agency's investigation is complete, the data on individuals collected and maintained shall be private data on individuals. All data collected pursuant to this section shall be made available to prosecuting authorities and law enforcement officials, local welfare agencies, and licensing agencies investigating the alleged abuse or neglect. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

(b) Notwithstanding the provisions of section 138.163:

(1) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be false may be destroyed two years after the finding was made;

(2) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be inconclusive may be destroyed four years after the finding was made;

(3) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be substantiated may be destroyed seven years after the finding was made.

Sec. 66. Minnesota Statutes 1992, section 626A.05, subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire, electronic, or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of, or of an attempt or conspiracy to commit, any of the following offenses:

(1) a felony offense involving murder, manslaughter, assault in the first, second, and third degrees, aggravated robbery, kidnapping, criminal sexual conduct in the first, second, and third degrees, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary in the first, second, and third degrees, forgery, aggravated forgery, check forgery, or financial transaction card fraud, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.221, 609.222, 609.223, 609.2231, 609.245, 609.25, 609.321 to 609.324, 609.342, 609.343, 609.344, 609.42, 609.48, 609.485, subdivision 4, paragraph (a), clause (1), 609.52, 609.53, 609.54, 609.582, 609.625, 609.63, 609.631, 609.821, and 609.825;

(2) an offense relating to gambling or controlled substances, as punishable under section 609.76 or chapter 152; or

(3) an offense relating to restraint of trade defined in section 325D.53, subdivision 1 or 2, as punishable under section 325D.56, subdivision 2.

Sec. 67. Minnesota Statutes 1992, section 629.471, is amended to read:

629.471 [MAXIMUM BAIL ON MISDEMEANORS; GROSS MISDEMEANORS.]

Subdivision 1. [DOUBLE THE FINE.] Except as provided in subdivision 2 or 3, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor offense is double the highest cash fine that may be imposed for that offense.

Subd. 2. [QUADRUPLE THE FINE.] For offenses under sections 169.09, 169.121, 169.129, ~~518B.01,~~ 609.2231, subdivision 2, ~~609.224,~~ 609.487, and 609.525, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is quadruple the highest cash fine that may be imposed for the offense.

Subd. 3. [SIX TIMES THE FINE.] For offenses under sections 518B.01 and 609.224, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is six times the highest cash fine that may be imposed for the offense.

Sec. 68. [DEMONSTRATION PROJECTS; INTERVENTION WITH CHIPS-DELINQUENTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of corrections shall establish demonstration projects in at least two counties to develop and provide effective intervention and treatment for children under the age of ten who are committing or have committed unlawful acts. The commissioner may determine the length of the demonstration projects.

Subd. 2. [REPORT.] After the demonstration projects have been completed, the commissioner shall evaluate their success and make recommendations to the legislature concerning the types of services that should be provided to these children.

Sec. 69. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall consider ranking conduct constituting criminal sexual contact with a child under the age of 13, as defined in sections 30 and 34, in severity level VII of the sentencing guidelines grid.

Sec. 70. [SENTENCING GUIDELINES COMMISSION STUDY.]

The sentencing guidelines commission shall evaluate whether the current sentencing guidelines and related statutes are effective in furthering the goals of protecting the public safety and coordinating correctional resources with sentencing policy. Based on this evaluation, the commission shall develop and recommend options for modifying the sentencing guidelines so as to ensure that state correctional resources are reserved for violent offenders. These options may include, but need not be limited to, changes to severity level rankings, criminal history score computations, sentence durations, the grid, and other sentencing guidelines policies.

The commission shall report to the legislature by January 1, 1995, concerning any modifications it proposes to adopt as a result of its study. The commission's report shall explain the rationale behind each proposed modification.

Sec. 71. [REPORT TO THE LEGISLATURE.]

By December 31, 1994, the attorney general, in cooperation with the commissioners of health and human services, shall provide the legislature with a detailed plan with specific law, rule, or administrative procedure changes to implement the recommendations of the advisory committee established under Laws 1993, chapter 338, section 11. The attorney general shall work with that advisory committee, law enforcement agencies, and representatives of labor organizations and professional associations representing employees affected by the vulnerable adults act to develop comprehensive recommendations addressing issues in the operation of Minnesota Statutes, section 626.557, particularly the issues which the advisory committee identified in its February 1994 report to the governor and legislature.

Sec. 72. [REVISOR'S INSTRUCTION.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The references in column C may be changed by the revisor to the section of Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
260.161	260.315	609.381
260.255	260.315	609.381
260.261	260.315	609.381
609.379	260.315	609.381

Sec. 73. [REPEALER.]

Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; and 609.0332, subdivision 2, are repealed.

Sec. 74. [EFFECTIVE DATE.]

Sections 2 to 28 and 30 to 73 are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 1 and 29 are effective the day following final enactment and applies to crimes committed on or after that date. Offenses committed before August 1, 1994, may be used in computing previous sex offender convictions for purposes of section 38.

ARTICLE 3

FIREARMS PROVISIONS

Section 1. Minnesota Statutes 1992, section 244.09, is amended by adding a subdivision to read:

Subd. 14. [REPORT ON MANDATORY MINIMUM SENTENCES.] The sentencing guidelines commission shall include in its annual report to the legislature a summary and analysis of reports received from county attorneys under section 609.11, subdivision 10. The commission also shall forward to the bureau of criminal apprehension the information provided by county attorneys under section 609.11, subdivision 10.

Sec. 2. [245.041] [PROVISION OF FIREARMS BACKGROUND CHECK INFORMATION.]

Notwithstanding any other provision of law, the department of human services shall provide information to local law enforcement agencies for the sole purpose of facilitating the firearms background check under sections 624.7131, 624.7132, and 624.714.

Sec. 3. [253B.091] [REPORTING JUDICIAL COMMITMENTS INVOLVING PRIVATE TREATMENT PROGRAMS OR FACILITIES.]

When a committing court judicially commits a proposed patient to a treatment program or facility other than a state-operated program or facility, the court shall report the commitment to the department of human services for purposes of firearm background checks under section 245.041.

Sec. 4. Minnesota Statutes 1992, section 383B.225, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATION PROCEDURE.] (a) Upon notification of the death of any person, as provided in subdivision 5, the county medical examiner or a designee may proceed to the body, take charge of it, and order, when necessary, that there be no interference with the body or the scene of death. Any person violating the order of the examiner is guilty of a misdemeanor. The examiner or the examiner's designee shall make inquiry regarding the cause and manner of death and prepare written findings together with the report of death and its circumstances, which shall be filed in the office of the examiner. When it appears that death may have resulted from a criminal act and that further investigation is advisable, a copy of the report shall be transmitted to the county attorney. The examiner may take possession of all property of the deceased, mark it for identification, and make an inventory. The examiner shall take possession of all articles useful in establishing the cause of death, mark them for identification and retain them securely until they are no longer needed for evidence or investigation. The examiner shall release any property or articles needed for any criminal investigation to law enforcement officers conducting the investigation. When a reasonable basis exists for not releasing property or articles to law enforcement officers, the examiner shall consult with the county attorney. If the county attorney determines that a reasonable basis exists for not releasing the property or articles, the examiner may retain them. The property or articles shall be returned immediately upon completion of the investigation. When the property or articles are no longer needed for the investigation or as evidence, the examiner shall release the property or articles to the person or persons entitled to them. Notwithstanding any other law to the contrary, when personal property of a decedent has come into the possession of the examiner, and is not used for a criminal investigation or as evidence, and has not been otherwise released as provided in this subdivision, the name of the decedent shall be filed with the probate court, together with a copy of the inventory of the decedent's property. At that time, an examination of the records of the probate court shall be made to determine whether a will has been admitted to probate or an administration has been commenced. Property of a nominal value, including wearing apparel, may be released to the spouse or any blood relative of the decedent or to the person accepting financial responsibility for burial of the decedent. If property has not been released by the examiner and no will has been admitted to probate or administration commenced within six months after death, the examiner shall sell the property at a public auction upon notice and in a manner as the probate court may direct; except that the examiner must cause to be destroyed any firearm or other weapon that is not released to or claimed by a decedent's spouse or blood relative. If the name of the decedent is not known, the examiner shall inventory the

property of the decedent and after six months may sell the property at a public auction. The examiner shall be allowed reasonable expenses for the care and sale of the property and shall deposit the net proceeds of the sale with the county administrator, or the administrator's designee, in the name of the decedent, if known. If the decedent is not known, the examiner shall establish a means of identifying the property of the decedent with the unknown decedent and shall deposit the net proceeds of the sale with the county administrator, or a designee, so, that, if the unknown decedent's identity is established within six years, the proceeds can be properly distributed. In either case, duplicate receipts shall be provided to the examiner, one of which shall be filed with the court, the other of which shall be retained in the office of the examiner. If a representative shall qualify within six years from the time of deposit, the county administrator, or a designee, shall pay the amount of the deposit to the representative upon order of the court. If no order is made within six years, the proceeds of the sale shall become a part of the general revenue of the county.

(b) For the purposes of this section, health-related records or data on a decedent, except health data defined in section 13.38, whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, shall be made promptly available to the medical examiner, upon the medical examiner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The medical examiner shall pay the reasonable costs of copies of records or data provided to the medical examiner under this section. Data collected or created pursuant to this subdivision relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated shall remain confidential or protected nonpublic data, except that the medical examiner's report may contain a summary of such data.

Sec. 5. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 4, is amended to read:

Subd. 4. [DANGEROUS WEAPON.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a dangerous weapon other than a firearm, ~~or had in possession a firearm,~~ shall be committed to the commissioner of corrections for not less than one year plus one day, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a dangerous weapon other than a firearm, ~~or had in possession a firearm,~~ shall be committed to the commissioner of corrections for not less than three years nor more than the maximum sentence provided by law.

Sec. 6. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 5, is amended to read:

Subd. 5. [FIREARM.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, possessed or used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm, shall be committed to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, possessed or used a firearm shall be committed to the commissioner of corrections for not less than five years, nor more than the maximum sentence provided by law.

Sec. 7. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 8, is amended to read:

Subd. 8. [MOTION BY PROSECUTOR.] (a) Except as otherwise provided in paragraph (b), prior to the time of sentencing, the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentences established by this section. The motion shall be accompanied by a statement on the record of the reasons for it. When presented with the motion ~~and if it finds substantial mitigating factors exist~~, or on its own motion, the court ~~shall~~ may sentence the defendant without regard to the mandatory minimum sentences established by this section if the court finds substantial and compelling reasons to do so. A sentence imposed under this subdivision is a departure from the sentencing guidelines.

(b) The court may not, on its own motion or the prosecutor's motion, sentence a defendant without regard to the mandatory minimum sentences established by this section if the defendant previously has been convicted of an offense listed in subdivision 9 in which the defendant used or possessed a firearm or other dangerous weapon.

Sec. 8. Minnesota Statutes 1993 Supplement, section 609.11, is amended by adding a subdivision to read:

Subd. 10. [REPORT TO SENTENCING GUIDELINES COMMISSION.] By February 1 each year, each county attorney shall file a report with the sentencing guidelines commission providing the following information for the previous calendar year:

(1) the number of cases charged to which the provisions of this section apply;

(2) for cases resulting in a conviction, the number of cases in which the offender received the mandatory sentence required by this section; and

(3) for cases resulting in a conviction in which the offender did not receive at least the mandatory minimum sentence, a statement of the reasons.

Nothing in this subdivision requires a county attorney to reveal the reason the offender did not receive at least the mandatory minimum sentence if revealing the reason could endanger public safety, the safety of any person, or the integrity of an ongoing investigation.

Sec. 9. Minnesota Statutes 1992, section 609.165, is amended by adding a subdivision to read:

Subd. 1b. [VIOLATION AND PENALTY.] (a) Any person, whether imprisoned, on probation, or under supervised release, who ships, transports, possesses, or receives a firearm in violation of subdivision 1a, commits a crime and may be sentenced to imprisonment for not more than three years or required to pay a fine of not more than $6,000, or both.

(b) Nothing in this section shall be construed to bar a conviction and sentencing for a violation of section 624.713, subdivision 1, clause (b).

Sec. 10. Minnesota Statutes 1993 Supplement, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313, 609.5314, or 609.5318 that the property is subject to forfeiture, it shall order the appropriate agency to:

(1) destroy all weapons used, firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under clause (6);

(2) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

~~(2)~~ (3) take custody of the property and remove it for disposition in accordance with law;

~~(3)~~ (4) forward the property to the federal drug enforcement administration;

~~(4)~~ (5) disburse money as provided under subdivision 5; or

~~(5)~~ (6) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 11. Minnesota Statutes 1993 Supplement, section 609.5315, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ADMINISTRATIVELY FORFEITED PROPERTY.] If property is forfeited administratively under section 609.5314 or 609.5318 and no demand for judicial determination is made, the appropriate agency may dispose of the property in any of the ways listed in subdivision 1, except that the agency must destroy all forfeited weapons used, firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under subdivision 1, clause (6).

Sec. 12. Minnesota Statutes 1992, section 609.5316, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND.] Except as otherwise provided in this subdivision, if the property is contraband, the property must be summarily forfeited and either destroyed or used by the appropriate agency for law enforcement purposes. Upon summary forfeiture, weapons used must be destroyed by the appropriate agency unless the agency decides to use the weapons for law enforcement purposes.

Sec. 13. Minnesota Statutes 1992, section 609.66, subdivision 1b, is amended to read:

Subd. 1b. [FELONY; FURNISHING TO MINORS.] Whoever, in any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive without the prior consent of the minor's parent or guardian or of the police department of the municipality is guilty of a felony and may be sentenced to

imprisonment for not more than ~~five~~ ten years or to payment of a fine of not more than ~~$10,000~~ $20,000, or both. Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under this subdivision.

Sec. 14. Minnesota Statutes 1992, section 609.66, subdivision 1c, is amended to read:

Subd. 1c. [FELONY; FURNISHING A DANGEROUS WEAPON.] Whoever recklessly furnishes a person with a dangerous weapon in conscious disregard of a known substantial risk that the object will be possessed or used in furtherance of a felony crime of violence is guilty of a felony and may be sentenced to imprisonment for not more than ~~five~~ ten years or to payment of a fine of not more than ~~$10,000~~ $20,000, or both.

Sec. 15. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1f. [GROSS MISDEMEANOR; TRANSFERRING A FIREARM WITHOUT BACKGROUND CHECK.] A person, other than a federally-licensed firearms dealer, who transfers a pistol or semiautomatic military-style assault weapon to another without complying with the transfer requirements of section 624.7132, is guilty of a gross misdemeanor if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence, and if:

(1) the transferee was prohibited from possessing the weapon under section 624.713 at the time of the transfer; or

(2) it was reasonably foreseeable at the time of the transfer that the transferee was likely to use or possess the weapon in furtherance of a felony crime of violence.

Sec. 16. [609.667] [FIREARMS; REMOVAL OR ALTERATION OF SERIAL NUMBER.]

Whoever commits any of the following acts 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:

(1) obliterates, removes, changes, or alters the serial number or other identification of a firearm;

(2) receives or possesses a firearm, the serial number or other identification of which has been obliterated, removed, changed, or altered; or

(3) receives or possesses a firearm that is not identified by a serial number.

As used in this section, "serial number or other identification" means the serial number and other information required under United States Code, title 26, section 5842, for the identification of firearms.

Sec. 17. Minnesota Statutes 1992, section 609.713, subdivision 3, is amended to read:

Subd. 3. (a) Whoever displays, exhibits, brandishes, or otherwise employs a replica firearm or a BB gun in a threatening manner, may be sentenced to imprisonment for not more than one year and one day or to payment of a fine of not more than $3,000, or both, if, in doing so, the person either:

(1) causes or attempts to cause terror in another person; or

(2) acts in reckless disregard of the risk of causing terror in another person.

(b) For purposes of this subdivision~~,~~:

(1) "BB gun" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter; and

(2) "replica firearm" means a device or object that is not defined as a dangerous weapon, and that is a facsimile or toy version of, and reasonably appears to be a pistol, revolver, shotgun, sawed-off shotgun, rifle, machine gun, rocket launcher, or any other firearm. The term replica firearm includes, but is not limited to, devices or objects that are designed to fire only blanks.

Sec. 18. Minnesota Statutes 1993 Supplement, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, assaults motivated by bias under section 609.2231, subdivision 4, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, theft of a firearm, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, operating a machine gun or short-barreled shotgun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.

Sec. 19. Minnesota Statutes 1993 Supplement, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol or semiautomatic military-style assault weapon or, except for paragraph (a), any other firearm:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts;

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(g) a person who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed; or

(h) a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or a similar law of another state.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Sec. 20. Minnesota Statutes 1993 Supplement, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee; ~~and~~

(c) a statement that the proposed transferee authorizes the release to the local police authority of information about the proposed transferee collected, created, or maintained by the department of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1, clause (c), (e), or (f); and

(d) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

The ~~statement~~ statements shall be signed and dated by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 21. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or semiautomatic military-style assault weapon shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(c) a statement that the proposed transferee authorizes the release to the local police authority of information about the proposed transferee collected, created, or maintained by the department of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1, clause (c), (e), or (f);

(d) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

~~(d)~~ (e) the address of the place of business of the transferor.

The report shall be signed and dated by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Sec. 22. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 12, is amended to read:

Subd. 12. [EXCLUSIONS.] Except as otherwise provided in section 609.66, subdivision 1f, this section shall not apply to transfers of antique firearms as curiosities or for their historical significance or value, transfers to or between federally licensed firearms dealers, transfers by order of court, involuntary transfers, transfers at death or the following transfers:

(a) a transfer by a person other than a federally licensed firearms dealer;

(b) a loan to a prospective transferee if the loan is intended for a period of no more than one day;

(c) the delivery of a pistol or semiautomatic military-style assault weapon to a person for the purpose of repair, reconditioning or remodeling;

(d) a loan by a teacher to a student in a course designed to teach marksmanship or safety with a pistol and approved by the commissioner of natural resources;

(e) a loan between persons at a firearms collectors exhibition;

(f) a loan between persons lawfully engaged in hunting or target shooting if the loan is intended for a period of no more than 12 hours;

(g) a loan between law enforcement officers who have the power to make arrests other than citizen arrests; and

(h) a loan between employees or between the employer and an employee in a business if the employee is required to carry a pistol or semiautomatic military-style assault weapon by reason of employment and is the holder of a valid permit to carry a pistol.

Sec. 23. Minnesota Statutes 1992, section 624.714, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] Applications for permits to carry shall set forth in writing the following information:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the applicant;

(2) the sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any, of the applicant;

(3) a statement that the applicant authorizes the release to the local police authority of information about the applicant collected, created, or maintained by the department of human services, to the extent that the information relates to the applicant's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1, clause (c), (e), or (f);

(4) a statement by the applicant that the applicant is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

~~(4)~~ (5) a recent color photograph of the applicant.

The application shall be signed and dated by the applicant.

Sec. 24. Minnesota Statutes 1993 Supplement, section 624.7181, is amended to read:

624.7181 [RIFLES AND SHOTGUNS IN PUBLIC PLACES.]

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

(a) "BB gun" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter.

(b) "Carry" does not include:

(1) the carrying of a BB gun, rifle, or shotgun to, from, or at a place where firearms are repaired, bought, sold, traded, or displayed, or where hunting, target shooting, or other lawful activity involving firearms occurs, or at funerals, parades, or other lawful ceremonies;

(2) the carrying by a person of a BB gun, rifle, or shotgun that is unloaded and in a gun case expressly made to contain a firearm, if the case fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened, and no portion of the firearm is exposed;

(3) the carrying of a BB gun, rifle, or shotgun by a person who has a permit under section 624.714;

(4) the carrying of an antique firearm as a curiosity or for its historical significance or value; or

(5) the transporting of a BB gun, rifle, or shotgun in compliance with section 97B.045.

~~(b)~~ (c) "Public place" means property owned, leased, or controlled by a governmental unit and private property that is regularly and frequently open to or made available for use by the public in sufficient numbers to give clear notice of the property's current dedication to public use but does not include: a person's dwelling house or premises, the place of business owned or managed by the person, or land possessed by the person; a gun show, gun shop, or hunting or target shooting facility; or the woods, fields, or waters of this state where the person is present lawfully for the purpose of hunting or target shooting or other lawful activity involving firearms.

Subd. 2. [GROSS MISDEMEANOR.] Whoever carries a BB gun, rifle, or shotgun on or about the person in a public place is guilty of a gross misdemeanor.

Subd. 3. [EXCEPTIONS.] This section does not apply to officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States, or private detectives or protective agents, to the extent that these persons are authorized by law to carry firearms and are acting in the scope of their official duties.

Sec. 25. [629.625] [CONDITIONS OF PRETRIAL RELEASE.]

A judge or judicial officer may order, as a condition of pretrial release, that the defendant must refrain from possessing a firearm, destructive device, or other dangerous weapon during the conditional release period. This condition may be imposed in addition to any other condition authorized by Rule 6.02 of the Rules of Criminal Procedure.

Sec. 26. [FIREARMS REPORT REQUIRED.]

The criminal justice statistical analysis center of the office of strategic and long-range planning shall report to the legislature no later than January 31 of each year on the number of persons arrested, charged, convicted, and sentenced for violations of each state law affecting the use or possession of firearms. The report must include complete statistics, including full information on the firearms involved, on each crime committed affecting the use or possession of firearms and a breakdown by county of the crimes committed.

Sec. 27. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall consider increasing the severity level ranking of the crime of theft of a firearm. If the commission modifies the ranking, the commission shall apply the modification to crimes committed on or after August 1, 1994.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective August 1, 1994, and apply to crimes committed on or after that date.

ARTICLE 4

LAW ENFORCEMENT

Section 1. [8.35] [CRIME INFORMATION REWARD FUND; ESTABLISHMENT AND ADMINISTRATION.]

Subdivision 1. [CREATION.] A crime information reward fund is created as an account in the state treasury. Money appropriated to the account is available to pay rewards as directed by the board under subdivision 3.

Subd. 2. [CRIME INFORMATION REWARD BOARD.] A crime information reward board is established consisting of the following members:

(1) the attorney general;

(2) the chair of the house judiciary committee;

(3) the chair of the senate crime prevention committee;

(4) the commissioner of public safety;

(5) a county attorney appointed by the governor;

(6) a police chief or sheriff appointed by the governor; and

(7) a public member appointed by the governor, who is a crime victim.

The attorney general shall serve as chair of the board.

Subd. 3. [POWERS AND DUTIES.] The board is authorized to pay a reward to any person who, in response to a board-sponsored reward offer, provides information leading to the arrest and conviction of a criminal offender. The board shall establish criteria for determining the amount of the reward and the duration of the reward offer. In no event shall a reward exceed $..... or a reward offer remain open longer than .. days. The board shall select the criminal investigations for which rewards are offered based on recommendations made by board members or by the law enforcement agency or agencies conducting the criminal investigation.

Subd. 4. [TERMS; COMPENSATION; VACANCIES; MEETINGS.] Section 15.075 governs the membership terms, compensation, and removal of members and the filling of membership vacancies, except that board members are not eligible to receive per diem compensation. The board shall meet at the call of the chair to make decisions regarding reward offers and the payment of rewards. The board may conduct its meetings by means of telephone conference calls, where necessary.

Sec. 2. Minnesota Statutes 1993 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to court order;

(3) pursuant to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;

(9) to the Minnesota department of jobs and training for the purpose of monitoring the eligibility of the data subject for unemployment compensation, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children~~, medical assistance, general assistance, work readiness, or general assistance medical care~~ may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties; ~~or~~

(16) the current address of a recipient of general assistance, work readiness, or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient, and to law enforcement officers who are investigating the recipient in connection with a gross misdemeanor or felony level offense; or

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c).

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15) ~~or~~, (16)~~;~~, or (17), or paragraph (b) are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 3. Minnesota Statutes 1993 Supplement, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency or a law enforcement dispatching agency working under direction of a law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

(a) when access to the data would reveal the identity of an undercover law enforcement officer;

(b) when access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;

(c) when access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant;

(d) when access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual;

(e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred; ~~or~~

(f) when access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller; or

(g) when access to the data would reveal the identity of a juvenile witness and the agency reasonably determines that the subject matter of the investigation justifies protecting the identity of the witness.

Data concerning individuals whose identities are protected by this subdivision are private data about those individuals. Law enforcement agencies shall establish procedures to acquire the data and make the decisions necessary to protect the identity of individuals described in ~~clause~~ clauses (d) and (g).

Sec. 4. Minnesota Statutes 1992, section 13.99, subdivision 79, is amended to read:

Subd. 79. [PEACE OFFICERS, COURT SERVICES, AND CORRECTIONS RECORDS OF JUVENILES.] Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3. Disclosure to school officials of court services data on juveniles adjudicated delinquent is governed by section 260.161, subdivision 3a.

Sec. 5. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, "patient" means a person who is admitted to an acute care inpatient facility for a continuous period longer than 24 hours, for the purpose of diagnosis or treatment bearing on the physical or mental health of that person. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under Minnesota Rules, parts 9530.4100 to 9530.4450. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident.

Sec. 6. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 21, is amended to read:

Subd. 21. [COMMUNICATION PRIVACY.] Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, clause 2, this right shall also be limited accordingly.

Sec. 7. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 26, is amended to read:

Subd. 26. [RIGHT TO ASSOCIATE.] Residents may meet with visitors and participate in activities of commercial, religious, political, as defined in section 203B.11 and community groups without interference at their discretion if the activities do not infringe on the right to privacy of other residents or are not programmatically contraindicated. This includes the right to join with other individuals within and outside the facility to work for improvements in long-term care. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident.

Sec. 8. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate any of the following, and convicted of or adjudicated delinquent for that offense or of another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2);

(ii) kidnapping under section 609.25, involving a minor victim; or

(iii) criminal sexual conduct under section 609.342~~, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f)~~; 609.343~~, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f)~~; 609.344~~, subdivision 1, paragraph (c), or (d)~~; or 609.345~~, subdivision 1, paragraph (c), or (d)~~; or

(2) the person was convicted of a predatory crime as defined in section 609.1352, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal.

(b) A person also shall register under this section if:

(1) the person was convicted or adjudicated in another state of an offense which would be a violation of a law described in paragraph (a) if committed in this state; and

(2) the person enters and remains in this state for 30 days or longer.

Sec. 9. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under ~~this section~~ subdivision 1, paragraph (a), is sentenced, the court shall tell the person of the duty to register under this section. The court shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. If a person required to register under this section was not notified by the court of the registration requirement at the time of sentencing, the assigned corrections agent shall notify the person of the requirements of this section.

Sec. 10. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) ~~The~~ A person required to register under subdivision 1, paragraph (a), shall register with the corrections agent as soon as the agent is assigned to the person. A person required to register under subdivision 1, paragraph (b), shall register with the bureau of criminal apprehension.

(b) If the person changes residence address, the person shall give the new address to the current or last assigned Minnesota corrections agent or, where applicable, to the Bureau of Criminal Apprehension in writing within ten days. An offender is deemed to change addresses when the offender remains at a new address for longer than two weeks and evinces an intent to take up residence there. The agent shall, within three business days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 11. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the corrections agent or to the bureau of criminal apprehension must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the corrections agent shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension. The bureau shall send one copy to the appropriate law enforcement authority that will have jurisdiction where the person will reside on release or discharge.

Sec. 12. Minnesota Statutes 1992, section 243.166, subdivision 5, is amended to read:

Subd. 5. [CRIMINAL PENALTY.] A person required to register under this section who violates any of its provisions or intentionally provides false information to a corrections agent is guilty of a gross misdemeanor. A violation of this section may be prosecuted either where the person resides or where the person was last assigned to a Minnesota corrections agent.

Sec. 13. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under ~~this section~~ subdivision 1, paragraph (a), shall continue to comply with this section until ten years have elapsed since the person was initially assigned to a corrections agent in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. A person required to register under subdivision 1, paragraph (b), shall continue to comply with this section until ten years have elapsed since the person initially entered this state or until the person's probation, supervised release, or parole expires, whichever occurs later.

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Sec. 14. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 9, is amended to read:

Subd. 9. [PRISONERS OR PROBATIONERS FROM OTHER STATES.] When the state accepts ~~a prisoner~~ an offender from another state under a reciprocal agreement under the interstate compact authorized by section 243.16 or under any authorized interstate agreement, the acceptance is conditional on the offender agreeing to register under this section when the offender is living in Minnesota ~~following a term of imprisonment if any part of that term was served in this state~~.

Sec. 15. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 3, is amended to read:

Subd. 3. [VISITORS AND PHONE CALLS.] Subject to the general rules of the treatment facility, a patient has the right to receive visitors and make phone calls. The head of the treatment facility may restrict visits and phone calls on determining that the medical welfare of the patient requires it. Any limitation imposed on the exercise of the patient's visitation and phone call rights and the reason for it shall be made a part of the clinical record of the patient. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident.

Sec. 16. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 4, is amended to read:

Subd. 4. [SPECIAL VISITATION; RELIGION.] A patient has the right to meet with or call a personal physician, spiritual advisor, and counsel at all reasonable times. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or

resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident. The patient has the right to continue the practice of religion.

Sec. 17. Minnesota Statutes 1993 Supplement, section 260.161, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to another juvenile court that has jurisdiction of the juvenile, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court also shall provide copies of records concerning delinquency adjudications, on request, to law enforcement agencies, probation officers, and corrections agents.

The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. Unless otherwise provided by law, all court records shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 18. Minnesota Statutes 1993 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years of age or older and are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in ~~paragraph~~ paragraphs (d), (e), (f), and (g). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes, case supervision by parole agents, and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

(e) Peace officer records of children who are or may be delinquent or who may be engaged in criminal activity may be disseminated to school officials without a juvenile court order when the information in the records is pertinent and necessary to maintaining order and safety in the school building and on school property. A law enforcement agency shall, unless it would jeopardize an ongoing investigation, notify school officials whenever the agency has probable cause to believe a student enrolled in the school has been involved in criminal activity involving the possession or use of a dangerous weapon.

A school official who receives peace officer records under this paragraph may use the information only for the purpose of maintaining order and safety in the school building and on school property. The classification of the data while in the hands of the school official is governed by section 13.03, subdivision 4. As used in this paragraph, "school" means a public or private elementary, middle, or secondary school.

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile prepetition or pretrial diversion program, a law enforcement agency or county attorney's office may provide data concerning a juvenile who is a participant in or is being considered for participation in a juvenile diversion program to appropriate school officials and public or private social service agencies who are participants in the diversion program. School officials and public or private social service agencies may provide data concerning a juvenile who is a participant or is being considered for participation in a juvenile diversion program to an appropriate law enforcement agency or a county attorney's office to the extent permitted by federal law. Any data exchanged pursuant to this clause shall retain the data practices classification which it had with the originating agency and may be used only for law enforcement purposes or for purposes of operation of the diversion program.

(g) Peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated upon request to a local social service agency to promote the best interests of the subject of the data.

Sec. 19. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 3a. [COURT SERVICES DATA ON JUVENILES; DISCLOSURE TO SCHOOL OFFICIALS.] Private or confidential court services data on juveniles who have been adjudicated delinquent may be disseminated to school officials without a juvenile court order when the information in the records is pertinent and necessary to maintaining order and safety in the school building and on school property.

A school official who receives court services data under this subdivision may use the information only for the purpose of maintaining order and safety in the school building and on school property. The classification of the data while in the hands of the school official is governed by section 13.03, subdivision 4.

When data is disseminated under this subdivision, the court services agency must notify the parent or guardian of the subject of the data that the information has been shared with school officials.

As used in this subdivision, "school" means a public or private elementary, middle, or secondary school.

Sec. 20. Minnesota Statutes 1992, section 299A.38, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS.] (a) Only vests that either meet or exceed the requirements of standard ~~0101.01~~ 0101.03 of the National Institute of Justice ~~in effect on December 30, 1986~~, or that meet or exceed the requirements of that standard, except wet armor conditioning, are eligible for reimbursement.

(b) Eligibility for reimbursement is limited to vests bought after December 31, 1986, by or for peace officers (1) who did not own a vest meeting the requirements of paragraph (a) before the purchase, or (2) who owned a vest that was at least six years old.

Sec. 21. Minnesota Statutes 1992 Statutes, section 299C.065, as amended by Laws 1993, chapter 326, article 12, section 6, is amended to read:

299C.065 [UNDERCOVER BUY FUND; WITNESS ASSISTANCE SERVICES; CRIME INFORMATION REWARDS.]

Subdivision 1. [GRANTS.] The commissioner of public safety shall make grants to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322, 609.323, or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution;

(5) witness assistance services in cases involving criminal gang activity in violation of section 609.229, or domestic assault, as defined in section 611A.0315; and

(6) for partial reimbursement of local costs associated with unanticipated, intensive, long-term, multijurisdictional criminal investigations that exhaust available local resources, except that the commissioner may not reimburse the costs of a local investigation involving a child who is reported to be missing and endangered unless the law enforcement agency complies with section 299C.53 and the agency's own investigative policy.

Subd. 1a. [CRIME INFORMATION REWARDS.] A crime information reward fund is created under the administration of the commissioner of public safety. The commissioner is authorized to make grants to local officials to pay a reward to any person who, in response to a reward offer sponsored by a law enforcement agency, provides information leading to the successful arrest and prosecution of a criminal offender. The commissioner shall establish criteria for determining the amount of the reward and the duration of the reward offer.

Subd. 2. [APPLICATION FOR GRANT.] A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 1 or 1a, on forms and pursuant to procedures developed by the superintendent. For grants under subdivision 1, the application shall describe the type of intended criminal investigation, an estimate of the amount of money required, and any other information the superintendent deems necessary.

Subd. 3. [INVESTIGATION REPORT.] A report shall be made to the commissioner at the conclusion of an investigation ~~pursuant to this section~~ for which a grant was made under subdivision 1 stating: (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money", of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the ~~legislature~~ chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each year a report of investigations ~~pursuant to this section~~ receiving grants under subdivision 1.

Subd. 3a. [ACCOUNTING REPORT.] The head of a law enforcement agency that receives a grant under this section for witness assistance services or crime information rewards shall file a report with the commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare

and submit to the ~~legislature~~ chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each year a summary report of witness assistance services and crime information rewards provided under this section.

Subd. 4. [DATA CLASSIFICATION.] An application to the commissioner for money is a confidential record. Information within investigative files that identifies or could reasonably be used to ascertain the identity of assisted witnesses, sources, or undercover investigators is a confidential record. A report at the conclusion of an investigation is a public record, except that information in a report pertaining to the identity or location of an assisted witness is private data.

Sec. 22. Minnesota Statutes 1993 Supplement, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. [LAW ENFORCEMENT DUTY.] It is hereby made the duty of the sheriffs of the respective counties and of the police officers in cities of the first, second, and third classes, under the direction of the chiefs of police in such cities, to take or cause to be taken immediately finger and thumb prints, photographs, tattoo identification data, and such other identification data as may be requested or required by the superintendent of the bureau; of all persons arrested for a felony, gross misdemeanor, of all juveniles committing felonies as distinguished from those committed by adult offenders, of all persons reasonably believed by the arresting officer to be fugitives from justice, of all persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes, and within 24 hours thereafter to forward such fingerprint records and other identification data on such forms and in such manner as may be prescribed by the superintendent of the bureau of criminal apprehension.

Sec. 23. Minnesota Statutes 1992, section 299C.11, is amended to read:

299C.11 [INFORMATION FURNISHED BY SHERIFFS AND POLICE CHIEFS.]

The sheriff of each county and the chief of police of each city of the first, second, and third classes shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, tattoo identification data, and other identification data as may be requested or required by the superintendent of the bureau, which may be taken under the provisions of section 299C.10, of persons who shall be convicted of a felony, gross misdemeanor, or who shall be found to have been convicted of a felony or gross misdemeanor, within ten years next preceding their arrest. Upon the determination of all pending criminal actions or proceedings in favor of the arrested person, the arrested person shall, upon demand, have all such finger and thumb prints, photographs, tattoo identification data, and other identification data, and all copies and duplicates thereof, returned, provided it is not established that the arrested person has been convicted of any felony, either within or without the state, within the period of ten years immediately preceding such determination.

For purposes of this section, "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include the sealing of a criminal record pursuant to section 152.18, subdivision 1, 242.31, or 609.168.

Sec. 24. [299C.115] [COUNTIES TO PROVIDE WARRANT INFORMATION TO STATE CRIMINAL JUSTICE INFORMATION SYSTEM.]

By January 1, 1996, every county shall, in the manner provided in either clause (1) or (2), make warrant information available to other users of the Minnesota criminal justice information system:

(1) the county shall enter the warrant information in the warrant file of the Minnesota criminal justice information system; or

(2) the county, at no charge to the state, shall make the warrant information that is maintained in the county's computer accessible by means of a single query to the Minnesota criminal justice information system.

As used in this section, "warrant information" means information on all outstanding felony, gross misdemeanor, and misdemeanor warrants for adults and juveniles that are issued within the county.

Sec. 25. Minnesota Statutes 1992, section 299C.14, is amended to read:

299C.14 [OFFICERS OF PENAL INSTITUTIONS TO FURNISH BUREAU WITH DATA RELATING TO RELEASED PRISONERS.]

It shall be the duty of the officials having charge of the penal institutions of the state or the release of prisoners therefrom to furnish to the bureau, as the superintendent may require, finger and thumb prints, photographs, tattoo identification data, other identification data, modus operandi reports, and criminal records of prisoners heretofore, now, or hereafter confined in such penal institutions, together with the period of their service and the time, terms, and conditions of their discharge.

Sec. 26. [299C.145] [TATTOO IDENTIFICATION SYSTEM; ESTABLISHMENT AND OPERATION.]

Subdivision 1. [DEFINITION.] As used in this section and in sections 299C.10, 299C.11, and 299C.14, "tattoo identification data" means a photograph of a tattoo and a description of the body location where the tattoo appears.

Subd. 2. [SYSTEM ESTABLISHMENT.] The superintendent shall establish and maintain a system within the bureau to enable law enforcement agencies to submit and obtain tattoo identification data on persons who are under investigation for criminal activity. The system shall cross reference the tattoo identification data with the name of the individual from whose body the tattoo identification data was obtained. The system also shall cross reference tattoo identification data with the names of individuals who have been identified as having a similar or identical tattoo in the same body location.

Subd. 3. [AUTHORITY TO ENTER OR RETRIEVE TATTOO IDENTIFICATION DATA.] Only law enforcement agencies may submit data to and obtain data from the tattoo identification system.

Subd. 4. [RULES.] The bureau may adopt rules to provide for the orderly collection, entry, and retrieval of data contained in the tattoo identification system.

Sec. 27. Minnesota Statutes 1992, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 299C.52 to 299C.56, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent;

(b) "CJIS" means Minnesota criminal justice information system;

(c) "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located; ~~and~~

(d) "NCIC" means National Crime Information Center; and

(e) "Endangered" means that a law enforcement official has received sufficient evidence that the child is with a person who presents a threat of immediate physical injury to the child or physical or sexual abuse of the child.

Sec. 28. Minnesota Statutes 1992, section 299C.53, subdivision 1, is amended to read:

Subdivision 1. [INVESTIGATION AND ENTRY OF INFORMATION.] Upon receiving a report of a child believed to be missing, a law enforcement agency shall conduct a preliminary investigation to determine whether the child is missing. If the child is initially determined to be missing and endangered, the agency shall immediately consult the Bureau of Criminal Apprehension during the preliminary investigation, in recognition of the fact that the first two hours are critical. If the child is determined to be missing, the agency shall immediately enter identifying and descriptive information about the child through the CJIS into the NCIC computer. Law enforcement agencies having direct access to the CJIS and the NCIC computer shall enter and retrieve the data directly and shall cooperate in the entry and retrieval of data on behalf of law enforcement agencies which do not have direct access to the systems.

Sec. 29. Minnesota Statutes 1992, section 299C.53, is amended by adding a subdivision to read:

Subd. 3. [MISSING AND ENDANGERED CHILDREN.] If the bureau of criminal apprehension receives a report from a law enforcement agency indicating that a child is missing and endangered, the superintendent may assist the law enforcement agency in conducting the preliminary investigation, offer resources, and assist the agency in helping implement the investigation policy with particular attention to the need for immediate action.

Sec. 30. Minnesota Statutes 1993 Supplement, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHING GROUP.] The criminal and juvenile information policy group consists of the chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator.

The policy group shall study and make recommendations to the governor, the supreme court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights; ~~and~~

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes; and

(12) the collection of race data in criminal justice information systems.

Sec. 31. Minnesota Statutes 1992, section 299D.07, is amended to read:

299D.07 [HELICOPTERS AND FIXED WING AIRCRAFT.]

The commissioner of public safety is hereby authorized to retain, acquire, maintain and operate helicopters and fixed wing aircraft for the purposes of the highway patrol and the Bureau of Criminal Apprehension and to employ state patrol officer pilots as required.

Sec. 32. Minnesota Statutes 1992, section 403.02, is amended by adding a subdivision to read:

Subd. 9. [ENHANCED 911 SERVICE.] "Enhanced 911 Service" means the use of selective routing, automatic location identification, or local location identification as part of local 911 service.

Sec. 33. Minnesota Statutes 1992, section 403.11, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY TELEPHONE SERVICE FEE.] (a) Each customer of a ~~local exchange~~ telephone company or communications carrier that provides service capable of originating a 911 emergency telephone call is assessed a fee to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for minimum 911 emergency telephone service, plus administrative and staffing costs of the department of administration related to managing the 911 emergency telephone service program. Recurring charges by a public utility providing telephone service for updating the information required by section 403.07, subdivision 3, must be paid by the commissioner for information if the utility is included in an approved 911 plan and the charges have been certified and approved under subdivision 3.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line or other basic access service, including trunk equivalents as designated by the public utilities commission for access charge purposes and including cellular and other nonwire access services. The fee must be the same for all customers.

(c) The fee must be collected by each ~~utility providing local exchange telephone service~~ company or carrier providing service subject to the fee. Fees are payable to and must be submitted to the commissioner of administration monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than $250 a month is due, or annually if less than $25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telephone service account in the special revenue fund. The money in the account may only be used for 911 telephone services as provided in paragraph (a).

(d) The commissioner of administration, with the approval of the commissioner of finance, shall establish the amount of the fee within the limits specified and inform the ~~utilities~~ companies and carriers of the amount to be collected. ~~Utilities~~ Companies and carriers must be given a minimum of 45 days notice of fee changes.

Sec. 34. Minnesota Statutes 1992, section 403.11, subdivision 4, is amended to read:

Subd. 4. [LOCAL RECURRING COSTS.] Recurring costs of telephone communications equipment and services at public safety answering points shall be borne by the local governmental unit operating the public safety answering point or allocated pursuant to section 403.10, subdivision 3. Costs attributable to local government electives for services beyond minimum 911 service not otherwise addressed under section 403.113 shall be borne by the governmental unit requesting the elective service.

Sec. 35. [403.113] [ENHANCED 911 SERVICE COSTS.]

Subdivision 1. [ENHANCED 911 SERVICE FEE.] (a) In addition to the actual fee assessed under section 403.11, each customer receiving local telephone service, excluding cellular or other nonwire service, is assessed a fee to fund implementation and maintenance of enhanced 911 service, including acquisition of necessary equipment and the costs of the department of administration to administer the program. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (b).

(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.

(c) The commissioner of the department of administration, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee and inform telephone companies of the total amount of the 911 service fees in the same manner as provided in section 403.11.

Subd. 2. [ENHANCED 911 SERVICE; DISTRIBUTION OF MONEY.] (a) After payment of the costs of the department of administration to administer the program, the commissioner shall distribute the money collected under this section as follows:

(1) one-half of the amount equally to all qualified counties; and

(2) the remaining one-half to qualified counties and cities with existing 911 systems based on each county's or city's percentage of the total population of qualified counties and cities. The population of a qualified city with an existing system must be deducted from its county's population when calculating the county's share under this clause if the city seeks direct distribution of its share.

(b) A county's share under subdivision 1 must be shared pro rata between the county and existing city systems in the county. A county or city shall deposit money received under this subdivision in an interest-bearing fund or account separate from the county's or city's general fund and may use money in the fund or account only for the purposes specified in subdivision 3.

(c) For the purposes of this subdivision, a county or city is qualified to share in the distribution of money for enhanced 911 service if the county auditor certifies to the commissioner of administration the amount of the county's or city's levy for the cost of providing enhanced 911 service for taxes payable in the year in which money for enhanced 911 service will be distributed. The commissioner may not distribute money to a county or city in an amount greater than twice the amount of the county's or city's certified levy. After December 31, 1998, a county or city is qualified to share in the distribution of money for enhanced 911 service if, in addition to the levy required under this paragraph, it has implemented enhanced 911 service.

(d) For the purposes of this subdivision, "existing city system" means a city 911 system that provides at least basic 911 service and that was implemented on or before April 1, 1993.

Subd. 3. [LOCAL EXPENDITURES.] (a) Money distributed to counties or an existing city system for enhanced 911 service may be spent on enhanced 911 system costs for the purposes stated in subdivision 1, paragraph (a). In addition, money may be spent to lease, purchase, lease-purchase, or maintain enhanced 911 equipment, including telephone equipment; recording equipment; computer hardware; computer software for data base provisioning, addressing, mapping, and any other software necessary for automatic location identification or local location identification; trunk lines; selective routing equipment; the master street address guide; dispatcher public safety answering point equipment proficiency and operational skills; and the equipment necessary within the public safety answering point to notify and communicate with the emergency services requested by the 911 caller.

(b) Money distributed for enhanced 911 service may not be spent on:

(1) purchasing or leasing of real estate or cosmetic additions to or remodeling of communications centers;

(2) mobile communications vehicles, fire engines, ambulances, law enforcement vehicles, or other emergency vehicles;

(3) signs, posts, or other markers related to addressing or any costs associated with the installation or maintenance of signs, posts, or markers.

Subd. 4. [AUDITS.] Each county and city shall conduct an annual audit on the use of funds distributed to it for enhanced 911 service. A copy of each audit report must be submitted to the commissioner of administration.

Subd. 5. [FEE REVIEW.] By January 1, 1999, the commissioner of administration, in consultation with counties and 911 service users, shall review funding requirements for enhanced 911 system costs.

Sec. 36. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [JUDICIAL TRAINING ~~ON DOMESTIC ABUSE, HARASSMENT, AND STALKING~~.]

The supreme court's judicial education program must include ongoing training for district court judges on child and adolescent sexual abuse, domestic abuse, harassment, ~~and~~ stalking ~~laws~~, and related civil and criminal court issues. The program must include information about the specific needs of victims. The program must include education on the causes of sexual abuse and family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on sexual abuse and domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system.

Sec. 37. Minnesota Statutes 1992, section 609.5315, subdivision 3, is amended to read:

Subd. 3. [USE BY LAW ENFORCEMENT.] (a) Property kept under this section may be used only in the performance of official duties of the appropriate agency or prosecuting agency and may not be used for any other purpose. If an appropriate agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use and adaptation by the agency's officers who participate in the drug abuse resistance education program.

(b) Proceeds from the sale of property kept under this subdivision must be disbursed as provided in subdivision 5.

Sec. 38. Minnesota Statutes 1992, section 626.556, subdivision 3a, is amended to read:

Subd. 3a. [REPORT OF DEPRIVATION OF PARENTAL RIGHTS OR KIDNAPPING.] A person mandated to report under subdivision 3, who knows or has reason to know of a violation of section 609.25 or 609.26, shall report the information to the local police department or the county sheriff. Receipt by a local welfare agency of a report or notification of a report of a violation of section 609.25 or 609.26 shall not be construed to invoke the duties of subdivision 10, 10a, or 10b.

Sec. 39. Minnesota Statutes 1992, section 626.76, is amended to read:

626.76 [RULES AND REGULATIONS; AIDING OTHER OFFICERS.]

Subdivision 1. Any appointive or elective agency or office of peace officers as defined in subdivision 3 may establish rules or regulations and enter into agreements with other offices and agencies for:

(1) assisting other peace officers in the line of their duty and within the course of their employment; and

(2) exchanging the agency's peace officers with peace officers of another agency or office on a temporary basis.

Additionally, the agency or office may establish rules and regulations for assisting probation, parole, and supervised release agents who are supervising probationers, parolees, or supervised releasees in the geographic area within the agency's or office's jurisdiction.

Subd. 2. When a peace officer gives assistance to another peace officer or to a parole, probation, or supervised release agent within the scope of the rules or regulations of the peace officer's appointive or elected agency or office, any such assistance shall be within the line of duty and course of employment of the officer rendering the assistance.

Subd. 2a. When a peace officer acts on behalf of another agency or office within the scope of an exchange agreement entered into under subdivision 1, the officer's actions are within the officer's line of duty and course of employment to the same extent as if the officer had acted on behalf of the officer's employing agency.

Subd. 3. For the purposes of this section ~~the term,~~ "peace officer" means any member of a police department, state patrol, game warden service, sheriff's office, or any other law enforcement agency, the members of which have, by law, the power of arrest.

Subd. 4. This section shall in no way be construed as extending or enlarging the duties or authority of any peace officer or any other law enforcement agent as defined in subdivision 3 except as provided in this section.

Sec. 40. [626.8454] [MANUAL AND POLICY FOR INVESTIGATING CASES INVOLVING CHILDREN WHO ARE MISSING AND ENDANGERED.]

Subdivision 1. [MANUAL.] By July 1, 1994, the superintendent of the Bureau of Criminal Apprehension shall transmit to law enforcement agencies a training and procedures manual on child abduction investigations.

Subd. 2. [MODEL INVESTIGATION POLICY.] By January 1, 1995, the peace officer standards and training board shall develop a model investigation policy for cases involving children who are missing and endangered as defined in section 299C.52. The model policy shall describe the procedures for the handling of cases involving children who are missing and endangered. In developing the policy, the board shall consult with representatives of the Bureau of Criminal Apprehension, Minnesota police chiefs association, Minnesota sheriff's association, Minnesota police and peace officers association, Minnesota association of women police, Minnesota county attorneys association, and victims advocacy groups. The manual on child abduction investigation shall serve as a basis for defining the specific actions to be taken during the early investigation.

Subd. 3. [LOCAL POLICY.] By August 1, 1995, each chief of police and sheriff shall establish and implement a written policy governing the investigation of cases involving children who are missing and endangered as defined in section 299C.52. The policy shall be based on the model policy developed under subdivision 2. The policy shall include specific actions to be taken during the initial two-hour period.

Sec. 41. Minnesota Statutes 1992, section 626.846, subdivision 6, is amended to read:

Subd. 6. A person seeking election or appointment to the office of sheriff, or seeking appointment to the position of chief law enforcement officer, as defined by the rules of the board, after June 30, 1987, must be licensed or eligible to be licensed as a peace officer. The person shall submit proof of peace officer licensure or eligibility as part of the application for office. A person elected or appointed to the office of sheriff or the position of chief law enforcement officer shall be licensed as a peace officer during the person's term of office or employment.

Sec. 42. Minnesota Statutes 1992, section 629.73, is amended to read:

629.73 [NOTICE TO ~~SEXUAL ASSAULT~~ CRIME VICTIM REGARDING RELEASE OF ARRESTED OR DETAINED PERSON.]

Subdivision 1. [ORAL NOTICE.] When a person arrested or a juvenile detained for ~~criminal sexual conduct or attempted criminal sexual conduct~~ a crime of violence or an attempted crime of violence is about to be released from pretrial detention, the agency having custody of the arrested or detained person or its designee shall make a reasonable and good faith effort before release to inform orally the victim or, if the victim is incapacitated, the same or next of kin, or if the victim is a minor, the victim's parent or guardian of the following matters:

(1) the conditions of release, if any;

(2) the time of release;

(3) the time, date, and place of the next scheduled court appearance of the arrested or detained person and, where applicable, the victim's right to be present at the court appearance; and

(4) the location and telephone number of the area sexual assault program as designated by the commissioner of corrections.

Subd. 2. [WRITTEN NOTICE.] As soon as practicable after the arrested or detained person is released, the agency having custody of the arrested or detained person or its designee must personally deliver or mail to the alleged victim written notice of the information contained in subdivision 1, clauses (2) and (3).

Sec. 43. [BUREAU OF CRIMINAL APPREHENSION; REPORT TO LEGISLATURE REQUIRED.]

The superintendent of the Bureau of Criminal Apprehension shall conduct a study of the mandate in Minnesota Statutes, sections 299C.10 and 299C.11, that local law enforcement agencies take finger and thumb prints of persons arrested for certain crimes and forward copies of the prints to the bureau within 24 hours. The superintendent shall determine the extent to which law enforcement agencies comply or fail to comply with this law and shall analyze the reasons for lack of compliance where it exists.

By January 15, 1995, the superintendent shall submit a report to the chair of the house judiciary committee and the chair of the senate crime prevention committee. The report shall contain the superintendent's findings and shall make recommendations for improving the accuracy, comprehensiveness, and timeliness of finger and thumb print data collection within the criminal justice system.

Sec. 44. [CRIMINAL ALERT NETWORK.]

Subdivision 1. [PLAN.] The commissioner of public safety, in cooperation with the commissioner of administration, shall develop a plan for an integrated criminal alert network to facilitate the communication of crime prevention information by electronic means among state agencies, law enforcement officials, and the private sector. The plan shall identify ways to disseminate data regarding the commission of crime, including information on missing and endangered children. In addition, the plan shall consider methods of reducing theft and other crime by the use of electronic transmission of information. In developing the plan, the commissioner shall consider the efficacy of existing means of transmitting information about crime and evaluate the following means of information transfer: existing state computer networks, INTERNET, and fax machines, including broadcast fax procedures.

Subd. 2. [REPORT.] The commissioner shall report to the legislature by January 1, 1995, concerning the details of the plan.

Sec. 45. [GANG RESISTANCE EDUCATION TRAINING; PILOT PROGRAMS.]

Subdivision 1. [TRAINING PROGRAM.] The Bureau of Criminal Apprehension shall develop a pilot program to train peace officers to teach the gang resistance education training (GREAT) curriculum in middle schools. The training program must be approved by the commissioner.

Subd. 2. [GRANTS.] Law enforcement agencies and school districts may apply to the commissioner for grants to enable peace officers to undergo the training described in subdivision 1. Grants may be used to cover the cost of the training as well as reimbursement for actual, reasonable travel and living expenses incurred in connection with the training. The commissioner shall administer the program, shall promote it throughout the state, and is authorized to receive money from public and private sources for use in carrying it out.

Subd. 3. [REPORTS.] The commissioner may require grant recipients to account to the commissioner at reasonable time intervals regarding the use of grants and the training and programs provided.

Subd. 4. [EVALUATION.] The commissioner shall evaluate the success of the gang resistance education training pilot program and report conclusions and recommendations to the chairs of the house judiciary committee and the senate crime prevention committee by February 1, 1995.

Sec. 46. [INTERIM FEE AND DISTRIBUTION.]

Until January 1, 1996, the enhanced 911 service fee is ten cents per month in addition to the fee actually collected under Minnesota Statutes 1992, section 403.11, subdivision 1. The additional fee is imposed effective January 1, 1995. Distribution of the revenue from the fee under Minnesota Statutes, section 403.113, subdivision 2, must begin March 1, 1995. The commissioner of the department of administration shall determine the amount of the additional enhanced 911 service fee to be in effect beginning January 1, 1996, under Minnesota Statutes, section 403.113.

Sec. 47. [PRETRIAL SERVICES.]

The conference of chief judges shall consider including within the pretrial services checklist:

(1) an evaluation of the proximity of the residences of the alleged offender and the victim, including whether the victim and defendant cohabitate or are close neighbors if the case involves criminal sexual conduct or domestic violence; and

(2) an attempt to contact the victim or victim's family to verify information on which the bail decision is based.

Sec. 48. [TRAINING FOR PROSECUTORS.]

The county attorneys association, in conjunction with the attorney general's office, shall prepare and conduct an annual training course for county attorneys and city attorneys to deal with the prosecution of bias-motivated crimes. The course may be combined with other training conducted by the county attorneys association or other groups.

ARTICLE 5

EXPLOSIVES AND BLASTING AGENTS

Section 1. Minnesota Statutes 1992, section 299F.71, is amended to read:

299F.71 [POLICY.]

The beneficial use of explosives and blasting agents has resulted in great savings of time, labor, and money in the development of the state. However, existing laws and rules have not restricted explosives to those who would use or contribute to their use for beneficial purposes. The inattentive care, indiscriminate and unrecorded transfer and perverse use of explosives has resulted in death, grave personal injury, and substantial property damage in this state; in addition, the resulting bombings and bombing threats have terrorized and inconvenienced the public.

It is the policy of this state to require such controls of explosives and blasting agents and their component parts from the time prior to manufacture through ultimate use as are necessary to protect the safety and welfare of the public, without unduly restricting the legitimate manufacture, sale, transport, and use of explosives and blasting agents.

Sec. 2. Minnesota Statutes 1992, section 299F.72, is amended by adding a subdivision to read:

Subd. 1a. [BLASTING AGENT.] "Blasting agent" means any material or mixture (1) that consists of a fuel and oxidizer, (2) that is intended for blasting, (3) that is not otherwise classified as an explosive, (4) in which none of the ingredients is classified as an explosive, and (5) when a finished product, as mixed and packaged for use or shipment, that cannot be detonated by means of a number eight test blasting cap when unconfined. The term does not include flammable liquids or flammable gases.

Sec. 3. Minnesota Statutes 1992, section 299F.72, is amended by adding a subdivision to read:

Subd. 1b. [CRIME OF VIOLENCE.] "Crime of violence" includes murder in the first, second, and third degrees; manslaughter in the first and second degrees; aiding suicide; aiding attempted suicide; felony violations of assault in the first, second, third, and fourth degrees; terroristic threats; use of drugs to injure or to facilitate crime; simple robbery; aggravated robbery; kidnapping; false imprisonment; criminal sexual conduct in the first, second, third, and fourth degrees; theft of a firearm; arson in the first and second degrees; riot; burglary in the first, second, third, and fourth degrees; reckless use of a gun or dangerous weapon; intentionally pointing a gun at or towards a human being; setting a spring gun; and unlawfully owning, possessing, or operating a machine gun or short-barreled shotgun; and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. Crime of violence also includes a felony violation of chapter 152; and a domestic assault conviction when committed within the last three years or while an order for protection is active against the person, whichever period is longer.

Sec. 4. Minnesota Statutes 1992, section 299F.72, subdivision 2, is amended to read:

Subd. 2. [EXPLOSIVE.] "Explosive" means any chemical compound ~~or~~, mixture, or device, the primary or common purpose of which is to function by explosion; that is, with substantially instantaneous release of gas and heat~~; but shall~~, unless the compound, mixture, or device is otherwise specifically classified by the United States Department of Transportation. The term does not mean or include ~~the components for handloading rifle, pistol, and shotgun ammunition, and/or rifle, pistol and shotgun ammunition,~~ black powder, smokeless powder, primers, and fuses when used for ~~ammunition and components for~~ antique or replica muzzleloading rifles, pistols, muskets, shotguns, and cannons~~,~~ or when possessed or used for rifle, pistol, and shotgun ammunition, nor does it include fireworks as defined in section 624.20~~, nor shall it include any fertilizer product possessed, used or sold solely for a legitimate agricultural, forestry, conservation, or horticultural purpose~~.

Sec. 5. Minnesota Statutes 1992, section 299F.73, is amended to read:

299F.73 [LICENSE REQUIRED.]

Subdivision 1. [MANUFACTURE, ASSEMBLY, OR STORAGE ~~OF EXPLOSIVES~~.] No person shall manufacture, assemble, warehouse or store explosives or blasting agents for purposes of wholesale or retail sale, or for any other purpose other than for ultimate consumption without being licensed to do so by the commissioner of public safety.

Subd. 2. [APPLICATION.] In order to obtain the license herein required such person shall make application to the commissioner of public safety. The application shall be on forms provided by the commissioner of public safety and shall require such information as the commissioner deems necessary including but not limited to the name, address, age, experience and knowledge of the applicant in the use, handling, and storage of explosives ~~and explosive devices~~ or blasting agents, and whether the applicant is a person to whom no such license may be issued pursuant to section 299F.77. The commissioner of public safety may refuse to issue a license to any person who does not have sufficient knowledge of the use, handling, or storage of explosives or blasting agents to protect the public safety. Any person aggrieved by the denial of a license may request a hearing before the commissioner of public safety. The provisions of sections 14.57 to 14.69 shall apply to such hearing and subsequent proceedings, if any.

Sec. 6. Minnesota Statutes 1992, section 299F.74, is amended to read:

299F.74 [PERMIT REQUIRED FOR POSSESSION OR USE.]

No person shall possess explosives or blasting agents, unless said person shall have obtained a valid license as provided in section 299F.73, or unless said person shall have obtained a valid permit for the use of explosives or blasting agents as hereinafter provided. The transportation of an explosive or blasting agent by a common carrier for hire shall not be deemed to be possession of an explosive or blasting agent for purposes of this section.

Sec. 7. Minnesota Statutes 1992, section 299F.75, is amended to read:

299F.75 [PERMIT APPLICATION.]

Subdivision 1. [REQUIREMENT.] Any person desiring to possess explosives or blasting agents, other than a person licensed as provided in section 299F.73, shall make application for a permit for the use of explosives or blasting agents to the appropriate local sheriff or chief of police of a statutory or home rule charter city of the first, second or third class, or such other person as is designated by the commissioner of public safety, on a standardized form provided by the commissioner of public safety.

Subd. 2. [CONTENTS.] The application shall require the applicant's name, address, purpose for acquiring explosives or blasting agents, place of intended acquisition, quantity required, place and time of intended use, place and means of storage until such use and whether the applicant is a person to whom no such permit may be issued pursuant to section 299F.77. Issuing authorities may request a certificate from the applicant regarding the applicant's knowledge in the use, handling, and storage of explosives and blasting agents, and may refuse to issue a permit to any person who does not have sufficient knowledge to protect the public safety. Any person aggrieved by the denial of a permit may request a hearing before the commissioner of public safety. The provisions of sections 14.57 to 14.69 shall apply to such hearings and subsequent proceedings, if any.

Subd. 3. [NOTICE.] Prior to the storage or use of explosives or blasting agents, the applicant shall notify the appropriate local fire official and law enforcement agency.

Sec. 8. Minnesota Statutes 1992, section 299F.77, is amended to read:

299F.77 [ISSUANCE TO CERTAIN PERSONS PROHIBITED.]

The following persons shall not be entitled to receive an explosives license or permit:

(a) ~~Any person who within the past five years has been convicted of a felony or gross misdemeanor involving moral turpitude, is on parole or probation therefor, or is currently under indictment for any such crime~~ a person under the age of 18 years;

(b) ~~Any person with mental illness or mental retardation as defined in section 253B.02 who has been confined or committed in Minnesota or elsewhere for mental illness or mental retardation to any hospital, mental institution or sanitarium, or who has been certified by a medical doctor as being mentally ill or mentally retarded, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability~~ a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person's civil rights have been restored or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions that would have been crimes of violence if they had been committed in this state;

(c) ~~Any person who is or has been hospitalized or committed for treatment for the habitual use of a narcotic drug, as defined in section 152.01, subdivision 10 or a controlled substance, as defined in section 152.01, subdivision 4, or who has been certified by a medical doctor as being addicted to narcotic drugs or depressant or stimulant drugs, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability~~ a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person, as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person is no longer suffering from this disability;

(d) ~~Any person who by reason of the habitual and excessive use of intoxicating liquors is incapable of self management or management of personal affairs and who has been confined or committed to any hospital, or treatment facility in this state or elsewhere as a "chemically dependent person" as defined in section 253B.02, or who has been certified by a medical doctor as being addicted to alcohol, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability~~ a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled

substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years; and

(e) ~~Any person under the age of 18 years~~ a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent," as defined in section 253B.02, unless the person has completed treatment.

Sec. 9. Minnesota Statutes 1992, section 299F.78, subdivision 1, is amended to read:

Subdivision 1. [~~REQUIREMENTS TO TRANSFER~~ TRANSFERRING EXPLOSIVES OR BLASTING AGENTS.] No person shall transfer explosives or blasting agents to another unless the transferee shall display to the transferor a copy of a valid license or use permit and proper identification, and unless said transferee shall present to the transferor a signed ~~standardized~~ form ~~provided by the commissioner of public safety,~~ acknowledging receipt of the quantity of explosives or blasting agents transferred, the identifying numbers of the same explosives, or if none, the identifying numbers of the primary container from which the ~~same~~ explosives or blasting agents were distributed, and the serial number of the use permit displayed~~, which receipt shall be kept among the transferor's records until authorized to dispose of it by the state fire marshal~~.

Sec. 10. [299F.785] [BLACK POWDER.]

No person shall manufacture, assemble, warehouse, or store black powder for purposes of wholesale or retail sale without being licensed to do so by the commissioner of public safety. The license shall be as prescribed by section 299F.73, subdivision 2. Persons who purchase more than five pounds of black powder shall provide suitable identification to the licensee and the licensee shall record the person's name and date of birth, date of purchase, and amount purchased. Additional information may be required by the commissioner. The records maintained by the licensee must be open to the inspection of any peace officer acting in the normal course of duties. Persons shall notify the appropriate local fire official before storing more than five pounds of black powder.

Sec. 11. Minnesota Statutes 1992, section 299F.79, is amended to read:

299F.79 [UNAUTHORIZED POSSESSION ~~WITH INTENT~~ OF COMPONENTS; PENALTY.]

Whoever possesses one or more of the components necessary to manufacture or assemble explosives or blasting agents, with the intent to manufacture or assemble explosives or blasting agents, unless said person shall have a valid license or permit as provided by sections 299F.73 and 299F.75, may be sentenced to imprisonment for not more than five years or payment of a fine of not more than $10,000, or both.

Sec. 12. Minnesota Statutes 1992, section 299F.80, is amended to read:

299F.80 [UNAUTHORIZED POSSESSION OF EXPLOSIVES ~~WITHOUT PERMIT~~ OR BLASTING AGENTS; PENALTY.]

Subdivision 1. [POSSESSION WITHOUT LICENSE OR PERMIT.] Except as provided in subdivision 2, whoever possesses explosives or blasting agents without a valid license or permit may be sentenced to imprisonment for not more than five years or payment of a fine of not more than $10,000, or both.

Subd. 2. [POSSESSION FOR LEGITIMATE PURPOSES; PENALTY.] Whoever possesses ~~dynamite or other~~ explosives or blasting agents commonly used for agricultural, forestry, conservation, industry or mining purposes, without a valid license or permit, with intent to use the same for legitimate agricultural, forestry, conservation, industry or mining purposes, and in only such quantities as are reasonably necessary for such intended use, may be sentenced to imprisonment for not more than 90 days or to a payment of a fine of not more than ~~$300~~ $700, or both.

Sec. 13. Minnesota Statutes 1992, section 299F.82, is amended to read:

299F.82 [ILLEGAL TRANSFER.]

Subdivision 1. [PENALTY.] Except as provided in subdivision 2, whoever illegally transfers an explosive or blasting agent to another may be sentenced to imprisonment for not more than five years or payment of a fine of not more than $10,000, or both.

Subd. 2. [PENALTY; LEGITIMATE PURPOSES.] Whoever illegally transfers ~~dynamite or other~~ explosives or blasting agents commonly used for agricultural, forestry, conservation, industry or mining purposes to another, personally known to the transferrer, in the belief that the same shall be used for legitimate agricultural, forestry, conservation, industry or mining purposes, and in only such quantities as are reasonably necessary for such believed use, 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.

Sec. 14. Minnesota Statutes 1992, section 299F.83, is amended to read:

299F.83 [NEGLIGENT DISCHARGE.]

Whoever, acting with gross disregard for human life or property, negligently causes an explosive~~, explosive device, or incendiary device~~, or blasting agent to be discharged may be sentenced to imprisonment for not more than ten years or payment of a fine of not more than $20,000, or both.

Sec. 15. [299F.831] [HANDLING WHILE INFLUENCED BY ALCOHOL OR DRUG.]

Subdivision 1. [PROHIBITION.] A person shall not handle or use explosives or blasting agents while under the influence of alcohol or controlled substances as defined by section 169.121, subdivision 1.

Subd. 2. [PENALTY.] Whoever handles or uses an explosive or blasting agent while under the influence of alcohol or a controlled substance is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or payment of a fine of not more than $700, or both.

Sec. 16. [609.668] [EXPLOSIVE AND INCENDIARY DEVICES.]

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

(a) "Explosive device" means a device so articulated that an ignition by fire, friction, concussion, chemical reaction, or detonation of any part of the device may cause such sudden generation of highly heated gases that the resultant gaseous pressures are capable of producing destructive effects. Explosive devices include, but are not limited to, bombs, grenades, rockets having a propellant charge of more than four ounces, mines, and fireworks modified for other than their intended purpose. The term includes devices that produce a chemical reaction that produces gas capable of bursting its container and producing destructive effects. The term does not include firearms ammunition.

(b) "Incendiary device" means a device so articulated that an ignition by fire, friction, concussion, detonation, or other method may produce destructive effects primarily through combustion rather than explosion. The term does not include a manufactured device or article in common use by the general public that is designed to produce combustion for a lawful purpose, including but not limited to matches, lighters, flares, or devices commercially manufactured primarily for the purpose of illumination, heating, or cooking. The term does not include firearms ammunition.

(c) "Crime of violence" includes murder in the first, second, and third degrees; manslaughter in the first and second degrees; aiding suicide; aiding attempted suicide; felony violations of assault in the first, second, third, and fourth degrees; terroristic threats; use of drugs to injure or to facilitate crime; simple robbery; aggravated robbery; kidnapping; false imprisonment; criminal sexual conduct in the first, second, third, and fourth degrees; theft of a firearm; arson in the first and second degrees; riot; burglary in the first, second, third, and fourth degrees; reckless use of a gun or dangerous weapon; intentionally pointing a gun at or toward a human being; setting a spring gun; and unlawfully owning, possessing, or operating a machine gun or short-barreled shotgun; and an attempt to commit any of these offenses. "Crime of violence" also includes a felony violation of chapter 152; and a domestic assault conviction when committed within the last three years or while an order for protection is active against the person, whichever period is longer.

Subd. 2. [POSSESSION BY CERTAIN PERSONS PROHIBITED.] The following persons are prohibited from possessing or reporting an explosive device or incendiary device:

(a) a person under the age of 18 years;

(b) a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person's civil rights have been restored or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions that would have been crimes of violence if they had been committed in this state;

(c) a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person, as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent," as defined in section 253B.02, unless the person has completed treatment; and

(f) a peace officer who is informally admitted to a treatment facility under section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility.

A person who in good faith issues a certificate to a person described in this subdivision to possess or use an incendiary or explosive device is not liable for damages resulting or arising from the actions or misconduct with an explosive or incendiary device committed by the individual who is the subject of the certificate.

Subd. 3. [USES PERMITTED.] (a) The following persons may own or possess an explosive device or incendiary device provided that subdivision 4 is complied with:

(1) law enforcement officers for use in the course of their duties;

(2) fire department personnel for use in the course of their duties;

(3) corrections officers and other personnel at correctional facilities or institutions when used for the retention of persons convicted or accused of crime;

(4) persons possessing explosive devices or incendiary devices that although designed as devices have been determined by the commissioner of public safety or the commissioner's delegate, by reason of the date of manufacture, value, design, or other characteristics, to be a collector's item, relic, museum piece, or specifically used in a particular vocation or employment, such as the entertainment industry; and

(5) dealers and manufacturers who are federally licensed or registered.

(b) Persons listed in paragraph (a) shall also comply with the federal requirements for the registration and licensing of destructive devices.

Subd. 4. [REPORT REQUIRED.] (a) Before owning or possessing an explosive device or incendiary device as authorized by subdivision 3, a person shall file a written report with the department of public safety showing the person's name and address; the person's title, position, and type of employment; a description of the explosive device or incendiary device sufficient to enable identification of the device; the purpose for which the device will be owned or possessed; the federal license or registration number, if appropriate; and other information as the department may require.

(b) Before owning or possessing an explosive device or incendiary device, a dealer or manufacturer shall file a written report with the department of public safety showing the name and address of the dealer or manufacturer; the federal license or registration number, if appropriate; the general type and disposition of the device; and other information as the department may require.

Subd. 5. [EXCEPTIONS.] This section does not apply to:

(1) members of the armed forces of either the United States or the state of Minnesota when for use in the course of duties;

(2) educational institutions when the devices are manufactured or used in conjunction with an official education course or program;

(3) propellant-actuated devices, or propellant-actuated industrial tools manufactured, imported, or distributed for their intended purpose;

(4) items that are neither designed or redesigned for use as explosive devices or incendiary devices;

(5) governmental organizations using explosive devices or incendiary devices for agricultural purposes or control of wildlife;

(6) governmental organizations using explosive devices or incendiary devices for official training purposes or as items retained as evidence; or

(7) arsenals, navy yards, depots, or other establishments owned by, or operated by or on behalf of, the United States.

Subd. 6. [ACTS PROHIBITED; PENALTIES.] (a) Except as otherwise provided in this section, whoever possesses, manufactures, transports, or stores an explosive device or incendiary device in violation of this section may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

(b) Whoever legally possesses, manufactures, transports, or stores an explosive device or incendiary device, with intent to use the device to damage property or cause injury, may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both.

(c) Whoever, acting with gross disregard for human life or property, negligently causes an explosive device or incendiary device to be discharged, may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than $100,000, or both.

Subd. 7. [INITIAL REPORTING.] All persons have 60 days from the effective date of this section to report explosive devices and incendiary devices to the department of public safety.

Sec. 17. Minnesota Statutes 1993 Supplement, section 609.902, subdivision 4, is amended to read:

Subd. 4. [CRIMINAL ACT.] "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 297D.09; 299F.79; 299F.80; ~~299F.811; 299F.815;~~ 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.323; 609.342; 609.343; 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (3)(b) or clause 3(d)(v) or (vi); section 609.52, subdivision 2, clause (4); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668; 609.67; 609.687; 609.713; 609.86; 624.713; or 624.74. "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16) if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

Sec. 18. [REPEALER.]

Minnesota Statutes 1992, sections 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; and 299F.815, as amended by Laws 1993, chapter 326, article 5, section 3; and Minnesota Statutes 1993 Supplement, section 299F.811, are repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective August 1, 1994, and apply to crimes committed on or after that date.

ARTICLE 6

CORRECTIONS

Section 1. [16B.181] [PRODUCTS AND SERVICES FROM CORRECTIONAL FACILITIES.]

The commissioner, in consultation with the commissioner of corrections, shall prepare a list of products and services that are available for purchase from state correctional facilities. After publication of the product and service list by the commissioner, state agencies and institutions shall purchase the listed products and services from the state correctional facilities if the products and services are comparable in price and quality to products and services available from other sources.

Sec. 2. [241.0222] [SECURE JUVENILE DETENTION FACILITY CONSTRUCTION GRANTS.]

Subdivision 1. [GRANTS AUTHORIZED.] The commissioner of corrections shall make grants to Hennepin county, Ramsey county, or groups of counties for up to 80 percent of the construction cost of secure juvenile detention and treatment facilities. The commissioner shall ensure that grants are distributed so that facilities are available for both male and female juveniles, and that the needs of very young offenders can be met. The commissioner shall also require that programming in the facilities be culturally specific and sensitive. To the extent possible, grants should be made for facilities or living units of 12 beds or fewer. No more than one grant shall be made in each judicial district.

Subd. 2. [APPLICATIONS.] Applications for grants shall be submitted to the commissioner using forms and instructions which the commissioner shall provide. The commissioner must notify counties of the amount available for grants under this section for the counties in their judicial district. Applications can be submitted by Hennepin county, Ramsey county, or by a group of counties. The application must indicate that all counties in the judicial district have been consulted in the development of the proposal for the facility. If a county bordering a judicial district requests to join with counties in the adjoining judicial district, the commissioner may allow the county to cooperate in the grant application with the counties in the adjoining district. If the commissioner allows this, the commissioner shall reallocate the grant money attributable to that county to the judicial district with which the county will be cooperating.

Subd. 3. [ELIGIBILITY.] Applicants must include a cooperative plan for the secure detention and treatment of juveniles among the applicant counties. The cooperative plan must identify the location of the facility. The facility must be located within 15 miles of a permanent chambers within the judicial district, as specified in section 2.722, or at the site of an existing county home facility, as authorized in section 260.094, or at the site of an existing detention home, as authorized in section 260.101.

Subd. 4. [ALLOCATION FORMULA.] (a) The commissioner must determine the amount available for grants for counties in each judicial district under this subdivision.

(b) Five percent of the money appropriated for these grants shall be allocated for the counties in each judicial district for a mileage distribution allowance in proportion to the percent each county's surface area comprises of the total surface area of the state. Ninety-five percent of the money appropriated for these grants shall be allocated for the counties in each judicial district using the formula in section 401.10.

(c) The amount allocated for all counties within a judicial district shall be totaled to determine the amount available for a grant within that judicial district. Amounts attributable to a county which the commissioner has authorized to cooperate in a grant with a county or counties in an adjacent judicial district shall be reallocated to that judicial district.

Subd. 5. [AWARD OF GRANT.] The commissioner shall determine the amount of the grant for each applicant. Prior to determining the amount of the grant, the commissioner must determine that a facility of the size proposed is needed in the proposed service area, and that the proposed facility meets the minimum standards and requirements established by the commissioner under section 241.0221, subdivision 4, paragraph (a). The commissioner may reduce the amount of the grant below the amount requested by the applicant if the commissioner determines that the facility could be constructed at lesser cost, or that a smaller facility is warranted. Grants shall be for up to 80 percent of the cost of the facility, but not to exceed the amount allocated for the counties in the judicial district under subdivision 4. The grant may only be used for capital expenditures to acquire, design, construct, renovate, equip, and furnish a secure juvenile detention and treatment facility.

Subd. 6. [AGREEMENT.] Counties receiving grants must agree to provide the money needed to finance the nonstate share of the cost of construction of the facility, and if the grant is to a group of counties, the counties must specify how this cost is allocated among the counties in the group. Counties receiving grants must also agree that the county or group of counties will operate the facility according to the minimum standards and requirements established by the commissioner under section 241.0221, subdivision 4, paragraph (a). Counties and groups of counties receiving grants must also agree to make beds available to all other counties in the judicial district. All costs of operation of the facility must be paid by the county or counties receiving the grants, except that costs for juveniles placed in the facility may be billed to their county of residence by agreement among the counties or by law.

Subd. 7. [BONDS FOR LOCAL SHARE.] Counties receiving a grant under this section may issue general obligation bonds under chapter 475 without an election to finance the nonstate share of the cost of the facility, and the indebtedness will not be included in the net debt limit of the county. Groups of counties receiving a grant may issue these bonds individually, or may agree that the bonds will be issued by a single county, with the full faith, credit, and taxing power of each of the counties in the group pledged for the repayment of the obligations.

Subd. 8. [REALLOCATION OF UNUSED GRANT MONEY.] On December 31, 1996, the commissioner shall determine whether any money remains of the appropriations made in 1994 for the purposes of this section. If any money remains that has not been granted to counties, the commissioner shall invite counties to submit applications for capital improvements to acquire or better publicly owned secure juvenile detention facilities. The commissioner shall consider the needs of applicants for improvements at the facilities and shall make grants to counties whose needs, in the commissioner's judgment, are greatest.

Sec. 3. Minnesota Statutes 1992, section 241.26, subdivision 7, is amended to read:

Subd. 7. [PAYMENT OF BOARD AND ROOM.] The commissioner shall determine the amount to be paid for board and room by such work placement inmate. When special circumstances warrant or for just and reasonable cause, the commissioner may waive the payment by the inmate of board and room charges ~~and report such waivers to the commissioner of finance~~.

Where a work placement inmate is housed in a jail or workhouse, such board and room revenue shall be paid over to such city or county official as provided for in subdivision 2, provided however, that when payment of board and room has been waived, the commissioner shall make such payments from funds appropriated for that purpose.

Sec. 4. [241.275] [PRODUCTIVE DAY INITIATIVE PROGRAMS; CORRECTIONAL FACILITIES; HENNEPIN, RAMSEY, AND ST. LOUIS COUNTIES.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The counties of Hennepin, Ramsey, and St. Louis shall each establish a productive day initiative program in their correctional facilities as described in this section. The productive day program shall be designed to motivate inmates in local correctional facilities to develop basic life and work skills through training and education, thereby creating opportunities for inmates on release to achieve more successful integration into the community.

Subd. 2. [PROGRAM COMPONENTS.] The productive day initiative programs shall include components described in paragraphs (a) to (c).

(a) The initiative programs shall contain programs designed to promote the inmate's self-esteem, self-discipline, and economic self-sufficiency by providing structured training and education with respect to basic life skills, including hygiene, personal financial budgeting, literacy, and conflict management.

(b) The programs shall contain individualized educational, vocational, and work programs designed to productively occupy an inmate for at least eight hours a day.

(c) The program administrators shall develop correctional industry programs, including marketing efforts to attract work opportunities both inside correctional facilities and outside in the community. Program options may include expanding and reorganizing on-site industry programs, locating off-site industry work areas, and community service work programs. To develop innovative work programs, program administrators may enlist members of the business and labor community to help target possible productive enterprises for inmate work programs.

Subd. 3. [ELIGIBILITY.] The administrators of each productive day program shall develop criteria for inmate eligibility for the program.

Subd. 4. [EVALUATION.] The administrators of each of the productive day initiative programs shall develop program evaluation tools to monitor the success of the programs.

Subd. 5. [REPORT.] Hennepin, Ramsey, and St. Louis counties shall each report results of their evaluations to the chairs of the house judiciary finance division and the senate crime prevention finance division by July 1, 1996.

Sec. 5. Minnesota Statutes 1993 Supplement, section 242.51, is amended to read:

242.51 [THE MINNESOTA CORRECTIONAL FACILITY-SAUK CENTRE.]

There is established the Minnesota correctional facility-Sauk Centre at Sauk Centre, Minnesota, in which may be placed persons committed to the commissioner of corrections by the courts of this state who, in the opinion of the commissioner, may benefit from the programs available thereat. The general control and management of the facility shall be under the commissioner of corrections.

~~The commissioner shall charge counties or other appropriate jurisdictions for the actual per diem cost of confinement of juveniles at the Minnesota correctional facility-Sauk Centre.~~

~~The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. All money received under this section must be deposited to the general fund.~~

Sec. 6. Minnesota Statutes 1992, section 243.05, is amended by adding a subdivision to read:

Subd. 1a. [DETENTION OF FELONS WHO FLEE PENDING SENTENCING.] The commissioner of corrections shall assist law enforcement agencies in locating and taking into custody any person who has been convicted of a felony for which a prison sentence is presumed under the sentencing guidelines and applicable statutes, and who absconds pending sentencing in violation of the conditions of release imposed by the court under rule 27.01 of the Rules of Criminal Procedure. The written order of the commissioner of corrections is sufficient authority for any state parole and probation agent to take the person into custody without a warrant and to take the person before the court without further delay.

Sec. 7. Minnesota Statutes 1992, section 243.18, subdivision 1, is amended to read:

Subdivision 1. [~~GOOD TIME~~ REDUCTION OF SENTENCE.] Every inmate sentenced before May 1, 1980, for any term other than life, confined in a state adult correctional facility or on parole therefrom, may diminish the term of sentence one day for each two days during which the inmate has not violated any facility rule or discipline.

The commissioner of corrections, in view of the aggravated nature and frequency of offenses, may take away any or all of the good time previously gained, and, in consideration of mitigating circumstances or ignorance on the part of the inmate, may afterwards restore the inmate, in whole or in part, to the standing the inmate possessed before such good time was taken away.

Sec. 8. Minnesota Statutes 1993 Supplement, section 243.18, subdivision 2, is amended to read:

Subd. 2. [WORK REQUIRED; GOOD TIME.] ~~This subdivision applies only to inmates whose crimes were committed before August 1, 1993.~~ All inmates are required to work. An inmate ~~for whom a~~ who fails to perform an available work assignment ~~is available may~~ shall be sanctioned either by not ~~earn~~ earning good time ~~under subdivision 1~~ or by serving a disciplinary confinement period, as appropriate, for any day on which the inmate does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.

Sec. 9. Minnesota Statutes 1992, section 243.23, subdivision 2, is amended to read:

Subd. 2. The commissioner may promulgate rules requiring the inmates of adult correctional facilities under the commissioner's control to pay all or a part of the cost of their board, room, clothing, medical, dental and other correctional services. These costs are payable from any earnings of the inmate, including earnings from private industry established at state correctional facilities pursuant to section 243.88. All sums of money received pursuant to the payments made for correctional services as authorized in this subdivision are available for use by the commissioner during the current and subsequent fiscal year, and are appropriated to the commissioner of corrections for the purposes of the fund from which the earnings were paid.

Sec. 10. Minnesota Statutes 1992, section 243.24, subdivision 1, is amended to read:

Subdivision 1. [SOLE BENEFIT OF INMATE.] Any money arising under section 243.23 shall be and remain under the control of the commissioner of corrections and shall be for the sole benefit of the inmate, unless by special order of the commissioner of corrections it shall be used as designated in section 243.23, ~~subdivision~~ subdivisions 2 and 3, or for rendering assistance to the inmate's family or dependent relatives, under such rules as to time, manner, and amount of disbursements as the commissioner of corrections may prescribe. Unless ordered disbursed as hereinbefore prescribed or for an urgency determined in each case by the chief executive officer of the facility, a portion of such earnings in an amount to be determined by the commissioner shall be set aside and kept by the facility in the public welfare fund of the state for the benefit of the inmate and for the purpose of assisting the inmate when leaving the facility and if released on parole said sum to be disbursed to the inmate in such amounts and at such times as the commissioner of corrections may authorize and on final discharge, if any portion remains undisbursed, it shall be transmitted to the inmate.

Sec. 11. Minnesota Statutes 1992, section 244.12, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The commissioner may order that an offender who meets the eligibility requirements of subdivisions 2 and 3 be placed on intensive community supervision, as described in sections 244.14 and 244.15, for all or part of the offender's sentence if the offender agrees to participate in the program ~~and if the sentencing court approves in writing of the offender's participation in the program~~.

Sec. 12. Minnesota Statutes 1992, section 244.12, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] The commissioner must limit the intensive community supervision 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 sentence of ~~27~~ 30 months or less, who did not receive a dispositional departure under the sentencing guidelines, and who have already served a period of incarceration as a result of the offense for which they are committed.

Sec. 13. Minnesota Statutes 1993 Supplement, section 244.14, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of an intensive community supervision program. The commissioner shall provide for revocation of intensive community supervision of an offender who:

(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 revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's term of imprisonment, or until readmitted to the program, but in no case for longer than the time remaining in the offender's sentence. "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. 14. Minnesota Statutes 1992, section 244.15, subdivision 4, is amended to read:

Subd. 4. [FACE-TO-FACE CONTACTS.] (a) During phase I, the assigned intensive supervision agent shall have at least four face-to-face contacts with the offender each week.

(b) During phase II, two face-to-face contacts a week are required.

(c) During phase III, one face-to-face contact a week is required.

(d) During phase IV, two face-to-face contacts a month are required.

(e) When an offender is a resident of a jail or facility which is staffed full time, the assigned agent may reduce face-to-face contacts to one per week during all phases.

Sec. 15. Minnesota Statutes 1993 Supplement, section 401.13, is amended to read:

401.13 [CHARGES MADE TO COUNTIES.]

Each participating county will be charged a sum equal to the ~~actual~~ per diem cost of confinement of those juveniles committed to the commissioner after August 1, 1973, and confined in a state correctional facility. Provided, however, that the amount charged a participating county for the costs of confinement shall not exceed the subsidy to which the county is eligible. The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. However, in no case shall the percentage increase in the amount charged to the counties exceed the percentage by which the appropriation for the purposes of sections 401.01 to 401.16 was increased over the preceding biennium. The commissioner of corrections shall bill the counties and deposit the receipts from the counties in the general fund. All charges shall be a charge upon the county of commitment.

Sec. 16. Minnesota Statutes 1992, section 631.425, subdivision 6, is amended to read:

Subd. 6. [REDUCTION OF SENTENCE.] The term of the inmate's sentence ~~may be reduced by one fourth, if in the opinion of the court the inmate's conduct, diligence, and general attitude merit reduction,~~ whether the term is part of an executed sentence or is imposed as a condition of probation, shall, when ten days or more, be reduced by one day for each two days served, commencing on the day of arrival, during which the inmate has not violated any rule or discipline of the place within which the person is incarcerated and, if required to labor, has labored with diligence and fidelity.

Sec. 17. [APPLICATION.]

The intent of section 7 is to clarify the provisions of Minnesota Statutes, section 243.18, subdivision 1.

Sec. 18. Laws 1993, chapter 146, article 2, section 32, is amended to read:

Sec. 32. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment. Sections 15 and 18 are ~~effective July 1, 1994~~ of no effect.

Sec. 19. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber Minnesota Statutes 1992, section 243.18, subdivision 1 as section 244.04, subdivision 1a; and shall change the headnote of Minnesota Statutes 1992, section 243.18 from "DIMINUTION OF SENTENCE" to "WORK REQUIRED."

Sec. 20. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 243.18, subdivision 3, is repealed.

ARTICLE 7

CORRECTIONAL PERSONNEL
RETIREMENT COVERAGE

Section 1. Minnesota Statutes 1992, section 352.91, is amended by adding a subdivision to read:

Subd. 2a. [SPECIAL TEACHERS.] "Covered correctional service" also means service rendered by a state employee as a special teacher employed by the department of corrections or by the department of human services at a security unit, provided that a majority of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under section 5.

Sec. 2. Minnesota Statutes 1992, section 352.91, is amended by adding a subdivision to read:

Subd. 3c. [NURSING PERSONNEL.] (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or at the Minnesota security hospital specified in paragraph (b), provided that a majority of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under section 5.

(b) The employment positions are as follows:

(1) registered nurse - senior;

(2) registered nurse;

(3) registered nurse - principal; and

(4) clinical nurse specialist.

Sec. 3. Minnesota Statutes 1992, section 352.91, is amended by adding a subdivision to read:

Subd. 3d. [OTHER CORRECTIONAL PERSONNEL.] (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or at the Minnesota security hospital specified in paragraph (b), provided that a majority of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under section 5.

(b) The employment positions are as follows:

(1) corrections behavior therapist;

(2) corrections behavior therapist specialist;

(3) corrections inmate personnel specialist;

(4) corrections caseworkers;

(5) corrections caseworkers career;

(6) library/information research services specialist;

(7) psych II;

(8) psych III;

(9) recreation therapist;

(10) recreation therapist senior;

(11) social work specialist;

(12) health program representative senior;

(13) behavior analyst 1;

(14) behavior analyst 2;

(15) psychologist 1;

(16) psychologist 2;

(17) recreation therapist, senior;

(18) recreation therapist, lead;

(19) rehabilitation counselor;

(20) social worker;

(21) social worker, senior;

(22) social worker specialist;

(23) library information research services specialist senior;

(24) psychologist supervisor; and

(25) psychological services director.

Sec. 4. Minnesota Statutes 1992, section 352.92, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] (a) In lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees an amount equal to ~~6.27~~ 6.99 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. 5. [TEMPORARY PROVISION; ELECTION TO RETAIN RETIREMENT COVERAGE.]

Subdivision 1. [GENERAL STATE EMPLOYEE RETIREMENT COVERAGE RETENTION ELECTION.] An employee in a position specified as qualifying under sections 1 to 3 must have retirement coverage transferred from the general state employees retirement plan of the Minnesota state retirement system or the teachers retirement association to the correctional employees retirement plan of the Minnesota state retirement system, effective on the applicable effective date specified in section 9, unless the employee elects to retain the person's current retirement coverage. The election to retain coverage must be made in writing by the person on a form prescribed by the executive director of the Minnesota state retirement system and must be filed with the executive director no later than the December 31 next following the applicable effective date specified in section 9.

Subd. 2. [REFUND IN CERTAIN INSTANCES.] The amount by which employee contributions required by Minnesota Statutes, section 352.92, subdivision 1, made after the applicable effective date specified in section 9 exceed the employee contributions otherwise payable, as provided in Minnesota Statutes, sections 352.04, subdivision 2, or 354.42, subdivision 2, as applicable, must be refunded within 60 days of the date of the election to retain retirement coverage, plus interest at the rate of one-half of one percent per month or portion of a month for the period from the applicable effective date specified in section 9 to the date that the refund is paid.

Subd. 3. [TRANSFER OF REMAINING CONTRIBUTIONS.] The amount of employee contributions made by a person electing to retain retirement coverage that is not refunded under subdivision 2, plus .7084 percent per month or portion of a month for the period from the applicable effective date specified in section 9 to the date the refund is paid, must be transferred by the appropriate executive director to the general state employees retirement fund as soon as is practicable following the election and must be accompanied by an amount representing the applicable employer contribution. The employer contribution for members of the general state employees retirement plan must be determined by multiplying the amount of the unrefunded member contributions plus interest by the factor 1.02. The employer contribution for members of the teachers retirement association is an amount equal to the unrefunded member contribution.

Subd. 4. [IRREVOCABLE RETENTION ELECTION.] The election to retain retirement coverage is irrevocable once filed with the executive director. A failure to make the election to retain coverage by the January 1 next following the applicable effective date specified in section 9 is an irrevocable agreement by the employee to the retirement coverage change.

Sec. 6. [COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN PERSONS.]

Subdivision 1. [ELECTION OF PRIOR STATE SERVICE COVERAGE.] (a) An employee who has future retirement coverage transferred to the correctional employees retirement plan under sections 1 to 3, and who does not elect to retain general state employee retirement plan or teachers retirement association coverage under section 5, is entitled to elect to obtain prior service credit for eligible state service performed on or after July 1, 1974, and before the applicable effective date specified in section 9 with the department of corrections or with the department of human services at the Minnesota security hospital.

(b) Eligible state service with the department of corrections or with the department of human services is any prior period of continuous service on or after July 1, 1974, performed as an employee of the department of corrections or of the department of human services that would have been eligible for the correctional employees retirement plan coverage under sections 1 to 3, if that prior service had been performed after the applicable effective date specified in section 9 rather than before that date. Service is continuous if there has been no period of discontinuation of eligible state service for a period greater than 180 calendar days.

(c) The department of corrections or the department of human services, whichever applies, shall certify eligible state service to the executive director of the Minnesota state retirement system.

Subd. 2. [PAYMENT FOR PRIOR SERVICE.] (a) An employee electing to obtain prior service credit under subdivision 1 must pay an additional employee contribution for that prior service except for any period of time that the employee was a member of the basic program of the teachers retirement association. The additional member contribution is the contribution differential percentage applied to the actual salary paid to the employee during the period of the prior eligible state service, plus interest at the rate of six percent per annum, compounded annually. The contribution differential percentage is the difference between 4.9 percent of salary and the applicable employee contribution rate of the general state employees retirement plan or the teachers retirement association during the prior eligible state service.

(b) The additional member contribution must be paid only in a lump sum. Payment must accompany the election to obtain prior service credit. No election or payment may be made by the person or accepted by the executive director after the September 30 of the calendar year next following the calendar year in which the applicable effective date specified in section 9 occurs.

Subd. 3. [TRANSFER OF PRIOR MEMBER AND REGULAR EMPLOYER ACCUMULATED CONTRIBUTIONS AND INTEREST.] (a) Accumulated employee contributions for any period of eligible state service in the general state employees retirement fund of the Minnesota state retirement system or in the teachers retirement association as applicable, plus interest at the rate of six percent per annum, compounded annually, by an employee electing to obtain prior service credit must be transferred by the appropriate executive director from the general state employees retirement fund or the teachers retirement fund to the correctional employees retirement fund.

(b) The transfer of the accumulated member contributions plus interest must be made within 60 days after the election to obtain prior service credit.

(c) As a corresponding employer contribution transfer amount, an amount equal to employee contributions plus interest, as determined in paragraph (a), must be transferred from the general state employees retirement fund or the teachers retirement fund, as applicable, to the correctional employees retirement fund. Additional employer contributions may not be transferred.

(d) Transfer of the employer contribution plus interest must accompany the transfer of employee contributions plus interest.

Subd. 4. [EFFECT OF THE TRANSFER OF CONTRIBUTIONS.] Upon the transfer of accumulated employee contributions, employer contributions, and interest for a person electing to obtain prior service credit under subdivision 1, service credit in the general state employees retirement plan of the Minnesota state retirement system or in the teachers retirement association for the time covered by the service transferred is forfeited.

Subd. 5. [COUNSELING.] (a) The commissioners of corrections, human services, and employee relations, and the executive directors of the Minnesota state retirement system and teachers retirement association have the joint responsibility of providing affected employees of the department of corrections or the department of human services with appropriate and timely retirement and related benefit counseling.

(b) Counseling must include the anticipated impact of the retirement coverage change on the person's future retirement benefit amounts, future retirement eligibility, future applicability of mandatory retirement laws, and future postemployment insurance coverage.

(c) The commissioners of corrections and human services must consult with the appropriate collective bargaining agents of the affected employees regarding the content, form, and timing of the counseling required by this section.

Sec. 7. [TRANSITIONAL PROVISION; RETENTION OF CERTAIN RIGHTS.]

(a) Nothing in this act may be considered to restrict the entitlement of a person under state law to repay a previously taken refund of employee or member contributions to a Minnesota public pension plan if all qualifying requirements are met.

(b) The period of correctional employees retirement plan contributions, plus interest, must be restored upon the repayment of the appropriate refund amount if the service was correctional employees retirement plan covered service on the date when the service was rendered or on the date when the refund was taken.

Sec. 8. [EARLY RETIREMENT INCENTIVE.]

This section applies to an employee who has future retirement coverage transferred to the correctional employee retirement plan under sections 1 to 3, and who is at least 55 years old on the applicable effective date of sections 1 to 3. That employee may participate in a health insurance early retirement incentive available under the terms of a collective bargaining agreement in effect on the day before the applicable effective date of sections 1 to 3, notwithstanding any provision of the collective bargaining agreement that limits participation to persons who select the option during the payroll period in which their 55th birthday occurs. A person selecting the health insurance early retirement incentive under this section must retire by the later of the September 30 of the calendar year next following the calendar year in which the applicable effective date specified in section 9 occurs, or the first time at which the person has at least three years of covered correctional service.

Sec. 9. [EFFECTIVE DATE.]

(a) Sections 1 and 4 to 8 are effective on the first day of the first full pay period beginning after June 30, 1994.

(b) Sections 2 and 3 are effective on the first day of the first full pay period beginning after June 30, 1995.

ARTICLE 8

CRIME VICTIMS

Section 1. Minnesota Statutes 1992, section 611A.036, is amended to read:

611A.036 [PROHIBITION AGAINST EMPLOYER RETALIATION.]

An employer or employer's agent who threatens to discharge or discipline a victim or witness, or who discharges, disciplines, or causes a victim or witness to be discharged from employment or disciplined because the victim or the witness is subpoenaed or requested by the prosecutor to attend court for the purpose of giving testimony, is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to offer job reinstatement to any victim or witness discharged from employment in violation of this section, and to pay the victim or witness back wages as appropriate.

Sec. 2. [611A.0385] [SENTENCING; IMPLEMENTATION OF RIGHT TO NOTICE OF OFFENDER RELEASE.]

At the time of sentencing or the disposition hearing in which there is an identifiable victim, the court or its designee shall make reasonable good faith efforts to inform each affected victim of the offender notice of release provisions of section 611A.06. The state court administrator, in consultation with the commissioner of corrections, shall prepare a form that outlines the notice of release provisions under section 611A.06 and describes how a victim should complete and submit a request to the commissioner of corrections to be informed of an offender's release. The state court administrator shall make these forms available to court administrators who shall assist the court in disseminating right to notice of offender release information to victims.

Sec. 3. Minnesota Statutes 1993 Supplement, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to receive restitution as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender if the offender is convicted or found delinquent. An insurer that reimburses a crime victim for losses incurred as a result of a crime shall have the standing of the victim, to the extent of the reimbursement, for purposes of this subdivision, provided that restitution is paid to the crime victim first. The court, or a person or agency designated by the court, shall request information from the victim to determine the amount of restitution owed. The court or its designee shall obtain the information from the victim in affidavit form or by other competent evidence. Information submitted relating to restitution must describe the items or elements of loss, itemize the total dollar amounts of restitution claimed, and specify the reasons justifying these amounts, if restitution is in the form of money or property. A request for restitution may include, but is not limited to, any out-of-pocket losses resulting from the crime, including medical and therapy costs, replacement of wages and services, and funeral expenses. An actual or prospective civil action involving the alleged crime shall not be used by the court as a basis to deny a victim's right to obtain court ordered restitution under this section. In order to be considered at the sentencing or dispositional hearing, all information regarding restitution must be received by the court administrator of the appropriate court at least three business days before the sentencing or dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender or the offender's attorney at least 24 hours before the sentencing or dispositional hearing. The issue of restitution may be reserved or the sentencing or ~~disposition~~ dispositional hearing or hearing on the restitution request may be continued if the victim's affidavit or other competent evidence submitted by the victim is not received in time. At the sentencing or dispositional hearing, the court shall give the offender an opportunity to respond to specific items of restitution and their dollar amounts in accordance with the procedures established in section 611A.045, subdivision 3.

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

(1) the offender is on probation, committed to the commissioner of corrections, or on supervised release;

(2) information regarding restitution was submitted as required under paragraph (a); and

(3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing, or hearing on the restitution request.

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution or partial restitution and shall state on the record its reasons for its decision on restitution if information relating to restitution has been presented. If the court grants partial restitution it shall also specify the full amount of restitution that may be docketed as a civil judgment under subdivision 3. The court may not require that the victim waive or otherwise forfeit any rights or causes of action as a condition of granting restitution or partial restitution. In the case of a defendant who is on probation, the court may not refuse to enforce an order for restitution solely on the grounds that the order has been docketed as a civil judgment.

Sec. 4. Minnesota Statutes 1992, section 611A.045, subdivision 3, is amended to read:

Subd. 3. [DISPUTE; EVIDENTIARY BURDEN; PROCEDURES.] At the sentencing, dispositional hearing, or hearing on the restitution request, the offender shall have the burden to produce evidence if the offender intends to challenge the amount of restitution or specific items of restitution or their dollar amounts. This burden of production must include a detailed sworn affidavit of the offender setting forth all challenges to the restitution or items of restitution, and specifying all reasons justifying dollar amounts of restitution which differ from the amounts requested by the victim or victims. The affidavit must be served on the prosecuting attorney and the court at least five business days before the hearing. A dispute as to the proper amount or type of restitution must be resolved by the court by the preponderance of the evidence. The burden of demonstrating the amount of loss sustained by a victim as a result of the offense and the appropriateness of a particular type of restitution is on the prosecution.

Sec. 5. Minnesota Statutes 1993 Supplement, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional

facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or ~~transferred to a minimum security setting~~ if the offender's custody status is reduced, if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the offender's release~~, transfer,~~ or ~~change in security~~ when the offender's custody status is reduced. For a victim of a felony crime against the person for which the offender was sentenced to imprisonment for more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release~~, transfer, or change to minimum security status~~.

Sec. 6. Minnesota Statutes 1992, section 611A.19, is amended to read:

611A.19 [TESTING OF ~~SEX~~ VIOLENT OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court may issue an order requiring a person convicted of ~~violating section 609.342, 609.343, 609.344, or 609.345~~ a violent crime, as defined in section 609.152, to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

(1) the prosecutor moves for the test order in camera;

(2) the victim requests the test; and

(3) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during commission of the crime.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of ~~any~~ a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.763. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335 and destroyed.

Sec. 7. Minnesota Statutes 1993 Supplement, section 611A.52, subdivision 8, is amended to read:

Subd. 8. [ECONOMIC LOSS.] "Economic loss" means actual economic detriment incurred as a direct result of injury or death.

(a) In the case of injury the term is limited to:

(1) reasonable expenses incurred for necessary medical, chiropractic, hospital, rehabilitative, and dental products, services, or accommodations, including ambulance services, drugs, appliances, and prosthetic devices;

(2) reasonable expenses associated with recreational therapy where a claimant has suffered amputation of a limb;

(3) reasonable expenses incurred for psychological or psychiatric products, services, or accommodations, not to exceed a limit set annually by the board, where the nature of the injury or the circumstances of the crime are such that the treatment is necessary to the rehabilitation of the victim~~, subject to the following limitations:~~

~~(i) if treatment is likely to continue longer than six months after the date the claim is filed and the cost of the additional treatment will exceed $1,500, or if the total cost of treatment in any case will exceed $4,000, the provider shall first submit to the board a plan which includes the measurable treatment goals, the estimated cost of the treatment, and the estimated date of completion of the treatment. Claims submitted for treatment that was provided more than 30 days after the estimated date of completion may be paid only after advance approval by the board of an extension of treatment; and~~

~~(ii) the board may, in its discretion, elect to pay claims under this clause on a quarterly basis;~~

(4) loss of income that the victim would have earned had the victim not been injured;

(5) reasonable expenses incurred for substitute child care or household services to replace those the victim would have performed had the victim not been injured. As used in this clause, "child care services" means services provided by facilities licensed under and in compliance with either Minnesota Rules, parts 9502.0315 to 9502.0445, or 9545.0510 to 9545.0670, or exempted from licensing requirements pursuant to section 245A.03. Licensed facilities must be paid at a rate not to exceed their standard rate of payment. Facilities exempted from licensing requirements must be paid at a rate not to exceed $3 an hour per child for daytime child care or $4 an hour per child for evening child care; and

(6) reasonable expenses actually incurred to return a child who was a victim of a crime under section 609.25 or 609.26 to the child's parents or lawful custodian. These expenses are limited to transportation costs, meals, and lodging from the time the child was located until the child was returned home.

(b) In the case of death the term is limited to:

(1) reasonable expenses actually incurred for funeral, burial, or cremation, not to exceed an amount to be determined by the board on the first day of each fiscal year;

(2) reasonable expenses for medical, chiropractic, hospital, rehabilitative, psychological and psychiatric services, products or accommodations which were incurred prior to the victim's death and for which the victim's survivors or estate are liable;

(3) loss of support, including contributions of money, products or goods, but excluding services which the victim would have supplied to dependents if the victim had lived; and

(4) reasonable expenses incurred for substitute child care and household services to replace those which the victim would have performed for the benefit of dependents if the victim had lived.

Claims for loss of support for minor children made under clause (3) must be paid for three years or until the child reaches 18 years old, whichever is the shorter period. After three years, if the child is younger than 18 years old a claim for loss of support may be resubmitted to the board, and the board staff shall evaluate the claim giving consideration to the child's financial need and to the availability of funds to the board. Claims for loss of support for a spouse made under clause (3) shall also be reviewed at least once every three years. The board staff shall evaluate the claim giving consideration to the spouse's financial need and to the availability of funds to the board.

Claims for substitute child care services made under clause (4) must be limited to the actual care that the deceased victim would have provided to enable surviving family members to pursue economic, educational, and other activities other than recreational activities.

Sec. 8. Minnesota Statutes 1992, section 611A.53, subdivision 2, is amended to read:

Subd. 2. No reparations shall be awarded to a claimant otherwise eligible if:

(a) the crime was not reported to the police within ~~five~~ 30 days of its occurrence or, if it could not reasonably have been reported within that period, within ~~five~~ 30 days of the time when a report could reasonably have been made. A victim of criminal sexual conduct in the first, second, third, or fourth degree who does not report the crime within ~~five~~ 30 days of its occurrence is deemed to have been unable to have reported it within that period;

(b) the victim or claimant failed or refused to cooperate fully with the police and other law enforcement officials;

(c) the victim or claimant was the offender or an accomplice of the offender or an award to the claimant would unjustly benefit the offender or an accomplice;

(d) the victim or claimant was in the act of committing a crime at the time the injury occurred;

(e) no claim was filed with the board within ~~one year~~ two years of victim's injury or death; except that (1) if the claimant was unable to file a claim within that period, then the claim can be made within ~~one year~~ two years of the time when a claim could have been filed; and (2) if the victim's injury or death was not reasonably discoverable within ~~one year~~ two years of the injury or death, then the claim can be made within ~~one year~~ two years of the time

when the injury or death is reasonably discoverable. The following circumstances do not render a claimant unable to file a claim for the purposes of this clause: (1) lack of knowledge of the existence of the Minnesota crime victims reparations act, (2) the failure of a law enforcement agency to provide information or assistance to a potential claimant under section 611A.66, (3) the incompetency of the claimant if the claimant's affairs were being managed during that period by a guardian, guardian ad litem, conservator, authorized agent, or parent, or (4) the fact that the claimant is not of the age of majority; or

(f) the claim is less than $50.

The limitations contained in clauses (a) and (e) do not apply to victims of domestic child abuse as defined in section 260.015, subdivision 24. In those cases the ~~one~~ two-year limitation period commences running with the report of the crime to the police; provided that no claim as a result of loss due to domestic child abuse may be paid when the claimant is 21 years of age or older at the time the claim is filed.

ARTICLE 9

JUDICIAL PROVISIONS

Section 1. Minnesota Statutes 1992, section 2.722, subdivision 1, is amended to read:

Subdivision 1. [DESCRIPTION.] Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; ~~27~~ 28 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 24 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 22 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; ~~54~~ 57 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; 17 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; ~~20~~ 22 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; 20 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls;

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~32~~ 34 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 2. Minnesota Statutes 1992, section 253B.19, subdivision 2, is amended to read:

Subd. 2. [PETITION; HEARING.] The committed person or the county attorney of the county from which a patient as mentally ill and dangerous to the public was committed may petition the appeal panel for a rehearing and reconsideration of a decision by the commissioner. The petition shall be filed with the supreme court within 30 days after the decision of the commissioner. The supreme court shall refer the petition to the chief judge of the appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, the designated

agency, the commissioner, the head of the treatment facility, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing. The hearing shall be within 45 days of the filing of the petition. Any person may oppose the petition. The appeal panel may appoint examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, patient's counsel, and the county attorney of the committing county may be present and present and cross-examine all witnesses. The petitioning party bears the burden of going forward with the evidence. The party opposing discharge bears the burden of proof by clear and convincing evidence that the respondent is in need of commitment.

Sec. 3. Minnesota Statutes 1993 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 $122.

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 $122.

The party requesting a trial by jury shall pay $75.

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~~ $10, and ~~$3.50, plus 25 cents per page after the first page~~ $5 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 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) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of $11.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) 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 a public authority or the party the public authority represents.

Sec. 4. Minnesota Statutes 1992, section 357.22, is amended to read:

357.22 [WITNESSES.]

The fees to be paid to witnesses shall be as follows:

(1) For attending in any action or proceeding in any court or before any officer, person, or board authorized to take the examination of witnesses, ~~$10~~ $20 for each day;

(2) For travel to and from the place of attendance, to be estimated from the witness's residence, if within the state, or from the boundary line of the state where the witness crossed it, if without the state, ~~24~~ 28 cents per mile.

No person is obliged to attend as a witness in any civil case unless one day's attendance and travel fees are paid or tendered the witness in advance.

Sec. 5. Minnesota Statutes 1993 Supplement, section 357.24, is amended to read:

357.24 [CRIMINAL CASES.]

Witnesses for the state in criminal cases and witnesses attending on behalf of any defendant represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, shall receive the same fees for travel and attendance as provided in section 357.22. Judges also may allow like fees to witnesses attending in behalf of any other defendant. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages and child care, not to exceed ~~$40~~ $60 per day. When a defendant is represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, neither the defendant nor the public defender shall be charged for any subpoena fees or for service of subpoenas by a public official. The compensation and reimbursement shall be paid out of the county treasury.

Sec. 6. Minnesota Statutes 1992, section 357.241, is amended to read:

357.241 [JUVENILE COURT WITNESSES.]

Witnesses in juvenile proceedings shall receive the same fees for travel and attendance as provided in section 357.22. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages, and child care, not to exceed ~~$40~~ $60 per day.

Sec. 7. Minnesota Statutes 1992, section 357.242, is amended to read:

357.242 [PARENTS OF JUVENILES.]

In any proceeding where a parent or guardian attends the proceeding with a minor witness and the parent or guardian is not a witness, one parent or guardian shall be compensated in those cases where witness compensation is mandatory under section 357.22, 357.24, or 357.241, and may be compensated at the discretion of the judge when the minor is a witness on behalf of a defendant in a criminal case or on behalf of a juvenile in a juvenile court proceeding. The court shall award no more than a combined total of ~~$40~~ $60 to the parent or guardian and the minor witness.

Sec. 8. Minnesota Statutes 1992, section 480.09, is amended by adding a subdivision to read:

Subd. 7. [OPEN STACK ACCESS.] The state law library must provide all judges, attorneys, law clerks, or other employees of the court of appeals, with open stack access to all parts of its collection.

Sec. 9. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [JUDICIAL TRAINING ~~ON DOMESTIC ABUSE, HARASSMENT, AND STALKING.~~]

The supreme court's judicial education program must include ongoing training for district court judges on domestic abuse, harassment, and stalking laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must

emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system. The program also must include training for judges, judicial officers, and court services personnel on how to assure that their bail evaluations and decisions are racially and culturally neutral.

Sec. 10. Minnesota Statutes 1992, section 485.06, is amended to read:

485.06 [SEARCH OF RECORDS; CERTIFICATE; PUBLIC INSPECTION.]

The court administrator, upon request of any person, shall make search of the books and records of the court administrator's office, and ascertain the existence, docketing, or satisfaction of any judgment or other lien, and certify the result of such search under the court administrator's hand and the seal of said court, giving the name of the party against whom any judgment or lien appears of record, the amount thereof, and the time of its entry; and, if satisfied of its satisfaction, and any other entries requested relative to such judgment. The court administrator's search will be a search for the exact match of the requested name. Nothing in this section shall prevent attorneys or others from having access to such books and records at all reasonable times, when no certificate is necessary or required.

Sec. 11. Minnesota Statutes 1992, section 494.05, is amended to read:

494.05 [GRANTS.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] A community dispute resolution program is not eligible for a grant under this section unless it:

(1) complies with this chapter and the guidelines and rules adopted under this chapter;

(2) is certified by the state court administrator under section 494.015, subdivision 2;

(3) demonstrates that at least two-thirds of its annual budget will be derived from sources other than the state;

(4) documents evidence of support within its service area by community organizations, administrative agencies, and judicial and legal system representatives; and

(5) is exempt or has applied for exemption from federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 or is administered and funded by a city, county, or court system as a distinct, identifiable unit that has a separate and distinguishable operating budget.

Subd. 2. [FUNDING.] Grants under this section must be used for the costs of operating approved programs. A program is eligible to receive ~~a grant~~ an amount of money equal to ~~one-third~~ one-half of its estimated annual budget, but not more than $25,000 a year.

Subd. 3. [REPORTS.] The state court administrator shall compile a summary report of the data submitted in the previous year and any other relevant information from other sources. The report must be submitted to the legislature by February 1 of each year.

Sec. 12. Minnesota Statutes 1992, section 508.11, is amended to read:

508.11 [APPLICATION FILED WITH COURT ADMINISTRATOR; DOCKET; ABSTRACT.]

The application shall be filed with the court administrator~~, who shall docket the same in a book to be known as the "Land Registration Docket." All orders, judgments, and decrees of the court in the proceeding shall be minuted in such docket~~. All final orders or decrees shall be recorded by the court administrator ~~and proper reference made thereto in such docket~~. At the time of the filing of the application with the court administrator, a copy thereof, duly certified by the court administrator, shall be filed for record with the county recorder, and shall be notice forever to purchasers and encumbrancers of the pendency of the proceeding and of all matters referred to in the court files and records pertaining to the proceeding. The applicant shall file with the court administrator, as soon after the filing of the application as is practicable, an abstract of title to the land described in the application, satisfactory to the examiner. If required so to do by the examiner, the applicant shall likewise cause the land to be surveyed by some competent surveyor, and file with the court administrator a plat of the land duly certified by such surveyor.

Sec. 13. Minnesota Statutes 1993 Supplement, section 593.48, is amended to read:

593.48 [COMPENSATION OF JURORS AND TRAVEL REIMBURSEMENT.]

A juror shall be reimbursed for round-trip travel between the juror's residence and the place of holding court and compensated for required attendance at sessions of court and may be reimbursed for additional day care expenses incurred as a result of jury duty at rates determined by the supreme court. A juror may request reimbursement for additional parking expenses incurred as a result of jury duty, in which case the reimbursement shall be paid and the juror's compensation for required attendance at sessions of court shall be reduced by the amount of the parking reimbursement. Except in the eighth judicial district where the state shall pay directly, the compensation and reimbursement shall be paid out of the county treasury upon receipt of authorization to pay from the jury commissioner. These jury costs shall be reimbursed monthly by the supreme court upon submission of an invoice by the county treasurer. A monthly report of payments to jurors shall be sent to the jury commissioner within two weeks of the end of the month in the form required by the jury commissioner.

Sec. 14. Minnesota Statutes 1992, section 600.23, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF PAPERS.] Every county recorder, ~~and every court administrator of a court of record,~~ upon being paid the legal fees therefor, shall receive and deposit in the office any instruments or papers which shall be offered for that purpose and, if required, shall give to the person depositing the same a receipt therefor.

Sec. 15. Minnesota Statutes 1992, section 611.21, is amended to read:

611.21 [SERVICES OTHER THAN COUNSEL.]

(a) Counsel~~, whether or not~~ appointed by the court~~,~~ for ~~a~~ an indigent defendant ~~who is financially unable to obtain,~~ or representing a defendant who, at the outset of the prosecution, would otherwise have been eligible to be represented by a public defender, may file an ex parte application requesting investigative, expert, or other services necessary to an adequate defense in the case ~~may request them in an ex parte application~~. Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the defendant is financially unable to obtain them, the court shall authorize counsel to obtain the services on behalf of the defendant. The court may establish a limit on the amount which may be expended or promised for such services. The court may, in the interests of justice, and upon a finding that timely procurement of necessary services could not await prior authorization, ratify such services after they have been obtained, but such ratification shall be given only in unusual situations. The court shall determine reasonable compensation for the services and direct payment by the county in which the prosecution originated, to the organization or person who rendered them, upon the filing of a claim for compensation supported by an affidavit specifying the time expended, services rendered, and expenses incurred on behalf of the defendant, and the compensation received in the same case or for the same services from any other source.

(b) The compensation to be paid to a person for such service rendered to a defendant under this section, or to be paid to an organization for such services rendered by an employee, may not exceed $1,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court as necessary to provide fair compensation for services of an unusual character or duration and the amount of the excess payment is approved by the chief judge of the district. The chief judge of the judicial district may delegate approval authority to an active district judge.

(c) If the court denies authorizing counsel to obtain services on behalf of the defendant, the court shall make written findings of fact and conclusions of law that state the basis for determining that counsel may not obtain services on behalf of the defendant. When the court issues an order denying counsel the authority to obtain services, the defendant may appeal immediately from that order to the court of appeals and may request an expedited hearing.

Sec. 16. [629.74] [PRETRIAL BAIL EVALUATION.]

A pretrial bail evaluation shall be completed on each defendant arrested and detained for committing a felony level offense or for violation of section 518B.01, 609.224, 609.748, or 609.749. In cases where the defendant requests appointed counsel, the evaluation shall include completion of the financial statement required in section 611.17. The local corrections department, or designee, shall perform the services required by this section. The conference of chief judges, in consultation with the department of corrections, shall approve the pretrial evaluation form to be used in each county.

Sec. 17. [PROSECUTOR TRAINING.]

The county attorneys association, in conjunction with the attorney general's office, shall prepare and conduct a training course for prosecutors on how to assure that their bail recommendations are racially and culturally neutral. The course may be combined with other training conducted by the county attorneys association or other groups.

Sec. 18. [COMMITMENT STUDY.]

Subdivision 1. [GENERAL; TASK FORCE.] The supreme court is requested to conduct a study of state civil commitment laws and procedures and related legal and treatment issues. To conduct the study, the supreme court shall convene an advisory task force on the commitment system, including the following:

(1) judges, county attorneys, a representative of the attorney general's office, and attorneys who represent patients and proposed patients;

(2) parents or other family members of patients;

(3) mental health advocates;

(4) patients or former patients;

(5) mental health service providers;

(6) representatives of state and county mental health agencies;

(7) law enforcement; and

(8) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker, and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration.

Members of the task force should represent a cross-section of regions within the state. The task force shall select a chair from among its membership, other than the members appointed under clause (8).

Subd. 2. [SCOPE OF STUDY.] To the extent practicable, the study should include:

(1) hearings and procedures governing administration of neuroleptic medications;

(2) provisional discharges;

(3) monitoring of medication;

(4) mental health treatment advance declarations;

(5) relationship between the commitment act and the psychopathic personality statute;

(6) criteria for commitments and 72-hour holds;

(7) time lines and length of commitment;

(8) impact of available resources and service delivery systems on commitments and implementation of least restrictive alternatives;

(9) training and expertise of professionals involved in the commitment process;

(10) separation of functions and conflicts of interest and related due process issues in the commitment process;

(11) rights of patients;

(12) variations in implementation and interpretation of commitment laws around the state;

(13) vulnerable adult reporting and mental competency issues; and

(14) any other commitment, legal, and treatment issues identified by the task force.

The work of the task force must not duplicate but should be coordinated with the work of the task force on sexual predators.

Subd. 3. [STAFF.] The task force may employ necessary staff to provide legal counsel, research, and clerical assistance.

Subd. 4. [REPORT.] The task force shall submit a written report to the governor and the legislature by January 15, 1996, containing its findings and recommendations. The task force expires upon submission of its report.

Sec. 19. [TASK FORCE ON SEXUAL PREDATORS.]

There is created a 12-member task force to study issues relating to the confinement of sexual predators, including commitment of psychopathic personalities. The task force shall consist of two members of the senate appointed by the majority leader and two members of the house of representatives appointed by the speaker. Legislative membership from each body shall consist of one member of the democratic farmer labor party and one member of the independent republican party. In addition, the task force shall contain the following:

(1) three members selected by the commissioner of corrections, including at least one representative from the law enforcement community;

(2) one county attorney selected by the county attorneys association; and

(3) four members selected by the commissioner of human services, including the ombudsman for mental health and mental retardation, one mental health professional, one representative of a mental health advocacy group, and one representative from the attorney general's office.

The task force may request research and information from the commissioners of corrections and human services and staff assistance as needed.

The task force shall be convened no later than August 1, 1994, and shall examine current law and practice relating to the commitment of psychopathic personalities under chapters 253B and 526. The task force shall examine the laws of other jurisdictions and the clinical literature on sex offender treatment and shall make recommendations on options, both civil and criminal, for dealing with sexual predators. The task force shall report to the chairs of the house judiciary and senate crime prevention committees with these recommendations by January 15, 1995.

Sec. 20. [REPEALER.]

Minnesota Statutes 1992, section 629.69, is repealed.

Sec. 21. [EFFECTIVE DATE.]

The additional judgeships authorized for judicial districts in section 1 are established effective February 1, 1995.

ARTICLE 10

CRIME PREVENTION

Section 1. [116J.877] [COMMUNITY ECONOMIC DEVELOPMENT FACILITIES.]

The commissioner may construct, or make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of the acquisition, improvement, rehabilitation, site improvement, and development of properties for community economic development purposes. Facilities eligible for loans and grants under this section include business incubators, community owned banks or credit unions, and facilities used for the youth entrepreneurship education program under section 116J.655. The facility must be owned by the state or a political subdivision, but may be leased to or managed by a nonprofit organization to carry out the community economic development purpose approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695.

Sec. 2. Minnesota Statutes 1992, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by the north central association of colleges and schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Sec. 3. Minnesota Statutes 1992, section 126.02, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION REQUIRED IN PUBLIC SCHOOLS.] There shall be established and provided in all the public schools of this state, physical and health education, training, and instruction of pupils of both sexes. At the request of a district or school, the department of education shall make available existing curriculum on responsible parenting and child development, responsible decision making in relationships, and the legal implications of paternity. Every pupil attending any such school, to the extent physically fit and able to do so, shall participate in the physical training program. Suitable modified courses shall be provided for pupils physically or mentally unable or unfit to take the courses prescribed for normal pupils. No pupil shall be required to undergo a physical or medical examination or treatment if the parent or legal guardian of the person of such pupil shall in writing notify the teacher or principal or other person in charge of such pupil of an objection to such physical or medical examination or treatment; provided that secondary school pupils in junior and senior years need not take the course unless required by the local school board.

Sec. 4. Minnesota Statutes 1992, section 299A.31, is amended to read:

299A.31 [CHEMICAL ABUSE AND VIOLENCE PREVENTION ~~RESOURCE~~ COUNCIL.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse and violence prevention ~~resource~~ council consisting of 19 members is established. The commissioners of public safety, education, health, corrections, and human services, the director of the office of strategic and long-range planning, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following: public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; representatives of racial and ethnic minority communities; and other community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Subd. 2. [ACCEPTANCE OF FUNDS AND DONATIONS.] The council may accept federal money, gifts, donations, and bequests for the purpose of performing the duties set forth in this section and section 299A.32. The council shall use its best efforts to solicit funds from private individuals and organizations to match state appropriations.

Sec. 5. Minnesota Statutes 1992, section 299A.32, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REPORT.] By February 1 each year, the council shall submit a written report to the governor and the legislature describing its activities during the preceding year, describing efforts that have been made to enhance and improve utilization of existing resources and to identify deficits in prevention efforts, and recommending appropriate changes, including any legislative changes that it considers necessary or advisable in the area of chemical abuse and violence prevention policy, programs, and services.

Sec. 6. [MALE RESPONSIBILITY AND FATHERING GRANTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A grant program for fiscal year 1995 is established to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood. The purpose of the program is to foster male responsibility by encouraging youth or parenting program providers to collaborate with school districts to attain the outcomes in this section.

Subd. 2. [ELIGIBILITY; APPLICATION PROCESS.] (a) A youth or parenting program provider whose purpose is to reduce teen pregnancy or teach child development and parenting skills in collaboration with a school district may submit an application for a grant. The grant applicant must prepare an application in collaboration with the advisory committee under paragraph (c). Each grant application must describe:

(1) the program's structure and components, including collaborative and outreach efforts;

(2) how the applicant will implement and evaluate the program;

(3) a plan for using male instructors and mentors;

(4) the outcomes the applicant expects to attain; and

(5) a cultural diversity plan to ensure that program staff or teachers reflect the cultural backgrounds of the population served and that the program content is culturally sensitive.

(b) Grant recipients must, at minimum, educate young people, particularly males ages ten to 21, about responsible parenting and child development, responsible decision making in relationships, and the legal implications of paternity. Grant recipients must promote public awareness of male responsibility issues in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, and mentoring and peer teaching.

(c) A grant applicant must establish an advisory committee to assist the applicant in planning and implementing a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

Subd. 3. [EXPECTED OUTCOMES.] Grant recipients shall use the funds for programs designed to prevent teen pregnancy and to prevent crime in the long term. Grant recipients must assist youth to:

(1) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of parenting;

(2) understand the long-term responsibility of fatherhood;

(3) understand the importance of fathers in the lives of children;

(4) acquire parenting skills and knowledge of child development; and

(5) find community support for their roles as fathers and nurturers of children.

Subd. 4. [GRANT AWARDS.] The commissioner of education shall award at least ten male responsibility and fathering grants. The commissioner shall establish a committee to review the grant applications based on the criteria in subdivisions 2 and 3 and the applicant's ability to match state money and advise the commissioner. The committee shall include teachers and representatives of community organizations, student organizations, and education or family social service agencies that offer parent education programs. The commissioner shall ensure that the grants are proportionately distributed throughout the state among school districts with student populations of different sizes.

Subd. 5. [COOPERATIVE AGREEMENTS.] The commissioner of education may enter into cooperative agreements with the commissioner of human services for purposes of child support, education and awareness, paternity education and awareness, and gaining federal financial participation.

Subd. 6. [REPORT.] The commissioner shall report to the legislature by January 15, 1996, on the success of grant recipients in meeting their expected outcomes.

Sec. 7. [PURPOSE.]

It is well established that children who are chronically absent from school face a bleak future in that they are at greater risk of ending up in the delinquency system, becoming high school dropouts, and finding themselves without the skills necessary to have a productive work life as adults. To effectively combat truancy and educational neglect, there needs to be a continuum of intervention and services to support parents and children and keep children in

school. That continuum should be characterized by progressively intrusive intervention beginning with the strongest efforts at the school and community level and offering access to the public agency and court's authority when necessary.

Sec. 8. [126.25] [COMMUNITY-BASED TRUANCY ACTION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety, in cooperation with the commissioners of education, human services, and corrections, shall establish demonstration projects to reduce truancy rates in schools by early identification of students with school absenteeism problems and providing appropriate interventions based on each student's underlying issues that are contributing to the truant behavior.

Subd. 2. [PROGRAM COMPONENTS.] (a) Projects eligible for grants under this section shall be community-based and must include cooperation between at least one school and one community agency and provide coordinated intervention, prevention, and educational services. Services may include:

(1) assessment for underlying issues that are contributing to the child's truant behavior;

(2) referral to community-based services for the child and family which includes, but is not limited to, individual or family counseling, educational testing, psychological evaluations, tutoring, mentoring, and mediation;

(3) transition services to integrate the child back into school and to help the child succeed once there;

(4) culturally sensitive programming and staffing; and

(5) increased school response including in-school suspension, better attendance monitoring and enforcement, after-school study programs, and in-service training for teachers and staff.

(b) Priority will be given to grants that include:

(1) local law enforcement;

(2) elementary and middle schools;

(3) multiple schools and multiple community agencies;

(4) parent associations; and

(5) neighborhood associations.

Subd. 3. [EVALUATION.] Grant recipients must report to the commissioner of public safety by ..... of each year on the services and programs provided, the number of children served, the average daily attendance for the school year, and the number of habitual truancy and educational neglect petitions referred for court intervention.

Sec. 9. [144.3872] [FEMALE GENITAL MUTILATION; EDUCATION AND OUTREACH.]

The commissioner of health shall carry out appropriate education, prevention, and outreach activities in communities that traditionally practice female circumcision, excision, or infibulation to inform people in those communities about the health risks and emotional trauma inflicted by those practices and to inform them and the medical community of the criminal penalties contained in section 609.2245.

Sec. 10. Minnesota Statutes 1992, section 145A.05, is amended by adding a subdivision to read:

Subd. 7a. [CURFEW.] A county board may adopt an ordinance establishing a uniform countywide curfew for persons under 17 years of age.

Sec. 11. [268.917] [HEAD START, LEARNING READINESS, AND EARLY CHILDHOOD CARE AND INTERVENTION FACILITIES.]

The commissioner may construct, or make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of the acquisition, improvement, rehabilitation, site improvement, and development of properties for the purposes of head start programs, learning readiness programs,

and other early childhood care, education, and intervention programs. The facility must be owned by the state or a political subdivision but may be leased to or managed by a nonprofit organization to carry out an early childhood education or intervention program approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695.

Sec. 12. [268.918] [CRIME PREVENTION FACILITIES.]

The commissioner may construct, or make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of crime prevention facilities, including acquisition, improvement, rehabilitation, site improvement, and development of facilities. Facilities eligible for loans under this subdivision include, but are not limited to:

(1) community recreation and community safe art facilities;

(2) youth treatment, intervention, and diversion facilities;

(3) facilities for "one-stop services for children" pilot programs that bring together in one facility the services needed by young parents;

(4) facilities that provide Upward Bound services to students under Title IV of the federal Higher Education Act;

(5) facilities developed through the United States Department of Labor's Youth Fair Chance Program for youth employment and training initiative;

(6) facilities used to support labor union efforts for youth training. A facility must be owned by the state or a political subdivision but may be leased to or managed by a nonprofit organization to carry out a crime prevention program approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695.

Sec. 13. Minnesota Statutes 1993 Supplement, section 462A.202, is amended by adding a subdivision to read:

Subd. 8. [CRIME PREVENTION FACILITIES.] The agency may make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of acquisition, improvement, rehabilitation, site improvement, and development of (1) residential shelters and other residential facilities serving crime victims, including but not limited to, shelters for battered women, family nurturing residences for single parents and their children, residences for homeless pregnant teenagers and other homeless teenagers, safe housing for youth who are exiting gangs, short-term group homes for teen and older children made homeless or displaced by drug raids and who are not able to be placed in foster homes, safe housing for children endangered because they are a witness to violent crimes, and housing for chronic chemically dependent adults, and (2) facilities for crime prevention including but not limited to, curfew and truancy centers for children, youth chemical dependency prevention program centers, and youth health and fitness facilities. The facility must be owned by the state or a political subdivision, but may be leased to or managed by a nonprofit organization to carry out the crime prevention program approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 14. [TRUANCY SERVICE CENTER PILOT PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety in cooperation with the commissioners of education, human services, and corrections, shall establish three two-year truancy service center pilot projects to:

(1) communicate a strong message about the community's expectations of school attendance;

(2) reduce habitual truancy, school dropout, and future delinquency by helping to link children and parents with needed social and educational services;

(3) prevent exploitation of or harm to juveniles on the street;

(4) help support and reinforce the responsibility of parents for their child's school attendance;

(5) provide a mechanism for collaboration between schools, police, parents, community-based programs, businesses, parks, recreation departments, and community residents on truancy prevention; and

(6) reduce the number of crimes committed by juveniles during school hours.

The truancy service centers shall include: one center in Hennepin county, one center in Ramsey county, and one center in a county designated by the commissioner of public safety in cooperation with the commissioners of education, human services, and corrections.

Subd. 2. [BOARD.] Each center shall be governed by an intergovernmental board including the city mayor, school superintendent, police chief, county attorney, county board members or their designees, and selected representatives of community-based agencies.

Subd. 3. [TRUANT STUDENTS; ACTION.] Each truancy service center pilot project shall receive truant students brought in by police officers and shall take appropriate action that may include one or more of the following:

(1) assessing the truant student's attendance situation, including enrollment status, verification of truancy, and school attendance history;

(2) assisting in coordinating intervention efforts where appropriate, including checking with juvenile probation and children and family services to determine whether an active case is pending and facilitating transfer to an appropriate facility, if indicated, and evaluating the need for and making referral to a health clinic, chemical dependency treatment, protective services, social or recreational programs, or school or community-based services and demonstration programs described in this section;

(3) contacting the parents or legal guardian of the truant student and releasing the truant student to the custody of the parents or guardian; and

(4) facilitating the juvenile's earliest possible return to school.

Subd. 4. [PERSONS EXCLUDED FROM SERVICE CENTERS.] The pilot truancy service centers shall not accept:

(1) juveniles arrested for criminal violations;

(2) intoxicated juveniles;

(3) ill or injured juveniles; or

(4) juveniles older than mandatory school attendance age.

Subd. 5. [EXPANSION OF SERVICES.] Truancy services centers may expand their service capability in order to receive curfew violators and take appropriate action including, but not limited to, coordination of intervention efforts, contacting parents, and developing strategies to ensure that parents assume responsibility and are held accountable for their children's curfew violations.

Subd. 6. [REPORT.] The commissioner of public safety, at the end of the pilot projects, shall report findings and recommendations to the legislature.

Sec. 15. [INTENSIVE NEGLECT INTERVENTION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety, in cooperation with the commissioners of education, human services, and corrections, shall establish two-year demonstration projects in at least two counties to address the needs of children who are at risk of school failure, delinquency, and mental health problems due to conditions of chronic neglect in their homes. These projects shall be designed to develop standards and model programming for intervention with chronic neglect.

Subd. 2. [PROGRAM REQUIREMENTS.] Counties eligible for grants under this section shall develop projects which operate out of the local social service agency and include the following:

(1) a provision for joint service delivery with community corrections to address multiple needs of children in the family, demonstrate improved methods of service delivery, and prevent delinquent behavior;

(2) a provision for multidisciplinary team service delivery that will include minimally, resources to address employment, chemical dependency, housing, and health and educational needs;

(3) demonstration of standards including, but not limited to, model case planning, indices of child well-being, success measures tied to child well-being, time frames for achievement of success measures, a scheme for progressively intrusive intervention, and use of juvenile court intervention and criminal court intervention; and

(4) a comprehensive review of funding and other sources available to children under this section in order to identify fiscal incentives and disincentives to successful service delivery.

Subd. 3. [REPORT.] The commissioner of public safety, at the end of the projects, shall report findings and recommendations to the legislature on the standards and model programming developed under the demonstration projects to guide the redesign of service delivery for chronic neglect.

ARTICLE 11

ATTORNEY GENERAL

Section 1. Minnesota Statutes 1992, section 8.06, is amended to read:

8.06 [ATTORNEY FOR STATE OFFICERS, BOARDS, OR COMMISSIONS; EMPLOY COUNSEL.]

The attorney general shall act as the attorney for all state officers and all boards or commissions created by law in all matters pertaining to their official duties. When requested by the attorney general, it shall be the duty of any county attorney of the state to appear within the county and act as attorney for any such board, commission, or officer in any court of such county. The attorney general may, upon request in writing, employ, and fix the compensation of, a special attorney for any such board, commission, or officer when, in the attorney general's judgment, the public welfare will be promoted thereby. Such special attorney's fees or salary shall be paid from the appropriation made for such board, commission, or officer. ~~A state agency that is current with its billings from the attorney general for legal services may contract with the attorney general for additional legal and investigative services.~~ Except as herein provided, no board, commission, or officer shall hereafter employ any attorney at the expense of the state.

Whenever the attorney general, the governor, and the chief justice of the supreme court shall certify, in writing, filed in the office of the secretary of state, that it is necessary, in the proper conduct of the legal business of the state, either civil or criminal, that the state employ additional counsel, the attorney general shall thereupon be authorized to employ such counsel and, with the governor and the chief justice, fix the additional counsel's compensation. Except as herein stated, no additional counsel shall be employed and the legal business of the state shall be performed exclusively by the attorney general and the attorney general's assistants.

Sec. 2. Minnesota Statutes 1993 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

Subdivision 1. [FEE SCHEDULES.] The attorney general in consultation with the commissioner of finance shall ~~assess executive branch agencies a fee for legal services rendered to them, except that the attorney general may not assess the department of human rights for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund.~~ develop a fee schedule to be used by the attorney general in developing the agreements authorized in subdivision 3.

~~The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them; except that~~ The attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01.

Subd. 2. [BIENNIAL BUDGET REQUEST.] (a) The attorney general in consultation with the commissioner of finance shall designate which agencies will have their legal service requests included in the budget request of the attorney general.

(b) All other agencies, in consultation with the attorney general and the commissioner of finance, shall include a request for legal services in their biennial budget requests.

Subd. 3. [AGREEMENTS.] To facilitate the delivery of legal services, the attorney general may:

(1) enter into agreements with executive branch agencies, political subdivisions, or quasi-state agencies to provide legal services for the benefit of the citizens of Minnesota; and

(2) in addition to funds otherwise appropriated by the legislature, accept and spend funds received under any agreement authorized in clause (1) for the purpose set forth in clause (1), subject to a report of receipts to the chairs of the senate finance committee and the house ways and means committee by October 15 each year.

Funds received under this subdivision must be deposited in the general fund and are appropriated to the attorney general for the purposes set forth in this subdivision.

Subd. 4. [REPORTS.] The attorney general shall prepare an annual expenditure report describing actual expenditures for each agency or political subdivision receiving legal services. The report shall describe:

(1) estimated and actual expenditures, including expenditures authorized through agreements;

(2) the type of services provided; and

(3) major current and future legal issues.

The report shall be submitted to the chairs of the senate finance committee and the house ways and means committee by October 15 each year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1995.

ARTICLE 12

PUBLIC DEFENDER

Section 1. Minnesota Statutes 1992, section 477A.012, is amended by adding a subdivision to read:

Subd. 7. [AID OFFSET FOR 1995 PUBLIC DEFENDER COSTS.] (a) In the case of a county located in the first, fifth, seventh, ninth, or tenth judicial district, there shall be deducted from the payment to the county under this section an amount equal to the cost of public defense services in juvenile and misdemeanor cases, to the extent those costs are assumed by the state for the calendar year beginning on January 1, 1995.

(b) For the purpose of the aid reductions under this section, the following amounts shall be used by the commissioner of revenue as the cost of public defense services in juvenile and misdemeanor cases for each county in the first, fifth, seventh, ninth, and tenth judicial districts, during the calendar year beginning on January 1, 1995:

COUNTY	JUDICIAL DISTRICT	AMOUNT
(1) Aitkin	9	$126,000
(2) Anoka	10	$634,000
(3) Becker	7	$160,000
(4) Beltrami	9	$130,000
(5) Benton	7	$ 80,000
(6) Blue Earth	5	$ 96,000
(7) Brown	5	$ 58,000
(8) Carver	1	$ 82,000

(9) Cass	9	$134,000
(10) Chisago	10	$ 66,000
(11) Clay	7	$136,000
(12) Clearwater	9	$ 24,000
(13) Cottonwood	5	$ 24,000
(14) Crow Wing	9	$128,000
(15) Dakota	1	$644,000
(16) Douglas	7	$ 84,000
(17) Faribault	5	$ 34,000
(18) Goodhue	1	$ 94,000
(19) Hubbard	9	$ 30,000
(20) Isanti	10	$ 56,000
(21) Itasca	9	$ 44,000
(22) Jackson	5	$ 30,000
(23) Kanabec	10	$ 42,000
(24) Kittson	9	$ 12,000
(25) Koochiching	9	$ 32,000
(26) Lake of the Woods	9	$ 8,000
(27) Le Sueur	1	$ 64,000
(28) Lincoln	5	$ 20,000
(29) Lyon	5	$ 58,000
(30) Mahnomen	9	$ 12,000
(31) Marshall	9	$ 28,000
(32) Martin	5	$ 74,000
(33) McLeod	1	$ 66,000
(34) Mille Lacs	7	$ 46,000
(35) Morrison	7	$ 70,000
(36) Murray	5	$ 14,000
(37) Nicollet	5	$ 86,000
(38) Nobles	5	$ 62,000

(39) Norman	9	$ 18,000
(40) Otter Tail	7	$172,000
(41) Pennington	9	$ 30,000
(42) Pine	10	$ 46,000
(43) Pipestone	5	$ 14,000
(44) Polk	9	$140,000
(45) Red Lake	9	$ 10,000
(46) Redwood	5	$ 98,000
(47) Rock	5	$ 28,000
(48) Roseau	9	$ 42,000
(49) Scott	1	$164,000
(50) Sherburne	10	$164,000
(51) Sibley	1	$ 82,000
(52) Stearns	7	$386,000
(53) Todd	7	$ 66,000
(54) Wadena	7	$ 24,000
(55) Washington	10	$282,000
(56) Watonwan	5	$ 38,000
(57) Wright	10	$118,000

(c) One-fourth of the amount specified under paragraph (b) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1994, and one-half of the amount computed under paragraph (b) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1995, and each subsequent year. If the amount specified under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3.

(d) The appropriation for the state assumption of the costs of public defender services in juvenile and misdemeanor cases in the first, fifth, seventh, ninth, and tenth judicial districts, for the time period from January 1, 1995, to June 30, 1995, shall be annualized for the 1996-1997 biennium.

Sec. 2. Minnesota Statutes 1993 Supplement, section 611.17, is amended to read:

611.17 [FINANCIAL INQUIRY; STATEMENTS.]

(a) Each judicial district must screen requests under paragraph (b).

(b) Upon a request for the appointment of counsel, the court shall make appropriate inquiry into the financial circumstances of the applicant, who shall submit a financial statement under oath or affirmation setting forth the applicant's assets and liabilities, including the value of any real property owned by the applicant, whether homestead or otherwise, less the amount of any encumbrances on the real property, the source or sources of income, and any other information required by the court. The state public defender shall furnish appropriate forms for the financial

statements. The information contained in the statement shall be confidential and for the exclusive use of the court and the public defender appointed by the court to represent the applicant except for any prosecution under section 609.48. A refusal to execute the financial statement or produce financial records constitutes a waiver of the right to the appointment of a public defender.

Sec. 3. Minnesota Statutes 1993 Supplement, section 611.20, subdivision 2, is amended to read:

Subd. 2. [PARTIAL PAYMENT.] If the court determines that the defendant is able to make partial payment, the court shall direct the partial payments to the ~~governmental unit responsible for the costs of the public defender~~ state general fund. Payments directed by the court to the state shall be recorded by the court administrator who shall transfer the payments to the state treasurer.

Sec. 4. Minnesota Statutes 1992, section 611.26, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT PUBLIC DEFENDERS.] A chief district public defender shall appoint assistants who are qualified attorneys licensed to practice law in this state and other staff as the chief district public defender finds prudent and necessary subject to the standards adopted by the state public defender. Assistant district public defenders must be appointed to ensure broad geographic representation and caseload distribution within the district. Each assistant district public defender serves at the pleasure of the chief district public defender. A chief district public defender is authorized, subject to approval by the state board of public defense or their designee, to hire an independent contractor to perform the duties of an assistant public defender.

Sec. 5. Minnesota Statutes 1992, section 611.26, subdivision 6, is amended to read:

Subd. 6. [PERSONS DEFENDED.] The district public defender shall represent, without charge, a defendant charged with a felony ~~or~~, a gross misdemeanor, or misdemeanor when so directed by the district court. ~~In the second, third, fourth, sixth, and eighth districts only,~~ The district public defender shall also represent a ~~defendant charged with a misdemeanor when so directed by the district court and shall represent a~~ minor in the juvenile court when so directed by the juvenile court.

Sec. 6. Minnesota Statutes 1993 Supplement, section 611.27, subdivision 4, is amended to read:

Subd. 4. [COUNTY PORTION OF COSTS.] That portion of subdivision 1 directing counties to pay the costs of public defense service shall not be in effect between ~~July 1, 1993~~ January 1, 1995, and July 1, 1995. This subdivision only relates to costs associated with felony ~~and~~, gross misdemeanor ~~public defense services in all judicial districts and to~~, juvenile, and misdemeanor public defense services ~~in the second, third, fourth, sixth, and eighth judicial districts~~. Notwithstanding the provisions of this subdivision, in the first, fifth, seventh, ninth, and tenth judicial districts, the cost of juvenile and misdemeanor public defense services for cases opened prior to January 1, 1995, shall remain the responsibility of the respective counties in those districts, even though the cost of these services may occur after January 1, 1995.

Sec. 7. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective July 1, 1994. Sections 3, 5, and 6 are effective January 1, 1995."

Delete the title and insert:

"A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; amending Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3; 126.02, subdivision 1; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 241.26, subdivision 7; 243.05, by adding a subdivision; 243.166, subdivision

5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivision 1; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding a subdivision; 609.5315, subdivision 3; 609.5316, subdivision 1; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivision 3a; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 6 and 14; 593.48; 609.11, subdivisions 4, 5, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.531, subdivision 1; 609.5315, subdivisions 1 and 2; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; and 626.556, subdivision 2; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116J; 126; 144; 241; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811."

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

The report was adopted.

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

H. F. No. 2400, A bill for an act relating to agricultural economy; increasing extent of authorized state participation in rural finance authority loan restructuring program; repealing authorization for the commissioner of finance to issue obligations to assist agricultural-industrial facilities in Detroit Lakes; amending Minnesota Statutes 1992, section 41B.04, subdivision 8; repealing Laws 1992, chapter 543.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2436, A bill for an act relating to youth and young adult corps; authorizing insurance and education awards to members; amending Minnesota Statutes 1992, section 84.0887, by adding subdivisions.

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

The report was adopted.

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

H. F. No. 2520, A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; amending Minnesota Statutes 1992, section 116.07, subdivision 4d.

Reported the same back with the following amendments:

Page 4, after line 8, insert:

"Sec. 2. [REPORT.]

By June 1, 1995, the commissioner of the pollution control agency shall submit to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate a report detailing the agency's experience under section 1, paragraph (f), including:

(1) the number of requests for expedited permit review;

(2) the number of staff hours used for each expedited review;

(3) the amount of reimbursements received by the agency from each person who requested expedited review;

(4) an indication of whether expedited review results in a sufficiently thorough examination of all aspects of a project or operation; and

(5) an analysis of the effect of expedited review on routine review of permit requests for other businesses or individuals."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring a report to the legislature;"

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

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 2523, A bill for an act relating to occupations and professions; requiring that concrete and masonry workers be licensed as residential contractors; amending Minnesota Statutes 1993 Supplement, sections 326.83, subdivisions 7, 19, and by adding a subdivision; 326.842; and 326.94, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 13, delete "worker" and insert "contractor"

Page 1, line 17, delete "WORKERS" and insert "CONTRACTORS"

Page 1, line 18, delete "workers" and insert "contractors"

Page 4, line 9, delete "WORKERS" and insert "CONTRACTORS"

Page 4, lines 10 and 16, delete "workers" and insert "contractors"

Page 4, line 28, delete "worker" and insert "contractor"

Page 4, after line 29, insert:

"Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1995."

Amend the title as follows:

Page 1, line 3, delete "workers" and insert "contractors"

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.

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

H. F. No. 2825, A bill for an act relating to game and fish; authorizing nonresident multiple zone antlerless deer licenses; exemptions from pest control licensing; trapping hours; exemptions from fur buying and selling licensure; purchase of archery deer licenses after the firearms season opens; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; amending Minnesota Statutes 1992, sections 97A.475, subdivision 3; 97A.485, subdivision 9; 97B.031, subdivision 2; 97B.051; 97B.211, subdivision 2; 97B.301, by adding a subdivision; 97B.905, subdivision 1; and 97B.931; Minnesota Statutes 1993 Supplement, sections 18B.32, subdivision 1; and 97B.041.

Reported the same back with the following amendments:

Page 5, after line 18, insert:

"Sec. 11. Minnesota Statutes 1992, section 97C.321, subdivision 2, is amended to read:

Subd. 2. [ICE FISHING.] A person may use an unattended line to take fish through the ice if:

(1) the person is within sight of the line; or

(2) a tip-up is attached to the line and the person is within 80 feet of the tip-up.

For the purposes of this subdivision, "tip-up" includes a nonmotorized device with a recoil mechanism."

Amend the title as follows:

Page 1, line 13, delete "and" and after "97B.931;" insert "and 97C.321, subdivision 2;"

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

The report was adopted.

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

H. F. No. 2885, A bill for an act relating to agriculture; changing the law limiting corporate farming; establishing a corporate farming law task force; appropriating money; amending Minnesota Statutes 1992, section 500.24, subdivisions 2 and 3.

Reported the same back with the following amendments:

Pages 10 to 12, delete section 3

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, line 4, delete everything before "amending"

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

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 3051, A bill for an act relating to local government; providing for creation of water and sewer district and Cross Lake area water and sanitary sewer board to administer the district; providing for collection, treatment, and disposal of sewage in the Cross Lake area.

Reported the same back with the following amendments:

Page 1, lines 11, 16, and 22, delete "this act" and insert "sections 1 to 19"

Page 4, line 10, delete "this act" and insert "sections 1 to 19"

Page 4, line 22, delete "this act becomes" and insert "sections 1 to 19 become"

Page 6, line 11, delete "this act" and insert "sections 1 to 19"

Page 9, line 35, delete "this act" and insert "sections 1 to 19"

Page 14, lines 1 and 36, delete "this act" and insert "sections 1 to 19"

Page 16, lines 5 and 17, delete "this act" and insert "sections 1 to 19"

Page 22, line 35, delete "this act" and insert "sections 1 to 19"

Page 23, line 32, delete "this act" and insert "sections 1 to 19"

Page 25, lines 13, 32, 34, and 35, delete "this act" and insert "sections 1 to 19"

Page 26, after line 1, insert:

"Sec. 20. Laws 1993, chapter 55, section 1, is amended to read:

Section 1. [TEMPORARY RESOLUTION, EXTENSION.]

In addition to the periods allowed by Minnesota Statutes, section 394.34, the Pine county board of commissioners may by resolution extend a prior resolution on the subdivision of land by plat and by exemption certificate that was originally adopted by the board on March 13, 1991, for a one-year period, and extended on March 11, 1992. The resolution adopted under this section may extend the prior resolution for an additional period ending not later than ~~March 13, 1994~~ April 1, 1995."

Page 26, line 2, delete "20" and insert "21"

Page 26, lines 3 and 6, delete "This act is" and insert "Sections 1 to 19 are"

Page 26, after line 9, insert:

"Subd. 3. Section 20 is effective on the day following final enactment."

Amend the title as follows:

Page 1, line 6, before the period, insert "; amending Laws 1993, chapter 55, section 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3179, A bill for an act relating to waters; preservation of wetlands; drainage and filling for public roads; defining terms; board action on local government plans; action on approval of replacement plans; computation of value; appropriating money; amending Minnesota Statutes 1992, sections 103G.2242, subdivisions 1, 5, 6, 7, and 8; and 103G.237, subdivision 4; Minnesota Statutes 1993 Supplement, sections 103G.222; and 103G.2241.

Reported the same back with the following amendments:

Page 12, delete lines 4 to 26

Page 12, line 30, delete "Sections 10 to 12 are" and insert "Section 10 is"

Renumber sections in sequence

Amend the title as follows:

Page 1, line 6, delete "appropriating money;"

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1758, A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive aid to families with dependent children (AFDC); providing an exception to the AFDC overpayment statute; allowing start work offset to AFDC recipients in the first month of work; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job search; allowing vendor emergency assistance payments for damage deposit; providing required workers' compensation insurance for community work experience program workers; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; requiring a study to expand the parent's fair share pilot project statewide; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote moving off welfare and becoming self-sufficient; expanding the parent's fair share pilot project into Ramsey county; expanding state support for basic sliding fee day care program; appropriating money; amending

Minnesota Statutes 1992, sections 256.73, by adding subdivisions; 256.737, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.09, by adding a subdivision; 256H.05, subdivision 1b; and 268.672, subdivision 6; Minnesota Statutes 1993 Supplement, sections 256.031, subdivision 3; 256.73, subdivision 8; and 256.736, subdivisions 10 and 14; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1993 Supplement, section 256.734.

Reported the same back with the following amendments to the unofficial engrossment:

Page 38, line 25, delete "$5,792,000" and insert "$5,726,000"

Page 39, line 22, delete "8" and insert "6"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1806, A bill for an act relating to nursing; allowing certified clinical specialists in psychiatric or mental health nursing to prescribe and administer drugs; appropriating money; amending Minnesota Statutes 1992, section 148.235, by adding subdivisions; Minnesota Statutes 1993 Supplement, section 148.235, subdivision 2.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1316, 2054, 2120, 2234, 2436 and 3051 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 584, 862, 1694, 1740, 1741, 2551, 1758 and 1806 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Rest, for the Committee on Taxes, introduced:

H. F. No. 3209, A bill for an act relating to the financing and operation of state and local government; conforming with changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; abolishing limited market value; changing certain tax return or report requirements; changing operation of the local government trust fund; authorizing special assessments; authorizing local taxes; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing the deposit of certain revenues; changing certain bonding provisions and authorizing bonding; modifying tax increment financing requirements; requiring certain permits and permit fees; requiring certain disclosures; requiring studies; transferring and appropriating money and

limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.15, by adding a subdivision; 124.196; 271.06, subdivision 7; 272.121, subdivision 1; 273.111, subdivision 11; 273.1398, by adding a subdivision; 273.1399, by adding a subdivision; 273.165, subdivision 1; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19d, and by adding a subdivision; 290.05, subdivision 3; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivisions 2 and 2a; 296.16, subdivision 1; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding subdivisions; 297A.256; 297A.44, subdivision 4; 297C.03, subdivision 6; 297C.13, subdivision 1; 298.017, subdivision 2; 298.26; 340A.311; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 469.004, subdivision 1a; 469.175, subdivisions 3, 4, and by adding a subdivision; 469.1761, subdivisions 1, 2, and 3; 469.177, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 270.78; 273.11, subdivisions 5, 16, and by adding a subdivision; 273.121; 273.124, subdivision 1; 273.13, subdivisions 23 and 24; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.11, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.03, subdivision 3; 290A.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision 16; 297B.03; and 469.176, subdivisions 1b and 4c; Laws 1969, chapter 499, section 2; Laws 1993, chapter 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 469; and 473; repealing Minnesota Statutes 1992, section 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, sections 82.19, subdivision 9; 273.11, subdivision 1a; and 289A.25, subdivision 5a.

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

Greenfield and Simoneau, for the Committee on Health and Human Services/Human Services Finance Division, introduced:

H. F. No. 3210, A bill for an act relating to human services; appropriating money for the departments of human services and health, and the ombudsman for mental health and mental retardation; modifying certain provisions relating to health and human services programs and activities; amending Minnesota Statutes 1992, sections 62A.046; 62A.048; 62A.27; 62A.31, by adding a subdivision; 144.0721, by adding a subdivision; 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; 245A.14, subdivision 7; 246.50, subdivision 5; 246.53, subdivision 1; 246.57, subdivision 1; 252.025, subdivision 1, and by adding a subdivision; 252.275, subdivisions 3, 4, and by adding a subdivision; 256.015, subdivisions 2 and 7; 256.045, subdivisions 3, 4, and 5; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.969, subdivisions 10 and 16; 256B.042, subdivision 2; 256B.056, by adding a subdivision; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 25, and by adding subdivisions; 256B.0641, subdivision 1; 256B.0913, subdivision 8, and by adding a subdivision; 256B.0915, subdivision 5; 256B.0917, subdivisions 6 and 8; 256B.15, subdivision 1a; 256B.431, subdivisions 3c and 17; 256B.432, subdivisions 1, 3, and 6; 256B.49, subdivision 4; 256B.501, subdivisions 1, 3, 3c, and by adding a subdivision; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3a and 3b; 256D.05, subdivisions 3 and 3a; 256D.16; 256D.425, by adding a subdivision; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 261.04, subdivision 2; 518.171, subdivision 5; 518.613, subdivision 7; 524.3-803; 524.3-1201; 528.08; and 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 62A.045; 144.551, subdivision 1; 144A.071, subdivisions 3 and 4a; 144A.073, subdivisions 2 and 3; 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 245.97, subdivision 6; 252.46, by adding a subdivision; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9362, subdivision 6; 256.9657, subdivisions 2 and 3; 256.9685, subdivision 1; 256.969, subdivision 1; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 19a, 20, and 37; 256B.0626; 256B.0911, subdivisions 2, 4, and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, and 5; 256B.15, subdivision 2; 256B.431, subdivisions 2b, 15, and 24; 256B.432, subdivision 5; 256B.501, subdivisions 3g, 5a, and 8; 256D.03, subdivisions 3 and 4; 256I.04, subdivision 3; 256I.06, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 2; 514.981, subdivisions 2 and 5; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; 518.615, subdivision 3; and 626.556, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 137; 245; 246; 252; 253; and 256; repealing Minnesota Statutes 1992, sections 14.38; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 252.275, subdivisions 4a and 10; and 256B.501;

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2967, A bill for an act relating to local government; giving the Minneapolis school district and the municipal building commission the same authority as the city of Minneapolis to negotiate certain trade and craft contracts; amending Laws 1988, chapter 471, sections 1 and 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2634, A bill for an act relating to transportation; requiring understandable notice of requirements for appealing town road damage awards; amending Minnesota Statutes 1992, section 164.07, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lourey moved that the House concur in the Senate amendments to H. F. No. 2634 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2634, A bill for an act relating to transportation; requiring understandable notice of requirements for appealing town road damage awards; amending Minnesota Statutes 1992, section 164.07, subdivision 6.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Lieder	Nelson	Rest	Van Dellen
Anderson, R.	Dempsey	Jacobs	Limmer	Ness	Rhodes	Van Engen
Asch	Dorn	Jefferson	Lindner	Olson, E.	Rice	Vellenga
Battaglia	Erhardt	Johnson, A.	Long	Olson, K.	Rodosovich	Vickerman
Bauerly	Evans	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Beard	Finseth	Johnson, V.	Luther	Onnen	Seagren	Waltman
Bergson	Frerichs	Kahn	Lynch	Opatz	Sekhon	Weaver
Bertram	Garcia	Kalis	Macklin	Orenstein	Simoneau	Wejcman
Bettermann	Girard	Kelley	Mahon	Orfield	Skoglund	Wenzel
Brown, C.	Goodno	Kelso	Mariani	Osthoff	Smith	Winter
Brown, K.	Greenfield	Kinkel	McCollum	Ostrom	Solberg	Wolf
Carlson	Greiling	Klinzing	McGuire	Ozment	Stanius	Worke
Carruthers	Gruenes	Knickerbocker	Milbert	Pauly	Steensma	Workman
Commers	Gutknecht	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Koppendrayer	Morrison	Pelowski	Swenson	
Dauner	Haukoos	Krinkie	Mosel	Perlt	Tomassoni	
Davids	Hausman	Krueger	Munger	Peterson	Tompkins	
Dawkins	Holsten	Lasley	Murphy	Pugh	Trimble	
Dehler	Hugoson	Leppik	Neary	Reding	Tunheim	

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

Mr. Speaker:

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

H. F. No. 2373, A bill for an act relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders and the payment and refund of checkoff fees; amending Minnesota Statutes 1992, sections 17.53, subdivisions 2, 8, and 13; 17.59, subdivision 2; and 17.63.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olson, E., moved that the House concur in the Senate amendments to H. F. No. 2373 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2373, A bill for an act relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders and the payment and refund of checkoff fees; amending Minnesota Statutes 1992, sections 17.53, subdivisions 2, 8, and 13; and 17.63.

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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Leppik	Neary	Reding	Tunheim
Anderson, R.	Dempsey	Jacobs	Lieder	Nelson	Rest	Van Dellen
Asch	Dorn	Jaros	Limmer	Ness	Rhodes	Van Engen
Battaglia	Erhardt	Jefferson	Lindner	Olson, E.	Rice	Vellenga
Bauerly	Evans	Johnson, A.	Long	Olson, K.	Rodosovich	Vickerman
Beard	Finseth	Johnson, R.	Lourey	Olson, M.	Rukavina	Wagenius
Bergson	Frerichs	Johnson, V.	Luther	Onnen	Sarna	Waltman
Bertram	Garcia	Kahn	Lynch	Opatz	Sekhon	Weaver
Bettermann	Girard	Kalis	Macklin	Orenstein	Simoneau	Wejcman
Brown, C.	Goodno	Kelley	Mahon	Orfield	Skoglund	Wenzel
Brown, K.	Greenfield	Kelso	Mariani	Osthoff	Smith	Winter
Carlson	Greiling	Kinkel	McCollum	Ostrom	Solberg	Wolf
Carruthers	Gruenes	Klinzing	McGuire	Ozment	Stanius	Worke
Commers	Gutknecht	Knickerbocker	Milbert	Pauly	Steensma	Workman
Cooper	Hasskamp	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Dauner	Haukoos	Koppendrayer	Morrison	Pelowski	Swenson	
Davids	Hausman	Krinkie	Mosel	Perlt	Tomassoni	
Dawkins	Holsten	Krueger	Munger	Peterson	Tompkins	
Dehler	Hugoson	Lasley	Murphy	Pugh	Trimble	

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

Mr. Speaker:

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

H. F. No. 2772, A bill for an act relating to state government; public employment; establishing a pilot project in certain agencies; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orenstein moved that the House concur in the Senate amendments to H. F. No. 2772 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2772, A bill for an act relating to state government; public employment; establishing a pilot project in certain agencies; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

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	Delmont	Huntley	Leppik	Neary	Reding	Trimble
Anderson, R.	Dempsey	Jacobs	Lieder	Nelson	Rest	Tunheim
Asch	Dorn	Jaros	Limmer	Ness	Rhodes	Van Dellen
Battaglia	Erhardt	Jefferson	Lindner	Olson, E.	Rice	Van Engen
Bauerly	Evans	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Beard	Finseth	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bergson	Frerichs	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Bertram	Garcia	Kahn	Lynch	Opatz	Seagren	Waltman
Bettermann	Girard	Kalis	Macklin	Orenstein	Sekhon	Weaver
Brown, C.	Goodno	Kelley	Mahon	Orfield	Simoneau	Wejcman
Brown, K.	Greenfield	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Carlson	Greiling	Kinkel	McCollum	Ostrom	Smith	Winter
Carruthers	Gruenes	Klinzing	McGuire	Ozment	Solberg	Wolf
Clark	Gutknecht	Knickerbocker	Milbert	Pauly	Stanius	Worke
Commers	Hasskamp	Knight	Molnau	Pawlenty	Steensma	Workman
Cooper	Haukoos	Koppendrayer	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hausman	Krinkie	Mosel	Perlt	Swenson	
Dawkins	Holsten	Krueger	Munger	Peterson	Tomassoni	
Dehler	Hugoson	Lasley	Murphy	Pugh	Tompkins	

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

Mr. Speaker:

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

H. F. No. 2362, A bill for an act relating to animals; changing the definition of a potentially dangerous dog; changing the identification tag requirements for a dangerous dog; amending Minnesota Statutes 1992, sections 347.50, subdivision 3; and 347.51, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson moved that the House refuse to concur in the Senate amendments to H. F. No. 2362, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1898, A bill for an act relating to insurance; health; requiring coverage for equipment and supplies for the management and treatment of diabetes; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Mses. Wiener, Piper and Mr. Frederickson.

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

Pugh 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. 1898. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2246, A bill for an act relating to natural resources; authorizing the exchange of certain state lands in Wabasha and Fillmore counties under certain conditions.

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

Messrs. Murphy, Morse and Dille.

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

Waltman 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. 2246. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1744, A bill for an act relating to the city of Lakefield; allowing the city of Lakefield to expand its public utilities commission to five members.

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

Messrs. Vickerman, Murphy and Chmielewski.

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

Olson, K., 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. 1744. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1912, A bill for an act relating to insurance; accident and health; permitting short-term coverage; amending Minnesota Statutes 1993 Supplement, section 62A.65, by adding a subdivision.

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

Messrs. Vickerman, Larson and Chandler.

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

Cooper 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. 1912. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2900.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2900, A bill for an act relating to education; appropriating money for education and related purposes to the state board of technical colleges, higher education board, state university board, and board of regents of the University of Minnesota, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; designating community colleges; establishing the mission of Fond du Lac campus; changing certain financial aid grants; modifying the child care grant program; clarifying an exemption to private, business, trade, and correspondence school licensing; providing for appointments; permitting rulemaking; adopting a post-secondary funding formula; permitting the higher education board to establish tuition rates for the 1995-1996 academic year; postponing mandated planning; amending Minnesota Statutes 1992, sections 135A.01; 135A.03, subdivisions 1a, and by adding subdivisions; 135A.04; 136.60, subdivisions 1 and 3; 136A.101, subdivision 5; 136A.121, subdivisions 5, 17, and by adding subdivisions; 136A.125, subdivisions 2, 4, and by adding a subdivision; 136A.15, subdivision 6; and 141.35; Minnesota Statutes 1993 Supplement, sections 125.138, subdivisions 1, 6, and 8; and 135A.05; 136A.121, subdivision 6; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 2, 3, 4, 5, and 6; 136.60, subdivision 4; and 136C.36.

The bill was read for the first time.

Pelowski moved that S. F. No. 2900 and H. F. No. 3178, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 2303 was reported to the House.

Upon objection of ten members, S. F. No. 2303 was stricken from the Consent Calendar and placed on General Orders.

H. F. No. 2057, A bill for an act relating to partition fences; requiring the department of natural resources to share in the expense of partition fences; amending Minnesota Statutes 1992, section 344.03, subdivision 1.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Pugh	Tompkins
Asch	Delmont	Huntley	Leppik	Neary	Reding	Trimble
Battaglia	Dempsey	Jacobs	Lieder	Nelson	Rest	Tunheim
Bauerly	Dorn	Jaros	Limmer	Ness	Rhodes	Van Dellen
Beard	Erhardt	Jefferson	Lindner	Olson, E.	Rice	Van Engen
Bergson	Evans	Jennings	Long	Olson, K.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, A.	Lourey	Olson, M.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, R.	Luther	Onnen	Sarna	Wagenius
Bishop	Garcia	Johnson, V.	Lynch	Opatz	Seagren	Waltman
Brown, C.	Girard	Kahn	Macklin	Orenstein	Sekhon	Weaver
Brown, K.	Goodno	Kalis	Mahon	Orfield	Simoneau	Wejcman
Carlson	Greenfield	Kelley	Mariani	Osthoff	Skoglund	Wenzel
Carruthers	Greiling	Kinkel	McCollum	Ostrom	Smith	Winter
Clark	Gruenes	Klinzing	McGuire	Ozment	Solberg	Wolf
Commers	Gutknecht	Knickerbocker	Milbert	Pauly	Stanius	Worke
Cooper	Hasskamp	Knight	Molnau	Pawlenty	Steensma	Workman
Dauner	Haukoos	Koppendrayer	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hausman	Krinkie	Mosel	Perlt	Swenson	

The bill was passed and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 936

A bill for an act relating to the department of jobs and training; changing its name to the department of economic security.

March 25, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 936, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: BARB VICKERMAN, PAT BEARD AND BRIAN BERGSON.

Senate Conferees: DENNIS R. FREDERICKSON, JANET B. JOHNSON AND JAMES P. METZEN.

Vickerman moved that the report of the Conference Committee on H. F. No. 936 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 936, A bill for an act relating to the department of jobs and training; changing its name to the department of economic security.

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

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Dellen
Anderson, R.	Dempsey	Jacobs	Lieder	Ness	Rice	Van Engen
Battaglia	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vellenga
Bauerly	Erhardt	Jefferson	Lindner	Olson, M.	Rukavina	Vickerman
Beard	Evans	Jennings	Long	Onnen	Sarna	Wagenius
Bergson	Finseth	Johnson, A.	Lourey	Opatz	Seagren	Weaver
Bertram	Frerichs	Johnson, R.	Luther	Orenstein	Sekhon	Wejcman
Bettermann	Garcia	Johnson, V.	Lynch	Orfield	Simoneau	Wenzel
Bishop	Girard	Kahn	Macklin	Osthoff	Skoglund	Winter
Brown, K.	Goodno	Kalis	Mahon	Ostrom	Smith	Wolf
Carlson	Greenfield	Kelley	Mariani	Ozment	Solberg	Worke
Carruthers	Greiling	Kelso	McGuire	Pauly	Stanius	Workman
Clark	Gruenes	Kinkel	Milbert	Pawlenty	Steensma	Spk. Anderson, I.
Commers	Gutknecht	Klinzing	Molnau	Pelowski	Sviggum	
Cooper	Hasskamp	Knickerbocker	Morrison	Perlt	Swenson	
Dauner	Haukoos	Koppendrayer	Mosel	Peterson	Tomassoni	
Davids	Hausman	Krinkie	Munger	Pugh	Tompkins	
Dawkins	Holsten	Krueger	Murphy	Reding	Trimble	
Dehler	Hugoson	Lasley	Neary	Rest	Tunheim	

Those who voted in the negative were:

Asch	Brown, C.	Knight	McCollum	Olson, K.	Waltman

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 2175, 2433 and 2189.

H. F. No. 2175, A bill for an act relating to the city of Saint Paul; authorizing a program for the replacement of lead pipes and the charging or assessment of costs for the program and the issuance of general or special obligations to pay the costs of the program.

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 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Davids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

Delmont	Haukoos	Kinkel	Mahon	Onnen	Rice	Trimble
Dempsey	Hausman	Klinzing	Mariani	Opatz	Rodosovich	Tunheim
Dorn	Holsten	Knickerbocker	McCollum	Orenstein	Rukavina	Van Dellen
Erhardt	Hugoson	Knight	McGuire	Orfield	Sarna	Van Engen
Evans	Huntley	Koppendrayer	Milbert	Osthoff	Seagren	Vellenga
Farrell	Jacobs	Krueger	Molnau	Ostrom	Sekhon	Vickerman
Finseth	Jaros	Lasley	Morrison	Ozment	Simoneau	Wagenius
Frerichs	Jefferson	Leppik	Mosel	Pauly	Skoglund	Waltman
Garcia	Jennings	Lieder	Munger	Pawlenty	Smith	Weaver
Girard	Johnson, A.	Limmer	Murphy	Pelowski	Solberg	Wejcman
Goodno	Johnson, R.	Lindner	Neary	Perlt	Stanius	Wenzel
Greenfield	Johnson, V.	Long	Nelson	Peterson	Steensma	Winter
Greiling	Kahn	Lourey	Ness	Pugh	Sviggum	Wolf
Gruenes	Kalis	Luther	Olson, E.	Reding	Swenson	Worke
Gutknecht	Kelley	Lynch	Olson, K.	Rest	Tomassoni	Workman
Hasskamp	Kelso	Macklin	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.

Those who voted in the negative were:

Krinkie

The bill was passed and its title agreed to.

H. F. No. 2433, A bill for an act relating to the city of Duluth; authorizing the issuance of general obligation bonds to finance improvements to the Duluth entertainment convention center.

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 105 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Huntley	Krueger	Munger	Perlt	Steensma
Anderson, R.	Dawkins	Jacobs	Lasley	Murphy	Peterson	Sviggum
Asch	Delmont	Jaros	Lieder	Neary	Pugh	Swenson
Battaglia	Dempsey	Jefferson	Limmer	Nelson	Reding	Tomassoni
Bauerly	Dorn	Jennings	Long	Ness	Rest	Trimble
Beard	Erhardt	Johnson, A.	Lourey	Olson, E.	Rhodes	Tunheim
Bergson	Evans	Johnson, R.	Luther	Olson, K.	Rice	Van Dellen
Bertram	Farrell	Johnson, V.	Lynch	Onnen	Rodosovich	Vellenga
Bishop	Finseth	Kahn	Macklin	Opatz	Rukavina	Wagenius
Brown, C.	Garcia	Kalis	Mahon	Orenstein	Sarna	Weaver
Brown, K.	Greenfield	Kelley	Mariani	Orfield	Seagren	Wejcman
Carlson	Greiling	Kelso	McCollum	Osthoff	Sekhon	Wenzel
Carruthers	Gruenes	Kinkel	McGuire	Ostrom	Simoneau	Winter
Clark	Hasskamp	Klinzing	Milbert	Pauly	Skoglund	Worke
Cooper	Hausman	Knickerbocker	Mosel	Pelowski	Solberg	Spk. Anderson, I.

Those who voted in the negative were:

Bettermann	Frerichs	Haukoos	Krinkie	Olson, M.	Stanius	Waltman
Commers	Girard	Holsten	Lindner	Ozment	Tompkins	Wolf
Davids	Goodno	Hugoson	Molnau	Pawlenty	Van Engen	Workman
Dehler	Gutknecht	Knight	Morrison	Smith	Vickerman	

The bill was passed and its title agreed to.

H. F. No. 2189 was reported to the House.

Vellenga moved to amend H. F. No. 2189, the third engrossment, as follows:

Page 143, after line 4, insert:

"Sec. 2. [121.025.] [DESEGREGATION/INTEGRATION OFFICE.]

Subdivision 1. [ESTABLISHMENT.] An office of desegregation/integration is established in the department of education to coordinate and administer activities in the seven county metropolitan area to help school districts implement approved school desegregation/integration plans. Office activities include coordinating and administering teacher exchanges, assisting districts with intradistrict and interdistrict student transfers, and student recruitment, counseling, placement and transportation, coordinating and disseminating information about schools and programs, collecting data to show nondiscriminatory treatment, the efficacy of district efforts and the areas for special intervention or additional resources, assisting districts with new magnet schools and programs, and consulting with the metropolitan council under section 473.1455 to integrate school desegregation/integration efforts with the educational, physical, social, economic and infrastructure needs of the metropolitan area. Upon the request of a district with an approved desegregation/integration plan, the office shall assist in providing staff development and in-service training.

Subd. 2. [COORDINATION.] The commissioner shall coordinate the office activities under subdivision 1 with new or existing department efforts to accomplish school desegregation/integration."

Page 143, line 14, after "students" insert "and racial balance as defined by the state board"

Page 144, delete lines 6 to 36

Page 145, delete lines 1 to 36

Page 146, delete lines 1 to 36

Page 147, delete line 1

Page 158, line 23, delete "voluntary"

Page 158, line 24, delete "interdistrict coordinating" and insert "desegregation/integration" and delete "(VICO)" and delete "121.951" and insert "121.025"

Page 158, line 31, delete "charges to" and insert "duties of" and delete "VICO" and insert "desegregation/integration office"

Page 161, delete line 18

Page 161, line 19, delete "office advisory board and to"

Page 161, line 22, delete everything after the period

Page 161, delete line 23

Page 161, line 26, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 161, line 27, delete "121.951, in consultation with its"

Page 161, line 28, delete "advisory board" and insert "121.025"

Page 161, line 31, delete "The proposal shall"

Page 161, delete lines 32 to 36

Page 162, delete lines 1 to 6

Page 162, line 9, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 162, line 10, delete "121.951" and insert "121.025"

Page 162, line 17, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 162, line 18, after "section", delete "121.951" and insert "121.025"

Page 164, line 17, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 164, line 24, delete everything after the word "department"

Page 164, line 25, delete everything through the comma

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jacobs and Vellenga moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 127, line 4, after the period, insert "Any individual employed by a school district for purposes of public school on-site testing and assessment must be a person who holds a license under section 125.05, subdivision 1."

The motion prevailed and the amendment was adopted.

Brown, C., moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 122, after line 31, insert a section to read:

"Sec. 34. Laws 1992, chapter 499, article 6, section 34, is amended to read:

Sec. 34. COOPERATION REVENUE.

Subdivision 1. Notwithstanding any other law to the contrary, if the members of a joint school district that received a cooperative secondary facilities grant under section 124.494 on or before May 1, 1991, meet the requirements of Minnesota Statutes 1990, sections 122.241 to 122.246, they shall be eligible for revenue under Minnesota Statutes, section 124.2725.

Subd. 2. The authority in subdivision 1 expires if the members of the joint school district have not combined according to Minnesota Statutes 1990, section 122.244, by July ~~1996~~ 1997."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Lasley moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 7, after line 34, insert:

"Sec. 8. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 25. [EQUALIZATION AIDS ADJUSTED TAX CAPACITY.] "Equalization aids adjusted tax capacity" means a district's total market value of all taxable property located within the district times a class rate of one percent less the sum of the portion of market value attributable to:

(1) the district's commercial-industrial property, consisting of class 3a and 3b property as defined under section 273.13, subdivision 24;

(2) the district's class 5 property as defined under section 273.13, subdivision 31; and

(3) the district's class 2a property as defined under section 273.13, subdivision 23 except the house, garage and one acre; all adjusted by the sales ratio for that year according to section 124.2131."

Page 9, after line 12, insert:

"Sec. 11. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 1g, is amended to read:

Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] A district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's equalization aids adjusted ~~net~~ tax capacity per actual pupil unit to 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8."

Page 9, line 28, after "market value" insert "or equalization aids adjusted tax capacity"

Page 12, after line 16, insert:

"Sec. 13. Minnesota Statutes 1992, section 124A.03, is amended by adding a subdivision to read:

Subd. 2c. [SCHOOL REFERENDUM LEVY: EQUALIZATION AIDS TAX CAPACITY.] A school board may, by board resolution, convert its referendum levy and have its levy spread against the equalization aids tax capacity. Notwithstanding subdivisions 2 or 2a, a school board may choose to have any new referendum levy authorized and levied against the equalization aids tax capacity of all taxable property as defined in section 124A.02, subdivision 25. Any referendum levy amount subject to the requirements of this subdivision shall be separately certified to the county auditor under section 275.07.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision."

Page 13, after line 35, insert "A school district may, by board resolution, expire all of its existing referendum revenue."

Page 15, after line 25, insert:

"Sec. 15. Minnesota Statutes 1992, section 124A.22, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION REVENUE.] The general education revenue for each district equals the sum of the district's basic revenue, compensatory education revenue, training and experience revenue, secondary sparsity revenue, elementary sparsity revenue, ~~and~~ supplemental revenue, and referendum conversion revenue."

Page 21, after line 6, insert:

"Sec. 21. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 10. [REFERENDUM CONVERSION REVENUE.] Beginning in fiscal year 1995, a school district's referendum conversion revenue equals the product of:

(1) the district's actual pupil units for that year, and

(2) the greater of zero, or $300 minus the ratio of the district's referendum revenue to its actual pupil units for that year. Referendum conversion revenue is funded through the school aids reserve account."

Page 21, after line 13, insert:

"Sec. 22. [124D.01] [DEFINITIONS.]

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

Subd. 2. [COMMERCIAL-INDUSTRIAL PROPERTY.] "Commercial-industrial property" means the following categories of property as defined in section 273.13:

(1) class 3a and 3b property as defined in section 273.13, subdivision 24; and

(2) class 5 property as defined in section 273.13, subdivision 31.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 4. [EQUALIZATION AID ACCOUNT.] "Equalization aid account" means the account established in the general fund to pay education equalization aids to school districts. All revenue received from the education equalization commercial-industrial property tax must be deposited in this account.

For fiscal year 1996, "equalization aid" means debt service equalization aid. For fiscal years 1997 and later, "equalization aid" means debt service equalization aid and referendum equalization aid.

Subd. 5. [FARM PROPERTY.] "Farm property" means class 2a property, except the house, garage, and one acre, as defined in section 273.13, subdivision 23.

Sec. 23. [124D.02] [EDUCATION EQUALIZATION TAX.]

Subdivision 1. [EDUCATION EQUALIZATION TAX BASE.] The net tax capacity of commerical-industrial property and farm property is the education equalization tax base and is subject to the education equalization tax rate as determined in subdivision 3.

Subd. 2. [EDUCATION EQUALIZATION LEVY.] On or before October 1 of each year, the commissioner shall determine the total amount of the education equalization tax base within the state for the previous assessment year. The commissioner of education shall calculate and report to the commissioner of revenue the amount of revenue necessary to provide state aid to fund the equalization aids specified in section 124D.01, subdivision 4, for the following fiscal year. The commissioner shall determine each county's equalized education equalization tax base by dividing the education equalization tax base, excluding public utility property, but including railroad property, by its most recently available countywide aggregate commercial-industrial sales ratio determined under section 124.2131, and then adding that product to each county's public utility part of the education equalization tax base. Each county's education equalization levy equals the statewide education equalization levy determined in this subdivision multiplied by the ratio of each county's equalized education equalization tax base determined in this subdivision to the total equalized education equalization tax base for all counties.

Subd. 3. [EDUCATION EQUALIZATION TAX RATE.] Before December 2 of each year, the commissioner shall notify each county auditor of the amount of education equalization tax to be levied on commercial-industrial property and farm property located in the county for taxes payable in the following year. The county auditor shall compute the education equalization tax rate for the county by dividing the county's education equalization levy, as certified by the commissioner, by the total education equalization tax base within the county determined under subdivision 1.

Sec. 24. [124D.03] [PAYMENT.]

The amount of education equalization tax due on each parcel of commercial-industrial property and farm property must be listed separately on the property tax statement under section 276.04, subdivision 2. Payment of the education equalization tax must be made at the same time and in the same manner as all other property taxes levied by all units of local government. The county treasurer shall pay the amounts collected from the education equalization tax to the state treasurer. Settlement between the county treasurer and the state treasurer must be made at the same time that distributions are made to local governmental units in accordance with sections 276.09 to 276.111. The funds payable to the state treasurer must be deposited in the equalization aid account in the general fund, and must be used only to pay education equalization aids to school districts."

Page 22, after line 35, insert:

"Sec. 27. [SCHOOL AIDS RESERVE ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] There is established a school aids reserve account in the general fund of the state treasury for the deposit of funds to insure adequate funding for aids to school districts for the biennium beginning July 1, 1995.

Subd. 2. [INITIAL TRANSFER.] The commissioner of finance shall transfer $89,500,000 to the school aids reserve account on July 1, 1994."

Page 24, line 18, delete "124,000,000" and insert "$34,500,000"

Page 24, delete lines 19 to 31

Page 25, after line 4, insert:

"(c) chapter 124D is effective July 1, of the year following the first school year where more than 50 percent of the state's pupil units reside in districts that do not have any referendum authority levied against net tax capacity or market value."

The question was taken on the Lasley amendment and the roll was called. There were 35 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Gutknecht	Klinzing	Mosel	Ostrom	Swenson
Bauerly	Dempsey	Hugoson	Krueger	Nelson	Ozment	Vickerman
Bertram	Dorn	Jacobs	Lasley	Olson, K.	Peterson	Waltman
Brown, K.	Girard	Jennings	Lourey	Opatz	Steensma	Weaver
Cooper	Gruenes	Kalis	Lynch	Orenstein	Sviggum	Worke

Those who voted in the negative were:

Abrams	Dehler	Jaros	Lieder	Ness	Rodosovich	Van Dellen
Asch	Delmont	Jefferson	Limmer	Olson, E.	Rukavina	Van Engen
Battaglia	Erhardt	Johnson, A.	Lindner	Olson, M.	Sarna	Vellenga
Beard	Evans	Johnson, R.	Luther	Onnen	Seagren	Wagenius
Bergson	Finseth	Johnson, V.	Macklin	Orfield	Sekhon	Wejcman
Bettermann	Frerichs	Kahn	Mahon	Pauly	Simoneau	Wenzel
Bishop	Garcia	Kelley	Mariani	Pawlenty	Skoglund	Winter
Brown, C.	Goodno	Kelso	McCollum	Pelowski	Smith	Wolf
Carlson	Greenfield	Kinkel	McGuire	Perlt	Solberg	Workman
Carruthers	Greiling	Knickerbocker	Milbert	Pugh	Stanius	Spk. Anderson, I.
Clark	Haukoos	Knight	Molnau	Reding	Tomassoni	
Commers	Hausman	Koppendrayer	Morrison	Rest	Tompkins	
Davids	Holsten	Krinkie	Murphy	Rhodes	Trimble	
Dawkins	Huntley	Leppik	Neary	Rice	Tunheim	

The motion did not prevail and the amendment was not adopted.

Vellenga moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 2, after line 4 of the first Vellenga amendment, insert:

"Subd. 3. [ADVISORY BOARD.] The commissioner shall establish an advisory board composed of:

(1) eight superintendents, each of whom shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

(2) one person each selected by the American Indian affairs council, the Asian-Pacific Minnesotans council, the Black Minnesotans council, and the Spanish-speaking council.

The advisory board shall advise the office on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, and interested community organizations."

The motion prevailed and the amendment was adopted.

Swenson, McCollum and Carlson moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 190, line 21, after the period, insert "The commissioner also shall contact and request records from the local welfare agency in any county where the applicant formerly resided or was employed if the commissioner knows which counties to contact, based on information contained in the application or obtained from another source."

The motion prevailed and the amendment was adopted.

Ozment moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 125, after line 11, insert:

"Sec. 41. [STATE BOARD.]

Notwithstanding any law to the contrary, the state board of education is abolished. All duties and powers of the state board are transferred to the department of education."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Ozment amendment and the roll was called. There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Jaros	Limmer	Ness	Smith	Vickerman
Beard	Frerichs	Johnson, V.	Lindner	Olson, M.	Stanius	Waltman
Bettermann	Girard	Kahn	Lynch	Onnen	Steensma	Wenzel
Commers	Goodno	Knickerbocker	Macklin	Osthoff	Sviggum	Wolf
Davids	Gruenes	Knight	Molnau	Ozment	Swenson	Workman
Dehler	Gutknecht	Koppendrayer	Morrison	Pauly	Tomassoni	
Dempsey	Holsten	Krinkie	Mosel	Pawlenty	Van Dellen	
Erhardt	Hugoson	Leppik	Nelson	Pelowski	Van Engen	

Those who voted in the negative were:

Anderson, R.	Cooper	Hausman	Lasley	Neary	Rhodes	Vellenga
Asch	Dauner	Huntley	Lieder	Olson, E.	Rodosovich	Wagenius
Battaglia	Dawkins	Jacobs	Long	Olson, K.	Rukavina	Weaver
Bauerly	Delmont	Jefferson	Lourey	Opatz	Sarna	Wejcman
Bergson	Dorn	Jennings	Luther	Orenstein	Seagren	Winter
Bertram	Evans	Johnson, A.	Mahon	Orfield	Sekhon	Worke
Bishop	Farrell	Johnson, R.	Mariani	Ostrom	Simoneau	Spk. Anderson, I.
Brown, C.	Garcia	Kalis	McCollum	Perlt	Skoglund	
Brown, K.	Greenfield	Kelso	McGuire	Peterson	Solberg	
Carlson	Greiling	Kinkel	Milbert	Pugh	Tompkins	
Carruthers	Hasskamp	Klinzing	Munger	Reding	Trimble	
Clark	Haukoos	Krueger	Murphy	Rest	Tunheim	

The motion did not prevail and the amendment was not adopted.

Cooper moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 105, line 22, delete "(4)" and insert "(5)"

Page 117, delete lines 30 to 36

Delete page 118

Delete page 119, and insert:

"Sec. 22. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. [DISTRICT COOPERATION REVENUE.] ~~A district's~~ (a) For fiscal year 1995, for a district that is not a member of an intermediate district under chapter 136D, district cooperation revenue is equal to the ~~greater~~ greatest of $50 times the actual pupil units, the sum of the amounts in paragraph (d), clauses (1) to (6) times the ~~actual~~ fiscal year 1994 pupil units, or $25,000.

(b) For fiscal year 1995, for a district that is a member of an intermediate district under chapter 136D, district cooperation revenue is equal to the sum of the amounts in paragraph (d), clauses (1) and (6) times the fiscal year 1994 pupil units.

(c) For fiscal year 1996 and thereafter, district cooperation revenue is equal to the greatest of $25,000, the sum of paragraph (d), clauses (1) to (7) times the fiscal year 1994 pupil units, or:

(1) $55 times the actual pupil units for fiscal year 1996;

(2) $59 times the actual pupil units for fiscal year 1997;

(3) $63 times the actual pupil units for fiscal year 1998;

(4) $67 times the actual pupil units for fiscal year 1999 and thereafter.

(d) District cooperation revenue components include:

(1) the average per pupil allocation of the regional reporting subsidy grant under Minnesota Statutes 1992, section 121.935, subdivision 5, received in fiscal year 1994 by the regional management information center to which the district belonged in fiscal year 1994;

(2) the average per pupil allocation of the amount of education district revenue certified to the department of education under Minnesota Statutes 1992, section 124.2721, subdivision 2, for fiscal year 1994 by the education district to which the district belonged in fiscal year 1994;

(3) $20 per pupil for a district that belonged to a secondary vocational cooperative in fiscal year 1994 that received revenue under Minnesota Statutes 1992, section 124.575, in fiscal year 1994;

(4) the per pupil interdistrict cooperation revenue the district received under Minnesota Statutes 1992, section 124.912, subdivision 4, in fiscal year 1994;

(5) $50 per pupil for a district that received special cooperation revenue under Minnesota Statutes 1992, section 124.912, subdivision 5, in fiscal year 1994;

(6) the average per pupil allocation of state aid according to Laws 1993, chapter 224, article 6, section 30, subdivision 3, received by the ECSU in which the district was a full member in fiscal year 1994; and

(7) the average per pupil allocation of the intermediate district levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes 1992, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994.

Sec. 23. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6d, is amended to read:

Subd. 6d. [REVENUE USES.] (a) A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

(b) In addition to the requirements of paragraph (a), a district that is a member of an intermediate school district organized ~~pursuant to~~ under chapter 136D ~~may not access revenue under this section.~~ on July 1, 1994, must reserve 5/11 of a specified amount of its district cooperation revenue for special education and 6/11 of a specified amount of district cooperation revenue for secondary vocational education. The specified amount is equal the district's per pupil allocation of the levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes 1992, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994 times the fiscal year 1994 pupil units in the school district.

(c) If a district withdraws from an intermediate district effective June 30, 1995 or thereafter, the district must provide students with secondary vocational and special education courses and services that are available to students in the intermediate school district from which the district withdrew."

Page 120, delete lines 29 to 36

Delete page 121

Page 122, delete lines 1 to 31 and insert:

"Sec. 24. Minnesota Statutes 1992, section 136D.281, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1995.

Sec. 25. Minnesota Statutes 1992, section 136D.741, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1995.

Sec. 26. Minnesota Statutes 1992, section 136D.88, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1995."

Page 124, delete lines 25 to 36

Page 125, delete line 1

Page 125, line 35, delete "(a)"

Page 126, line 4, delete "subdivision 8" and insert "subdivisions 6 and 8; 136D.22, subdivision 3; 136D.27; 136D.73, subdivision 3; 136D.74, subdivisions 2a and 2b; 136D.87;"

Page 126, delete lines 7 to 9

Page 126, line 11, delete "(a)"

Page 126, delete lines 13 and 14

Renumber the sections in sequences

Correct internal cross references

A roll call was requested and properly seconded.

The question was taken on the Cooper amendment and the roll was called. There were 66 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bettermann	Clark	Davids	Dorn	Frerichs	Greenfield
Bauerly	Brown, C.	Cooper	Dawkins	Farrell	Girard	Greiling
Bertram	Brown, K.	Dauner	Dehler	Finseth	Goodno	Gruenes

Gutknecht	Kalis	Mariani	Olson, K.	Pelowski	Sviggum	Weaver
Hasskamp	Kelso	McGuire	Onnen	Peterson	Trimble	Winter
Haukoos	Koppendrayer	Molnau	Opatz	Rodosovich	Van Engen	Worke
Hausman	Krueger	Mosel	Orenstein	Sekhon	Vellenga	
Hugoson	Lasley	Munger	Orfield	Skoglund	Vickerman	
Johnson, V.	Lieder	Nelson	Osthoff	Smith	Wagenius	
Kahn	Lourey	Olson, E.	Ostrom	Steensma	Waltman	

Those who voted in the negative were:

Abrams	Dempsey	Johnson, A.	Lindner	Neary	Rice	Tunheim
Asch	Erhardt	Johnson, R.	Long	Ness	Rukavina	Van Dellen
Battaglia	Evans	Kelley	Luther	Olson, M.	Sarna	Wejcman
Beard	Garcia	Kinkel	Lynch	Ozment	Seagren	Wenzel
Bergson	Holsten	Klinzing	Macklin	Pauly	Simoneau	Wolf
Bishop	Huntley	Knickerbocker	Mahon	Pawlenty	Solberg	Workman
Carlson	Jacobs	Knight	McCollum	Perlt	Stanius	Spk. Anderson, I.
Carruthers	Jaros	Krinkie	Milbert	Pugh	Swenson	
Commers	Jefferson	Leppik	Morrison	Rest	Tomassoni	
Delmont	Jennings	Limmer	Murphy	Rhodes	Tompkins	

The motion did not prevail and the amendment was not adopted.

Dehler moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 163, after line 35, insert:

"Subd. 5. [HOLDINGFORD.] Notwithstanding Minnesota Statutes, sections 121.912; 121.9121; and 475.61, subdivision 4, or any other law to the contrary, on June 30, 1994, independent school district No. 738, Holdingford, may permanently transfer up to $105,000 from its debt redemption fund to its general fund."

The motion prevailed and the amendment was adopted.

Seagren and Leppik moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 143, line 21, delete "after it presents the rule to the education"

Page 143, line 22, delete everything before the period and insert "specifically authorized in law to do so"

A roll call was requested and properly seconded.

The question was taken on the Seagren and Leppik amendment and the roll was called. There were 51 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Hugoson	Lindner	Onnen	Sviggum	Wolf
Bettermann	Frerichs	Johnson, V.	Lynch	Ozment	Swenson	Worke
Bishop	Girard	Knickerbocker	Macklin	Pauly	Tompkins	Workman
Commers	Goodno	Knight	Mahon	Pawlenty	Van Dellen	
Davids	Gruenes	Koppendrayer	Molnau	Rhodes	Van Engen	
Dehler	Gutknecht	Krinkie	Morrison	Seagren	Vickerman	
Dempsey	Haukoos	Leppik	Ness	Smith	Waltman	
Erhardt	Holsten	Limmer	Olson, M.	Stanius	Weaver	

Those who voted in the negative were:

Anderson, R.	Beard	Brown, K.	Cooper	Dorn	Greenfield	Jacobs
Asch	Bergson	Carlson	Dauner	Evans	Greiling	Jaros
Battaglia	Bertram	Carruthers	Dawkins	Farrell	Hausman	Jefferson
Bauerly	Brown, C.	Clark	Delmont	Garcia	Huntley	Jennings

Johnson, R.	Lasley	Milbert	Opatz	Pugh	Simoneau	Wagenius
Kahn	Lieder	Mosel	Orenstein	Reding	Skoglund	Wejcman
Kalis	Long	Munger	Orfield	Rest	Solberg	Wenzel
Kelley	Lourey	Murphy	Osthoff	Rice	Steensma	Winter
Kelso	Luther	Neary	Ostrom	Rodosovich	Tomassoni	Spk. Anderson, I.
Kinkel	Mariani	Nelson	Pelowski	Rukavina	Trimble	
Klinzing	McCollum	Olson, E.	Perlt	Sarna	Tunheim	
Krueger	McGuire	Olson, K.	Peterson	Sekhon	Vellenga	

The motion did not prevail and the amendment was not adopted.

Sviggum moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 126, after line 35, insert "(b) The content of the graduation rule must require students to attain clearly defined, objective, measurable outcomes in the subject areas of reading, writing, mathematics, science, social studies, and geography consistent with paragraph (e)."

Page 126, line 36, delete "(b)" and insert "(c)"

Page 127, line 5, delete "(c)" and insert "(d)"

Page 127, line 18, delete "(d)" and insert "(e)"

Page 127, line 25, delete "and" and insert a comma and after "(c)" insert "and (d)"

Page 127, line 36, delete "(e)" and insert "(f)"

A roll call was requested and properly seconded.

Peterson moved to amend the Sviggum amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Sviggum amendment, after "studies," insert "arts,"

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 87 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Davids	Jaros	Long	Nelson	Pugh	Tomassoni
Asch	Dawkins	Jefferson	Lourey	Olson, E.	Reding	Trimble
Battaglia	Dehler	Jennings	Luther	Olson, K.	Rhodes	Tunheim
Bauerly	Delmont	Johnson, A.	Mahon	Opatz	Rodosovich	Vellenga
Beard	Dorn	Johnson, R.	Mariani	Orenstein	Rukavina	Wagenius
Bergson	Evans	Kahn	McCollum	Orfield	Sarna	Wejcman
Bertram	Farrell	Kelley	McGuire	Osthoff	Seagren	Wenzel
Brown, C.	Garcia	Kelso	Milbert	Ostrom	Sekhon	Winter
Brown, K.	Greenfield	Kinkel	Morrison	Ozment	Simoneau	Spk. Anderson, I.
Carlson	Greiling	Klinzing	Mosel	Pauly	Skoglund	
Carruthers	Hausman	Krueger	Munger	Pelowski	Smith	
Clark	Huntley	Lasley	Murphy	Perlt	Solberg	
Cooper	Jacobs	Lieder	Neary	Peterson	Steensma	

Those who voted in the negative were:

Abrams	Commers	Erhardt	Girard	Gutknecht	Hugoson	Knickerbocker
Bettermann	Dauner	Finseth	Goodno	Haukoos	Johnson, V.	Knight
Bishop	Dempsey	Frerichs	Gruenes	Holsten	Kalis	Koppendrayer

Krinkie	Lynch	Olson, M.	Stanius	Tompkins	Vickerman	Wolf
Leppik	Macklin	Onnen	Sviggum	Van Dellen	Waltman	Worke
Limmer	Molnau	Pawlenty	Swenson	Van Engen	Weaver	Workman
Lindner	Ness					

The motion prevailed and the amendment to the amendment was adopted.

Osthoff moved to amend the Sviggum amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Sviggum amendment, after "mathematics," insert "cultural diversity,"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 81 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Asch	Cooper	Jacobs	Krueger	Neary	Rhodes	Tomassoni
Battaglia	Dawkins	Jaros	Lieder	Nelson	Rice	Trimble
Bauerly	Delmont	Jefferson	Long	Olson, E.	Rodosovich	Tunheim
Beard	Evans	Jennings	Lourey	Olson, K.	Rukavina	Vellenga
Bergson	Farrell	Johnson, A.	Luther	Opatz	Sarna	Wagenius
Bertram	Garcia	Johnson, R.	Mahon	Orenstein	Seagren	Wejcman
Bishop	Goodno	Kahn	Mariani	Orfield	Sekhon	Wenzel
Brown, C.	Greenfield	Kalis	McCollum	Osthoff	Simoneau	Winter
Brown, K.	Greiling	Kelley	McGuire	Perlt	Skoglund	Spk. Anderson, I.
Carlson	Haukoos	Kelso	Milbert	Peterson	Smith	
Carruthers	Hausman	Kinkel	Munger	Pugh	Solberg	
Clark	Huntley	Klinzing	Murphy	Rest	Steensma	

Those who voted in the negative were:

Abrams	Dorn	Holsten	Leppik	Ness	Stanius	Weaver
Anderson, R.	Erhardt	Hugoson	Limmer	Olson, M.	Sviggum	Wolf
Bettermann	Finseth	Johnson, V.	Lindner	Onnen	Swenson	Worke
Commers	Frerichs	Knickerbocker	Lynch	Ostrom	Tompkins	Workman
Dauner	Girard	Knight	Macklin	Ozment	Van Dellen	
Davids	Gruenes	Koppendrayer	Molnau	Pauly	Van Engen	
Dehler	Gutknecht	Krinkie	Morrison	Pawlenty	Vickerman	
Dempsey	Hasskamp	Lasley	Mosel	Pelowski	Waltman	

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Smith moved to amend the Sviggum amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Sviggum amendment, as amended by the Osthoff amendment, after "diversity" insert "including United States of America culture"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carruthers	Cooper	Dawkins
Anderson, R.	Bauerly	Bertram	Brown, K.	Clark	Dauner	Dehler
Asch	Beard	Bettermann	Carlson	Commers	Davids	Delmont

Dempsey	Hausman	Klinzing	Mahon	Opatz	Rodosovich	Tunheim
Dorn	Holsten	Knickerbocker	Mariani	Orenstein	Rukavina	Van Dellen
Erhardt	Hugoson	Knight	McGuire	Orfield	Sarna	Van Engen
Evans	Huntley	Koppendrayer	Milbert	Osthoff	Seagren	Vellenga
Farrell	Jacobs	Krinkie	Molnau	Ostrom	Sekhon	Vickerman
Finseth	Jaros	Krueger	Morrison	Ozment	Simoneau	Wagenius
Frerichs	Jefferson	Lasley	Mosel	Pauly	Skoglund	Waltman
Garcia	Jennings	Leppik	Munger	Pawlenty	Smith	Weaver
Girard	Johnson, A.	Lieder	Murphy	Pelowski	Solberg	Wejcman
Goodno	Johnson, R.	Limmer	Neary	Perlt	Stanius	Wenzel
Greenfield	Johnson, V.	Lindner	Nelson	Peterson	Steensma	Winter
Greiling	Kahn	Long	Ness	Pugh	Sviggum	Wolf
Gruenes	Kalis	Lourey	Olson, E.	Reding	Swenson	Worke
Gutknecht	Kelley	Luther	Olson, K.	Rest	Tomassoni	Workman
Hasskamp	Kelso	Lynch	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.
Haukoos	Kinkel	Macklin	Onnen	Rice	Trimble	

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Sviggum requested that his amendment, as amended, be withdrawn. The House by vote approved the request and the Sviggum amendment, as amended, was withdrawn.

MOTION FOR RECONSIDERATION

Long moved that the vote whereby the Cooper amendment to H. F. No. 2189, the third engrossment, as amended, was not adopted earlier be now reconsidered. The motion did not prevail.

Evans moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 143, after line 25, insert:

"(d) In making or amending an inclusive education rule, the state board shall ensure that districts provide equal educational opportunities for all students by effectively accommodating students' interests and abilities. The state board shall require districts to implement and annually update a plan to ensure that districts' educational activities are inclusive, and consistent with the requirements for education in chapter 363. It shall require districts to submit their plans for inclusive education by October 1 of each fiscal year to the commissioner for approval or disapproval within 120 days."

A roll call was requested and properly seconded.

The question was taken on the Evans amendment and the roll was called. There were 40 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Carlson	Farrell	Jaros	Lourey	Orenstein	Sekhon	Vellenga
Carruthers	Garcia	Jefferson	Luther	Osthoff	Simoneau	Wagenius
Clark	Greenfield	Johnson, A.	Mariani	Perlt	Skoglund	Wejcman
Dawkins	Greiling	Kahn	McCollum	Reding	Solberg	Spk. Anderson, I.
Delmont	Hausman	Kelley	McGuire	Rest	Tomassoni	
Evans	Huntley	Long	Neary	Rukavina	Trimble	

Those who voted in the negative were:

Abrams	Bauerly	Bettermann	Cooper	Dempsey	Frerichs	Gutknecht
Anderson, R.	Beard	Bishop	Dauner	Dorn	Girard	Hasskamp
Asch	Bergson	Brown, K.	Davids	Erhardt	Goodno	Haukoos
Battaglia	Bertram	Commers	Dehler	Finseth	Gruenes	Holsten

Hugoson	Knickerbocker	Lindner	Nelson	Pawlenty	Steensma	Weaver
Jacobs	Knight	Lynch	Ness	Pelowski	Sviggum	Wenzel
Jennings	Koppendrayer	Macklin	Olson, E.	Peterson	Swenson	Winter
Johnson, R.	Krinkie	Mahon	Olson, M.	Rhodes	Tompkins	Wolf
Johnson, V.	Krueger	Milbert	Onnen	Rodosovich	Tunheim	Worke
Kalis	Lasley	Molnau	Opatz	Sarna	Van Dellen	Workman
Kelso	Leppik	Morrison	Ostrom	Seagren	Van Engen	
Kinkel	Lieder	Mosel	Ozment	Smith	Vickerman	
Klinzing	Limmer	Munger	Pauly	Stanius	Waltman	

The motion did not prevail and the amendment was not adopted.

Long, Jacobs, Asch and Hausman moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Jacobs and Vellenga amendment, before the period, insert ", or 148.91"

The motion prevailed and the amendment was adopted.

Gruenes, Wenzel, Steensma, Osthoff and Gutknecht moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 148, line 9, delete "public"

Page 148, line 11, delete "32" and insert "33"

Page 148, line 18, delete "32" and insert "33"

The motion prevailed and the amendment was adopted.

The Speaker called Kahn to the Chair.

Sviggum offered an amendment to H. F. No. 2189, the third engrossment, as amended.

POINT OF ORDER

Bauerly raised a point of order pursuant to rule 3.09 that the Sviggum amendment was not in order. Speaker pro tempore Kahn ruled the point of order well taken and the amendment out of order.

Sviggum 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 Speaker pro tempore Kahn stand as the judgment of the House?" and the roll was called. There were 83 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Beard	Brown, K.	Cooper	Dorn	Greenfield	Huntley
Asch	Bergson	Carlson	Dauner	Evans	Greiling	Jacobs
Battaglia	Bertram	Carruthers	Dawkins	Farrell	Hasskamp	Jaros
Bauerly	Brown, C.	Clark	Delmont	Garcia	Hausman	Jefferson

Jennings	Klinzing	Mariani	Nelson	Perlt	Sarna	Tunheim
Johnson, A.	Krueger	McCollum	Olson, E.	Peterson	Sekhon	Vellenga
Johnson, R.	Lasley	McGuire	Olson, K.	Pugh	Simoneau	Wagenius
Kahn	Lieder	Milbert	Opatz	Reding	Skoglund	Wejcman
Kalis	Long	Mosel	Orenstein	Rest	Solberg	Wenzel
Kelley	Lourey	Munger	Orfield	Rice	Steensma	Winter
Kelso	Luther	Murphy	Ostrom	Rodosovich	Tomassoni	Spk. Anderson, I.
Kinkel	Mahon	Neary	Pelowski	Rukavina	Trimble	

Those who voted in the negative were:

Abrams	Finseth	Hugoson	Lindner	Osthoff	Sviggum	Wolf
Bettermann	Frerichs	Johnson, V.	Lynch	Ozment	Swenson	Worke
Bishop	Girard	Knickerbocker	Macklin	Pauly	Tompkins	Workman
Commers	Goodno	Knight	Molnau	Pawlenty	Van Dellen	
Davids	Gruenes	Koppendrayer	Morrison	Rhodes	Van Engen	
Dehler	Gutknecht	Krinkie	Ness	Seagren	Vickerman	
Dempsey	Haukoos	Leppik	Olson, M.	Smith	Waltman	
Erhardt	Holsten	Limmer	Onnen	Stanius	Weaver	

So it was the judgment of the House that the decision of Speaker pro tempore Kahn should stand.

Rukavina, Kelso and Battaglia moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 168, after line 26, insert:

"Sec. 6. [TOIVOLA-MEADOWLANDS TRANSPORTATION.]

Notwithstanding Minnesota Statutes, section 120.064, subdivision 15, independent school district No. 2142, St. Louis county, must transport resident pupils enrolled in outcome-based school No. 4002, Toivola-Meadowlands, only if the resident pupils live within the boundaries of the Meadowlands school attendance area as defined in the year before the outcome-based school opened."

The motion prevailed and the amendment was adopted.

Cooper moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 124, line 23, delete "and"

Page 124, line 24, after the comma insert "No. 341, Atwater, No. 461, Cosmos, and No. 464, Grove City,"

The motion prevailed and the amendment was adopted.

Olson, M., moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 126, after line 16, insert:

"Section 1. Minnesota Statutes 1992, section 120.101, is amended by adding a subdivision to read:

Subd. 8a. [ASSESSMENT OF PERFORMANCE IN PUBLIC SCHOOLS.] (a) Public schools shall annually assess the performance of every child enrolled in public school using a nationally norm-referenced standardized achievement examination. The local school board shall annually select the examination for each grade level. The board must notify the parent or guardian of every child of the name and date of the test at least 14 calendar days before the test is given. Parents who object to the test must notify the school of their objection in writing and name an alternative nationally norm-referenced standardized achievement examination for their child to take. The school must give the child the

alternative examination within a reasonable period of time of when the test selected by the board is given. School officials shall make available children's test results to parents and teachers. Only results aggregated by grade and by school district may be given to superintendents and principals.

(b) Each local school board shall establish a written policy indicating what assistance the school district will make available to children and their parents when a child's total battery score on an achievement examination is at or below the 30th percentile.

(c) No state or local unit of government may enter into any agreement with a testing company for the purpose of assessing a child's performance."

Page 126, lines 17 to 36, delete the new language and strike the old language

Page 127, delete lines 1 to 36

Page 128, delete lines 1 to 4

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 Olson, M., amendment and the roll was called. There were 18 yeas and 113 nays as follows:

Those who voted in the affirmative were:

Davids	Gruenes	Johnson, V.	Limmer	Olson, M.	Van Engen
Dehler	Gutknecht	Knight	Lindner	Onnen	Waltman
Frerichs	Haukoos	Koppendrayer	Luther	Smith	Workman

Those who voted in the negative were:

Abrams	Dauner	Huntley	Lieder	Olson, E.	Rice	Van Dellen
Anderson, R.	Dawkins	Jacobs	Long	Olson, K.	Rodosovich	Vellenga
Asch	Delmont	Jaros	Lourey	Opatz	Rukavina	Vickerman
Battaglia	Dempsey	Jefferson	Lynch	Orenstein	Sarna	Wagenius
Bauerly	Dorn	Jennings	Mahon	Orfield	Seagren	Weaver
Beard	Erhardt	Johnson, A.	Mariani	Osthoff	Sekhon	Wejcman
Bergson	Evans	Johnson, R.	McCollum	Ostrom	Simoneau	Wenzel
Bertram	Farrell	Kahn	McGuire	Ozment	Skoglund	Winter
Bettermann	Finseth	Kalis	Milbert	Pauly	Solberg	Wolf
Bishop	Garcia	Kelley	Molnau	Pawlenty	Stanius	Worke
Brown, C.	Girard	Kelso	Morrison	Pelowski	Steensma	Spk. Anderson, I.
Brown, K.	Goodno	Kinkel	Mosel	Perlt	Sviggum	
Carlson	Greenfield	Klinzing	Munger	Peterson	Swenson	
Carruthers	Greiling	Krinkie	Murphy	Pugh	Tomassoni	
Clark	Hausman	Krueger	Neary	Reding	Tompkins	
Commers	Holsten	Lasley	Nelson	Rest	Trimble	
Cooper	Hugoson	Leppik	Ness	Rhodes	Tunheim	

The motion did not prevail and the amendment was not adopted.

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

Tompkins; Perlt; Nelson; Sviggum; Smith; Dauner; Steensma; Lindner; Lieder; Kalis; Delmont; Pauly; Wenzel; Finseth; Bettermann; Seagren; Frerichs; Gutknecht; Van Engen; Lynch; Holsten; Girard; Bishop; Molnau; Vickerman; Van Dellen; Dempsey; Haukoos; Knight; Olson, E.; Olson, M.; Ozment; Waltman; Davids; Johnson, V.; Hasskamp; Worke; Onnen; Commers; Workman; Koppendrayer and Reding moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 128, after line 4, insert:

"Sec. 2. [121.889.] [VOLUNTARY PARTICIPATION IN PRAYER.]

It shall be lawful for any teacher in any of the schools of the state which are supported, in whole or in part, by the public funds of the state, to permit the voluntary participation by students or others in prayer. Nothing contained in this section shall authorize any teacher or other school authority to prescribe the form or content of any prayer."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Vellenga moved to amend the Tompkins et al amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 8 of the Tompkins et al amendment, after "prayer" insert "or other religious observation"

The motion prevailed and the amendment to the amendment was adopted.

Vellenga moved to amend the Tompkins et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 8 of the Tompkins et al amendment, as amended, before "prayer" insert "silent"

Page 1, line 10 of the Tompkins et al amendment, as amended, before "prayer" insert "silent"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 86 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Garcia	Jennings	Krueger	Macklin	Olson, K.
Anderson, R.	Carruthers	Goodno	Johnson, A.	Lasley	Mahon	Opatz
Battaglia	Clark	Greenfield	Johnson, R.	Leppik	McCollum	Orenstein
Bauerly	Cooper	Greiling	Kahn	Lieder	McGuire	Osthoff
Beard	Dauner	Hasskamp	Kelley	Limmer	Mosel	Ostrom
Bergson	Delmont	Hausman	Kelso	Long	Munger	Pelowski
Bishop	Dorn	Holsten	Kinkel	Lourey	Murphy	Perlt
Brown, C.	Erhardt	Jaros	Klinzing	Luther	Neary	Peterson
Brown, K.	Farrell	Jefferson	Krinkie	Lynch	Olson, E.	Pugh

Reding	Rodosovich	Sekhon	Solberg	Trimble	Van Engen	Weaver
Rest	Rukavina	Simoneau	Swenson	Tunheim	Vellenga	Wejcman
Rhodes	Sarna	Skoglund	Tomassoni	Van Dellen	Wagenius	Winter
Rice	Seagren					

Those who voted in the negative were:

Bertram	Evans	Haukoos	Knickerbocker	Ness	Stanius	Wenzel
Bettermann	Finseth	Hugoson	Knight	Olson, M.	Steensma	Wolf
Commers	Frerichs	Huntley	Koppendrayer	Onnen	Sviggum	Worke
Davids	Girard	Jacobs	Lindner	Ozment	Tompkins	Workman
Dehler	Gruenes	Johnson, V.	Milbert	Pawlenty	Vickerman	
Dempsey	Gutknecht	Kalis	Molnau	Smith	Waltman	

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Bishop moved to amend the Tompkins et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 9 of the Tompkins et al amendment, as amended, after "authority" insert "in a public school"

The motion prevailed and the amendment was adopted.

The question recurred on the Tompkins et al amendment, as amended, and the roll was called. There were 70 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dehler	Holsten	Knickerbocker	Milbert	Pawlenty	Tompkins
Bauerly	Dempsey	Hugoson	Knight	Molnau	Pelowski	Van Dellen
Beard	Finseth	Jacobs	Koppendrayer	Morrison	Perlt	Van Engen
Bergson	Frerichs	Jennings	Krinkie	Mosel	Reding	Vickerman
Bertram	Girard	Johnson, R.	Krueger	Nelson	Sarna	Waltman
Bettermann	Goodno	Johnson, V.	Limmer	Ness	Seagren	Weaver
Bishop	Gruenes	Kalis	Lindner	Olson, M.	Smith	Wenzel
Carruthers	Gutknecht	Kelso	Luther	Onnen	Stanius	Wolf
Commers	Hasskamp	Kinkel	Lynch	Opatz	Steensma	Worke
Davids	Haukoos	Klinzing	Macklin	Ozment	Sviggum	Workman

Those who voted in the negative were:

Abrams	Delmont	Huntley	Lourey	Orenstein	Rodosovich	Tunheim
Asch	Dorn	Jaros	Mahon	Orfield	Rukavina	Vellenga
Battaglia	Erhardt	Jefferson	Mariani	Osthoff	Sekhon	Wagenius
Brown, C.	Evans	Johnson, A.	McCollum	Ostrom	Simoneau	Wejcman
Brown, K.	Farrell	Kahn	McGuire	Peterson	Skoglund	Winter
Carlson	Garcia	Kelley	Munger	Pugh	Solberg	
Clark	Greenfield	Lasley	Murphy	Rest	Swenson	
Cooper	Greiling	Leppik	Neary	Rhodes	Tomassoni	
Dawkins	Hausman	Long	Olson, K.	Rice	Trimble	

The motion prevailed and the amendment, as amended, was adopted.

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

Waltman, Sviggum, Steensma and Gutknecht moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 156, after line 27, insert:

"Sec. 20. [126.116] [PROHIBITION AGAINST PROGRAMS OR ACTIVITIES SUPPORTING HOMOSEXUALITY.]

A public elementary, middle, or secondary school shall not implement or carry out a program, activity, or curriculum that has the purpose of encouraging or supporting homosexuality as a positive lifestyle alternative. For the purposes of this section, "program or activity" means the distribution of instructional materials, instruction, counseling, or other services on school grounds, or referral of a pupil to an organization that affirms a homosexual lifestyle."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Trimble raised a point of order pursuant to rule 3.09 that the Waltman et al amendment was not in order. Speaker pro tempore Kahn ruled the point of order not well taken and the amendment in order.

Dawkins moved to amend the Waltman et al amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 5, delete "HOMOSEXUALTIY" and insert "SEXUALITY"

Page 1, line 8, delete "homosexuality" and insert "sexuality"

Page 1, line 9, delete "alternative"

Page 1, line 13, delete "homosexual" and insert "sexual"

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 66 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Asch	Clark	Huntley	Lasley	Olson, E.	Reding	Trimble
Battaglia	Dawkins	Jaros	Long	Olson, K.	Rice	Tunheim
Bauerly	Delmont	Jefferson	Lourey	Opatz	Rodosovich	Vellenga
Beard	Dorn	Jennings	Luther	Orenstein	Rukavina	Wagenius
Bergson	Evans	Johnson, A.	Mahon	Orfield	Sarna	Wejcman
Bishop	Farrell	Johnson, R.	Mariani	Osthoff	Sekhon	Spk. Anderson, I.
Brown, C.	Garcia	Kahn	McCollum	Ostrom	Simoneau	
Brown, K.	Greenfield	Kelley	McGuire	Pelowski	Skoglund	
Carlson	Greiling	Kelso	Munger	Perlt	Solberg	
Carruthers	Hausman	Kinkel	Neary	Pugh	Tomassoni	

Those who voted in the negative were:

Abrams	Bettermann	Dauner	Dempsey	Frerichs	Gruenes	Haukoos
Anderson, R.	Commers	Davids	Erhardt	Girard	Gutknecht	Holsten
Bertram	Cooper	Dehler	Finseth	Goodno	Hasskamp	Hugoson

Jacobs	Krinkie	Macklin	Ness	Seagren	Van Dellen	Wolf
Johnson, V.	Krueger	Milbert	Olson, M.	Smith	Van Engen	Worke
Kalis	Leppik	Molnau	Onnen	Stanius	Vickerman	Workman
Klinzing	Lieder	Morrison	Ozment	Steensma	Waltman	
Knickerbocker	Limmer	Mosel	Pawlenty	Sviggum	Weaver	
Knight	Lindner	Murphy	Peterson	Swenson	Wenzel	
Koppendrayer	Lynch	Nelson	Rhodes	Tompkins	Winter	

The motion did not prevail and the amendment to the amendment was not adopted.

Skoglund moved to amend the Waltman et al amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 5, delete "HOMOSEXUALITY" and insert "SEXUAL ACTIVITIES BY MINORS"

Page 1, line 8, delete everything after "encouraging" and insert "sexual activity by minors"

Page 1, delete lines 9 through 12

Page 1, line 13, delete everything before the period

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 79 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Hausman	Leppik	Neary	Reding	Trimble
Asch	Cooper	Huntley	Lieder	Nelson	Rhodes	Tunheim
Battaglia	Dauner	Jaros	Long	Olson, K.	Rice	Vellenga
Bauerly	Dawkins	Jefferson	Lourey	Opatz	Rodosovich	Wagenius
Beard	Delmont	Jennings	Luther	Orenstein	Rukavina	Wejcman
Bergson	Dorn	Johnson, A.	Mahon	Orfield	Sarna	Winter
Bertram	Erhardt	Johnson, R.	Mariani	Osthoff	Sekhon	Spk. Anderson, I.
Bishop	Evans	Kahn	McCollum	Ostrom	Simoneau	
Brown, C.	Farrell	Kelley	McGuire	Pelowski	Skoglund	
Brown, K.	Garcia	Kelso	Milbert	Perlt	Solberg	
Carlson	Greenfield	Krueger	Munger	Peterson	Steensma	
Carruthers	Greiling	Lasley	Murphy	Pugh	Tomassoni	

Those who voted in the negative were:

Abrams	Girard	Jacobs	Limmer	Olson, M.	Swenson	Wolf
Bettermann	Goodno	Johnson, V.	Lindner	Onnen	Tompkins	Worke
Commers	Gruenes	Kalis	Lynch	Ozment	Van Dellen	Workman
Davids	Gutknecht	Klinzing	Macklin	Pawlenty	Van Engen	
Dehler	Hasskamp	Knickerbocker	Molnau	Seagren	Vickerman	
Dempsey	Haukoos	Knight	Morrison	Smith	Waltman	
Finseth	Holsten	Koppendrayer	Mosel	Stanius	Weaver	
Frerichs	Hugoson	Krinkie	Ness	Sviggum	Wenzel	

The motion prevailed and the amendment to the amendment was adopted.

Sviggum offered an amendment to the Waltman et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended.

POINT OF ORDER

Osthoff raised a point of order pursuant to section 421 of "Mason's Manual of Legislative Procedure" relating to equivalent amendments. Speaker pro tempore Kahn ruled the point of order well taken and the Sviggum amendment to the Waltman et al amendment, as amended, out of order.

Sviggum appealed the decision of the Chair.

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The vote was taken on the question "Shall the decision of Speaker pro tempore Kahn stand as the judgment of the House?" and the roll was called. There were 80 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jacobs	Krueger	Munger	Perlt	Tomassoni
Asch	Dauner	Jaros	Lasley	Murphy	Peterson	Trimble
Battaglia	Dawkins	Jefferson	Lieder	Neary	Pugh	Tunheim
Bauerly	Delmont	Jennings	Long	Nelson	Reding	Vellenga
Beard	Dorn	Johnson, A.	Lourey	Olson, E.	Rice	Wagenius
Bergson	Evans	Johnson, R.	Luther	Olson, K.	Rodosovich	Wejcman
Bertram	Farrell	Kahn	Mahon	Opatz	Rukavina	Winter
Brown, C.	Garcia	Kalis	Mariani	Orenstein	Sarna	Spk. Anderson, I.
Brown, K.	Greenfield	Kelley	McCollum	Orfield	Sekhon	
Carlson	Greiling	Kelso	McGuire	Osthoff	Simoneau	
Carruthers	Hausman	Kinkel	Milbert	Ostrom	Skoglund	
Clark	Huntley	Klinzing	Mosel	Pelowski	Solberg	

Those who voted in the negative were:

Abrams	Finseth	Holsten	Leppik	Ness	Smith	Vickerman
Bettermann	Frerichs	Hugoson	Limmer	Olson, M.	Stanius	Waltman
Commers	Girard	Johnson, V.	Lindner	Onnen	Sviggum	Weaver
Davids	Goodno	Knickerbocker	Lynch	Ozment	Swenson	Wolf
Dehler	Gruenes	Knight	Macklin	Pawlenty	Tompkins	Worke
Dempsey	Gutknecht	Koppendrayer	Molnau	Rhodes	Van Dellen	Workman
Erhardt	Haukoos	Krinkie	Morrison	Seagren	Van Engen	

So it was the judgment of the House that the decision of Speaker pro tempore Kahn should stand.

Olson, M., offered an amendment to the Waltman et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended.

POINT OF ORDER

Skoglund raised a point of order pursuant to section 421 of "Mason's Manual of Legislative Procedure" relating to equivalent amendments. The Speaker ruled the point of order well taken and the Olson, M., amendment to the Waltman et al amendment, as amended, out of order.

The question recurred on the Waltman et al amendment, as amended, and the roll was called. There were 124 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Davids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dehler
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Delmont

Dempsey	Hugoson	Knight	Mariani	Opatz	Rukavina	Tunheim
Dorn	Huntley	Koppendrayer	McCollum	Orenstein	Sarna	Van Dellen
Erhardt	Jacobs	Krinkie	McGuire	Orfield	Seagren	Van Engen
Evans	Jaros	Krueger	Milbert	Osthoff	Sekhon	Vickerman
Farrell	Jefferson	Lasley	Molnau	Ostrom	Simoneau	Wagenius
Finseth	Jennings	Leppik	Morrison	Ozment	Skoglund	Waltman
Frerichs	Johnson, A.	Lieder	Mosel	Pawlenty	Smith	Weaver
Garcia	Johnson, R.	Limmer	Munger	Pelowski	Solberg	Wenzel
Girard	Johnson, V.	Lindner	Murphy	Perlt	Stanius	Winter
Goodno	Kalis	Long	Neary	Peterson	Steensma	Wolf
Greiling	Kelley	Lourey	Nelson	Pugh	Sviggum	Worke
Gruenes	Kelso	Luther	Ness	Reding	Swenson	Workman
Gutknecht	Kinkel	Lynch	Olson, E.	Rhodes	Tomassoni	Spk. Anderson, I.
Haukoos	Klinzing	Macklin	Olson, M.	Rice	Tompkins	
Holsten	Knickerbocker	Mahon	Onnen	Rodosovich	Trimble	

Those who voted in the negative were:

Dawkins	Greenfield	Hausman	Kahn	Olson, K.	Vellenga	Wejcman

The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 2189, as amended, was read for the third time.

Sviggum moved that H. F. No. 2189, as amended, be re-referred to the Committee on Ways and Means.

A roll call was requested and properly seconded.

The question was taken on the Sviggum motion and the roll was called. There were 45 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Holsten	Leppik	Olson, M.	Swenson	Wolf
Bettermann	Frerichs	Hugoson	Limmer	Onnen	Tompkins	Worke
Commers	Girard	Johnson, V.	Lindner	Ozment	Van Dellen	Workman
Davids	Goodno	Knickerbocker	Lynch	Pawlenty	Van Engen	
Dehler	Gruenes	Knight	Macklin	Seagren	Vickerman	
Dempsey	Gutknecht	Koppendrayer	Molnau	Stanius	Waltman	
Erhardt	Haukoos	Krinkie	Morrison	Sviggum	Weaver	

Those who voted in the negative were:

Anderson, R.	Dauner	Jaros	Lieder	Nelson	Reding	Trimble
Asch	Dawkins	Jefferson	Long	Ness	Rhodes	Tunheim
Battaglia	Delmont	Jennings	Lourey	Olson, E.	Rice	Vellenga
Bauerly	Dorn	Johnson, A.	Luther	Olson, K.	Rodosovich	Wagenius
Beard	Evans	Johnson, R.	Mahon	Opatz	Rukavina	Wejcman
Bergson	Farrell	Kahn	Mariani	Orenstein	Sarna	Wenzel
Bertram	Garcia	Kalis	McCollum	Orfield	Sekhon	Winter
Brown, C.	Greenfield	Kelley	McGuire	Osthoff	Simoneau	Spk. Anderson, I.
Brown, K.	Greiling	Kelso	Milbert	Ostrom	Skoglund	
Carlson	Hasskamp	Kinkel	Mosel	Pelowski	Smith	
Carruthers	Hausman	Klinzing	Munger	Perlt	Solberg	
Clark	Huntley	Krueger	Murphy	Peterson	Steensma	
Cooper	Jacobs	Lasley	Neary	Pugh	Tomassoni	

The motion did not prevail.

H. F. No. 2189, A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 475.61, subdivision 4; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, articles 6, section 34; and 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 126; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Delmont	Goodno	Jaros	Kinkel	Long
Anderson, R.	Brown, K.	Dempsey	Greenfield	Jefferson	Klinzing	Lourey
Asch	Carlson	Dorn	Greiling	Jennings	Knickerbocker	Luther
Battaglia	Carruthers	Erhardt	Gruenes	Johnson, A.	Koppendrayer	Lynch
Bauerly	Clark	Evans	Hasskamp	Johnson, R.	Krinkie	Macklin
Beard	Cooper	Farrell	Hausman	Johnson, V.	Krueger	Mahon
Bergson	Dauner	Finseth	Holsten	Kahn	Leppik	Mariani
Bertram	Davids	Frerichs	Hugoson	Kalis	Lieder	McCollum
Bettermann	Dawkins	Garcia	Huntley	Kelley	Limmer	McGuire
Bishop	Dehler	Girard	Jacobs	Kelso	Lindner	Milbert

Molnau	Olson, E.	Ostrom	Rice	Smith	Trimble	Wejcman
Morrison	Olson, K.	Pawlenty	Rodosovich	Solberg	Tunheim	Wenzel
Mosel	Olson, M.	Pelowski	Rukavina	Stanius	Van Dellen	Winter
Munger	Onnen	Perlt	Sarna	Steensma	Van Engen	Wolf
Murphy	Opatz	Peterson	Seagren	Sviggum	Vellenga	Worke
Neary	Orenstein	Pugh	Sekhon	Swenson	Vickerman	Workman
Nelson	Orfield	Reding	Simoneau	Tomassoni	Wagenius	Spk. Anderson, I.
Ness	Osthoff	Rhodes	Skoglund	Tompkins	Weaver	

Those who voted in the negative were:

Commers	Gutknecht	Haukoos	Knight	Lasley	Ozment	Waltman

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1363, A bill for an act relating to 911 emergency telephone service; authorizing a fee to fund enhanced 911 service; amending Minnesota Statutes 1992, sections 403.02, by adding a subdivision; and 403.11, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 403.

Reported the same back with the following amendments:

Page 3, line 5, delete ", excluding cellular or other"

Page 3, line 6, delete "nonwire service,"

Page 4, line 12, delete "twice"

Page 4, line 13, delete everything after the period, and insert "A"

Page 4, line 14, after "is" insert "not"

Page 4, line 16, after "has" insert "not"

Page 4, line 17, before the period, insert "before December 31, 1998"

Page 5, line 19, delete "July 1, 1995" and insert "January 1, 1996"

Page 5, line 22, delete "July 1, 1994" and insert "January 1, 1995"

Page 5, line 24, delete "September 1, 1994" and insert "March 1, 1995"

Page 5, line 26, delete "July 1, 1995" and insert "January 1, 1996"

Page 5, after line 27, insert:

"Sec. 6. [APPROPRIATION.]

$1,500,000 is appropriated to the commissioner of administration in fiscal year 1995 from the special revenue fund for purposes of implementing enhanced 911 telephone service as required in this act."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1911, A bill for an act relating to criminal procedure; proposing an amendment to the Minnesota Constitution, article I, section 7, to permit courts to deny a defendant's release on bail when necessary to protect the safety of any individual or the public or to ensure the defendant's appearance at court proceedings; enacting the Minnesota bail reform act; providing procedures governing pretrial and postconviction release and detention decisions; providing for appellate review of release and detention orders; imposing penalties for failure to appear in court as required and for commission of a crime while on release; amending Minnesota Statutes 1992, sections 589.16; 629.53; and 629.63; Minnesota Statutes 1993 Supplement, section 629.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 629A; repealing Minnesota Statutes 1992, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CONSTITUTIONAL AMENDMENT

Section 1. [PROPOSED AMENDMENT.]

The following amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article I, section 7, of the Minnesota Constitution will read as follows:

Sec. 7. No person shall be held to answer for a criminal offense without due process of law, and no person shall be put twice in jeopardy of punishment for the same offense, nor be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty or property without due process of law. All persons before conviction shall be bailable by sufficient sureties, except ~~for capital offenses~~ that in the following cases when the proof is evident or the presumption great, the court has the discretion to deny or revoke bail: (a) when necessary to protect the orderly processes of the criminal justice system; or (b) when a person is charged with a violent felony and either the person has engaged in a pattern of violent crime or the person was previously convicted of a violent felony within the ten-year period preceding the alleged offense. The privilege of the writ of habeas corpus shall not be suspended unless the public safety requires it in case of rebellion or invasion.

Sec. 2. [SUBMISSION TO VOTERS.]

The proposed amendment must be submitted to the people at the 1994 general election. The question submitted to the people must be:

"Shall the Minnesota Constitution be amended to permit courts to deny bail and detain a criminal defendant before trial when necessary to protect the orderly processes of the criminal justice system or when the person is accused of a violent crime and has engaged in a pattern of violent crime or has been convicted of a violent crime in the previous ten years?

Yes .....
No ....."

ARTICLE 2

MINNESOTA BAIL REFORM ACT

Section 1. [629A.01] [CITATION.]

This chapter may be cited as the "Minnesota bail reform act."

Sec. 2. [629A.02] [RELEASE OR DETENTION OF A DEFENDANT PENDING TRIAL; CONSIDERATIONS AND CONDITIONS.]

Subdivision 1. [IN GENERAL.] Upon the appearance of a person charged with a criminal offense before a judge of district court, or before a judicial officer designated by the court to perform the function of pretrial release or detention, the judge or judicial officer shall issue an order that, pending trial, the person be released or detained according to subdivision 2, 3, or 4.

Subd. 2. [RELEASE.] The judge or judicial officer shall order the pretrial release of the defendant on an appearance bond in an amount set by the court with sufficient solvent sureties, on money bail, or, when appropriate, on the defendant's personal recognizance or upon execution of an unsecured appearance bond in an amount named by the court, subject to the condition that the defendant not commit a criminal act during the period of release, unless the judge or judicial officer determines that release under these conditions will not reasonably assure the appearance of the defendant as required or will endanger the safety of the defendant, any other person, or the community. If the judge or judicial officer deems it appropriate, the judge or judicial officer also may impose one or more of the following conditions on the defendant's release:

(1) the defendant must remain in the custody of a designated person who agrees to supervise the defendant and report any violation of the release order to the court, if the designated person is able reasonably to assure the judge or judicial officer that the defendant will appear as required and will not pose a danger to the safety of the defendant, any other person, or the community;

(2) the defendant must maintain employment, or, if unemployed, actively seek employment;

(3) the defendant must maintain or begin an educational program;

(4) the defendant must abide by named restrictions on the defendant's personal associations, place of abode, or travel;

(5) the defendant must avoid all contact with an alleged victim of the crime and with any potential witness who may testify concerning the alleged crime;

(6) the defendant must report on a regular basis to a designated law enforcement or court services agency;

(7) the defendant must comply with a named curfew;

(8) the defendant must refrain from possessing a firearm, destructive device, or other dangerous weapon;

(9) the defendant must refrain from excessive use of alcohol, or any use of a controlled substance, as defined in section 152.01, without a prescription by a licensed medical professional;

(10) the defendant must undergo available medical or psychiatric treatment, including treatment for chemical dependency, and remain in a named institution if required for that purpose;

(11) the defendant must execute an agreement to forfeit upon failing to appear as required, such designated property, including money, as is reasonably necessary to assure the appearance of the defendant as required and must post with the court the indicia of property ownership or percentage of money named by the court;

(12) the defendant must return to custody for named hours following release for employment, schooling, or other limited purposes; and

(13) the defendant must satisfy any other condition that is reasonably necessary to assure the appearance of the defendant as required and to assure the safety of the defendant, any other person and the community.

The judge or judicial officer may at any time amend the release order to impose additional or different conditions of release.

Subd. 3. [TEMPORARY DETENTION TO PERMIT REVOCATION OF CONDITIONAL RELEASE.] Except as otherwise provided in sections 629.01 to 629.291, if the judge or judicial officer determines that:

(1) the defendant is, and was when the alleged crime was committed: (i) on conditional release pending trial on any local, state, or federal charge; (ii) on conditional release pending imposition or execution of sentence, appeal of sentence or conviction, or completion of sentence for any local, state, or federal offense; or (iii) on probation, parole, or supervised release for any local, state, or federal offense; and

(2) the defendant may flee or pose a danger to the defendant, any other person, or the community;

the judge or judicial officer may order the defendant detained for a period of not more than five days, excluding weekends and holidays. Upon issuing a temporary detention order under this subdivision, the court shall direct the prosecuting attorney to notify the appropriate federal, state, or local court or government agency. If the court or agency notified fails or declines to take the defendant into custody during this time period, the judge or judicial officer shall release or detain the defendant as provided in this subdivision or subdivision 2 or 4.

Subd. 4. [DETENTION PENDING TRIAL.] If, after a hearing conducted under section 629A.03, the judge or judicial officer finds that no condition or combination of conditions will reasonably assure the appearance of the defendant as required and the safety of the defendant, any other person, and the community, the judge or judicial officer may order the detention of the defendant before trial. Subject to the provisions of section 629A.03, the judge or judicial officer may order pretrial detention of the defendant in exceptional cases when necessary to protect the orderly processes of the criminal justice system.

Sec. 3. [629A.03] [PRETRIAL DETENTION HEARING.]

Subdivision 1. [WHEN HELD.] The judge or judicial officer shall hold a pretrial detention hearing in the following cases to determine whether any condition or combination of conditions set forth in section 629A.02, subdivision 2, will reasonably assure the appearance of the defendant as required and the safety of the defendant, any other person, and the community:

(1) upon motion by the prosecuting attorney in the following cases when the proof is evident or the presumption great: the defendant is charged with a violent crime and either: (i) the defendant has engaged in a pattern of violent crime; or (ii) the defendant was previously convicted of a violent crime within the ten-year period preceding the alleged offense; or

(2) upon motion by the prosecuting attorney or by the court on its own motion, in any case involving a serious risk that the defendant will flee, or a serious risk that the defendant will obstruct or attempt to obstruct justice, or threaten, injure, or intimidate, or attempt to threaten, injure, or intimidate a prospective witness or juror.

As used in this subdivision, "violent crime" means a violation of any of the following laws or a similar law of the United States or another state: section 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; or 609.687.

The detention hearing must be held immediately upon the defendant's first appearance before the judge or judicial officer, unless the defendant or the prosecuting attorney seeks a continuance. Except for good cause, a continuance on motion of the defendant may not exceed five days, and a continuance on motion of the prosecuting attorney may not exceed three days. During a continuance, the defendant must be detained. Upon motion by the prosecuting attorney or on the court's own motion, the judge or judicial officer may order that a defendant who appears to be a narcotics addict receive a medical examination while in custody to determine whether the defendant is addicted.

Subd. 2. [RIGHTS AND PROCEDURES.] (a) The rights and procedures described in this subdivision apply to the pretrial detention hearing.

(b) The defendant has the right to be represented by counsel. If the defendant is financially unable to obtain adequate counsel, the court shall appoint counsel at public expense to represent the defendant.

(c) The prosecuting attorney has the burden of going forward, by offer of proof or otherwise, and the burden of proving by clear and convincing evidence that pretrial detention is necessary under the standard contained in section 629A.02, subdivision 4.

(d) The evidence shall be presented in open court and any party has the right to testify, present witnesses, cross-examine witnesses who appear at the hearing, and present information by offer of proof or otherwise.

(e) The defendant may be detained pending completion of the hearing.

(f) Any testimony given by the defendant during the pretrial detention hearing is not admissible in any other proceeding, including future proceedings relating to the current charge, except that the testimony shall be admissible for impeachment purposes as to a material issue and shall be admissible in a perjury proceeding.

Sec. 4. [629A.04] [FACTORS TO BE CONSIDERED IN ORDERING RELEASE OR DETENTION.]

In determining whether there are conditions of release that will reasonably assure the appearance of the defendant as required and the safety of the defendant, any other person and the community, the judge or judicial officer shall take into account available information concerning:

(1) the nature and circumstances of the offense charged and whether a weapon was used or the threat of a weapon was involved in the alleged offense;

(2) the weight of the evidence against the defendant;

(3) the history and characteristics of the defendant, including:

(i) the length of the defendant's residency in Minnesota, the defendant's living situation, including whether the defendant lives alone or with any other person, the defendant's employment, income, age, prior criminal record, and history of prior failures to appear for court proceedings; and

(ii) whether, when the current offense or arrest occurred, the defendant was on probation, parole, or other release pending trial, sentencing, appeal, or completion of sentence for an offense under federal, state, or local law; and

(4) the nature and seriousness of the danger to the defendant, any other person, or the community that would be posed by the defendant's release.

In considering the financial conditions of release described in section 629A.02, subdivision 2, the court may, on its own motion, or shall upon the motion of the prosecuting attorney, conduct an inquiry into the source of the property to be designated for possible forfeiture or offered as collateral to secure a bond, and shall decline to accept the designation or the use as collateral of property that, because of its source, will not reasonably assure the defendant's appearance as required.

Sec. 5. [629A.05] [CONTENTS OF RELEASE ORDER.]

In a release order issued under section 629A.02, subdivision 2, the judge or judicial officer shall include the following:

(1) a written statement that sets forth all the conditions to which the release is subject, in a manner sufficiently clear and specific to serve as a guide for the defendant's conduct; and

(2) an advisory to the defendant concerning:

(i) the penalties for violating a condition of release, including the penalties for committing an offense while on pretrial release;

(ii) the consequences for violating a condition of release, including the immediate issuance of a warrant for the defendant's arrest; and

(iii) the provisions and penalties of sections 609.498 and 609.50.

Sec. 6. [629A.06] [CONTENTS OF DETENTION ORDER.]

Subdivision 1. [CONTENTS.] In a detention order issued under section 629A.02, subdivision 4, the judge or judicial officer shall include the following:

(1) written findings of fact and a written statement of the reasons for detention. If the defendant has agreed to abide by conditions of release that are reasonably available, the judge or judicial officer must state in writing or on the record why release on such conditions was not ordered;

(2) an order that the defendant be confined in a correctional facility separate, to the extent possible, from persons awaiting or serving sentences or being held in custody pending appeal;

(3) an order that the defendant be given reasonable opportunity to consult privately with counsel; and

(4) an order that, upon court order or the request of a prosecuting attorney, the person in charge of the facility deliver the defendant to appear in court.

Subd. 2. [TEMPORARY RELEASE.] The judge or judicial officer may, by later order, permit the temporary release of the defendant in the custody of an appropriate person to the extent that the judge or judicial officer determines release to be necessary for preparation of the defendant's defense or for another compelling reason.

Sec. 7. [629A.07] [PRESUMPTION OF INNOCENCE.]

Nothing in sections 629A.02 to 629A.06 may be construed as changing or limiting the presumption of innocence.

Sec. 8. [629.08] [RELEASE OR DETENTION OF A DEFENDANT PENDING SENTENCE OR APPEAL.]

Subdivision 1. [PENDING SENTENCING.] The judge or judicial officer shall order that a person who has been found guilty of an offense and who is awaiting imposition or execution of sentence be detained, unless the judge or judicial officer finds by clear and convincing evidence that the person is not likely to flee or pose a danger to the safety of the person, any other person, or the community if released under section 629A.02, subdivision 2. Upon making that finding, the judge or judicial officer shall order the release of the person in accordance with the provisions of section 629A.02, subdivision 2.

Subd. 2. [RELEASE OR DETENTION PENDING APPEAL BY DEFENDANT.] The judge or judicial officer shall order that a person who has been found guilty of an offense and sentenced to a term of imprisonment and who has filed an appeal or a writ of certiorari, be detained, unless the judge or judicial officer finds:

(1) by clear and convincing evidence that the person is not likely to flee or pose a danger to the safety of the person, any other person, or the community if released under section 629A.02, subdivision 2; and

(2) that the appeal is not for purpose of delay and raises a substantial question of law or fact likely to result in reversal or an order for a new trial.

Upon making those findings, the judge or judicial officer shall order the release of the person in accordance with the provisions of section 629A.02, subdivision 2.

Subd. 3. [RELEASE OR DETENTION PENDING APPEAL BY PROSECUTING ATTORNEY.] Unless the defendant is otherwise subject to a release or detention order, the judge or judicial officer shall treat a defendant in accordance with the provisions of sections 629A.02 to 629A.06 when an appeal is taken by a prosecuting attorney from a pretrial order under rule 28.04 of the Rules of Criminal Procedure.

Sec. 9. [629A.09] [RELEASE OR DETENTION OF A MATERIAL WITNESS.]

If it appears from an affidavit filed by a party that the testimony of a person is material in a criminal proceeding, and if it is shown that it may become impracticable to secure the presence of the person by subpoena, a judge or judicial officer may order the arrest of the person and treat the person in accordance with the provisions of sections 629A.02 to 629A.06. No material witness may be detained because of an inability to comply with a condition of release if the testimony of the witness can adequately be secured by deposition and if further detention is not necessary to prevent a failure of justice. Release of a material witness may be delayed for a reasonable period until the deposition of the witness can be taken.

Sec. 10. [629A.10] [REVIEW AND APPEAL OF A RELEASE OR DETENTION ORDER.]

Subdivision 1. [REVIEW OF RELEASE ORDER ISSUED BY JUDICIAL OFFICER.] If a defendant is ordered released by a judicial officer other than a judge, the prosecuting attorney may file with the judge having jurisdiction over the case, a motion for revocation of the order or amendment of the conditions of release, and a defendant may file a motion with the judge for amendment of the conditions of release. The motion or motions must be heard and determined promptly by the judge.

Subd. 2. [REVIEW OF A DETENTION ORDER ISSUED BY JUDICIAL OFFICER.] If a defendant is ordered detained by a judicial officer other than a judge, the defendant may file a motion with the judge having jurisdiction over the case for revocation or amendment of the order. The motion must be heard and determined promptly by the judge.

Subd. 3. [APPEAL FROM RELEASE OR DETENTION ORDER.] An appeal to the court of appeals may be taken by the defendant or the prosecuting attorney from a release or detention order, or from a decision denying revocation or amendment of an order. The appeal must be heard and determined promptly.

Sec. 11. [629A.11] [SANCTIONS FOR VIOLATION OF RELEASE CONDITION.]

Subdivision 1. [AVAILABLE SANCTIONS.] A person who has been released under section 629A.02 and who has violated a condition of the release is subject to revocation of release, an order of detention, and prosecution for contempt of court.

Subd. 2. [REVOCATION OF RELEASE.] The prosecuting attorney may begin a proceeding for revocation of an order for release by filing a motion with the trial court. A judge or judicial officer may issue a warrant for the arrest of a person charged with violating a condition of release, and the person must be brought before a judge or judicial officer in the district in which the arrest was ordered for a proceeding in accordance with this section. To the extent practicable, a person charged with violating the condition of release that the person not commit any criminal act during the period of release must be brought before the judge or judicial officer who ordered the release and whose order is alleged to have been violated.

The judge or judicial officer shall enter an order of revocation and detention if, after a hearing, the judge or judicial officer finds the following:

(1)(i) probable cause to believe that the person has committed a federal, state, or local crime while on release, or (ii) clear and convincing evidence that the person has violated any other condition of release; and

(2)(i) based on the factors set forth in section 629A.04, there is no condition or combination of conditions of release that will assure that the person will not flee or pose a danger to the safety of the person, any other person, or the community, or (ii) the person is unlikely to abide by any condition or combination of conditions of release.

If there is probable cause to believe that, while on release, the person committed a criminal act, a rebuttable presumption arises that no condition or combination of conditions will assure that the person will not pose a danger to the safety of the person, any other person, or the community. If the judge or judicial officer finds that there are conditions of release that will assure that the person will not flee or pose a danger to the safety of the person, any other person, or the community, and that the person will abide by these conditions, the judge or judicial officer shall treat the person in accordance with the provisions of sections 629A.02 to 629A.06 and may amend the conditions or release accordingly.

Subd. 3. [PROSECUTION OF CONTEMPT.] If the person has violated a condition of release, the judge or judicial officer may begin a contempt proceeding in accordance with the provisions of chapter 588.

Sec. 12. [629A.12] [CONSTRUCTION.]

Nothing in this chapter or in Rule 6 of the Rules of Criminal Procedure shall be construed to limit the inherent power of the courts to deny or revoke bail in exceptional cases when necessary to protect the orderly processes of the criminal justice system.

ARTICLE 3

MISCELLANEOUS AND TECHNICAL PROVISIONS

Section 1. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [JUDICIAL TRAINING ~~ON DOMESTIC ABUSE, HARASSMENT, AND STALKING.~~]

The supreme court's judicial education program must include ongoing training for district court judges on domestic abuse, harassment, and stalking laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system. The program also must include training for judges, judicial officers, and court services personnel on how to assure that their bail evaluations and decisions are racially and culturally neutral.

Sec. 2. Minnesota Statutes 1992, section 589.16, is amended to read:

589.16 [WHEN ~~BAIL~~ RELEASE OR REMAND OR DISCHARGE ALLOWED.]

If the petitioner has been legally committed for a criminal offense, or if upon hearing it appears by the testimony offered with the return that the petitioner is guilty of the offense, although the commitment is irregular, the judge before whom the petitioner is brought shall ~~allow release on bail, if good bail is offered, or, if not, the judge shall immediately send that petitioner back to the detaining authority~~ proceed under the applicable provisions of chapter 629A. In other cases the petitioner must be placed in the custody of the person legally entitled to custody, or, if no one is so entitled, the petitioner must be discharged.

Sec. 3. [609.492] [RELEASE; FAILURE TO APPEAR.]

Subdivision 1. [CRIME.] Whoever knowingly fails to appear before a court as required by the conditions of release imposed under chapter 629A, or knowingly fails to surrender for service of sentence under a court order, is guilty of a crime and may be sentenced as provided in subdivision 2.

Subd. 2. [PENALTIES.] A person who is convicted of violating subdivision 1 may be sentenced as follows:

(1) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for a crime punishable by life imprisonment or by a term of imprisonment of 20 years or more, to imprisonment for not more than ten years or to payment of a fine of not more than $20,000, or both;

(2) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for a crime punishable by a maximum term of imprisonment of at least ten years but less than 20 years, to imprisonment for not more than five years or to payment of a fine of not more than $10,000, or both;

(3) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for any other felony, to imprisonment for not more than one year or to payment of a fine of not more than $3,000, or both; and

(4) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for a misdemeanor or gross misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than $700, or both.

Subd. 3. [AFFIRMATIVE DEFENSE.] If proven by a preponderance of the evidence, it is an affirmative defense to a prosecution under this section that:

(1) uncontrollable circumstances prevented the person from appearing or surrendering;

(2) the person did not contribute to the creation of these circumstances in reckless disregard to the requirement to appear or surrender; and

(3) the person appeared or surrendered as soon as these circumstances ceased to exist.

Sec. 4. [609.4921] [OFFENSE COMMITTED WHILE ON RELEASE; ADDITIONAL PENALTY.]

Notwithstanding section 609.035 to the contrary, whoever commits a crime while on release under chapter 629A must, upon conviction, be sentenced as follows in addition to the penalty prescribed for the crime:

(1) if the crime committed while on release is a felony, to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both; or

(2) if the crime committed while on release is a misdemeanor or gross misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than $700, or both.

The court shall provide that the sentence imposed under this section shall run consecutively to any sentence imposed for the underlying crime.

Sec. 5. Minnesota Statutes 1992, section 629.53, is amended to read:

629.53 [PROVIDING RELEASE ON BAIL; COMMITMENT.]

A person charged with a criminal offense may be released with or without bail in accordance with ~~rule 6.02 of the rules of criminal procedure~~ the provisions of chapter 629A. Money bail is the property of the accused, whether deposited by that person or by a third person on the accused's behalf. When money bail is accepted by a judge, that judge shall order it to be deposited with the court administrator. The court administrator shall retain it until the final disposition of the case and the final order of the court disposing of the case. Upon release, the amount released must be paid to the accused personally or upon that person's written order. In case of conviction, the judge may order the money bail deposit to be applied to any fine or restitution imposed on the defendant by the court and, if the fine or restitution is less than the deposit, order the balance to be paid to the defendant. Money bail deposited with the court or any officer of it is exempt from garnishment or levy under attachment or execution.

Sec. 6. Minnesota Statutes 1992, section 629.63, is amended to read:

629.63 [CONDITIONS UNDER WHICH SURETY MAY ARREST DEFENDANT.]

If a surety believes that a defendant for whom the surety is acting as bonding agent is (1) about to flee, (2) will not appear as required by the defendant's recognizance, or (3) will otherwise not perform the conditions of the recognizance, the surety may arrest or have another person or the sheriff arrest the defendant.

If the surety or another person at the surety's direction arrests the defendant, the surety or the other person shall take the defendant before the judge before whom the defendant was required to appear and surrender the defendant to that judge.

If the surety wants the sheriff to arrest the defendant, the surety shall deliver a certified copy of the recognizance under which the defendant is held to the sheriff, with a direction endorsed on the recognizance requiring the sheriff to arrest the defendant and bring the defendant before the appropriate judge.

Upon receiving a certified copy of the recognizance and payment of the sheriff's fees, the sheriff shall arrest the defendant and bring the defendant before the judge.

Before a surety who has arrested a defendant who has violated the conditions of release may personally surrender the defendant to the appropriate judge, the surety shall notify the sheriff. ~~If the defendant at the hearing before the judge is unable to post increased bail or meet alternative conditions of release in accordance with Rule 6.03 of the rules of criminal procedure, the sheriff or a deputy shall take the defendant into custody.~~ The judge before whom the defendant is brought by the surety or the sheriff shall proceed under the provisions of chapter 629A.

Sec. 7. Minnesota Statutes 1993 Supplement, section 629.72, subdivision 2, is amended to read:

Subd. 2. [JUDICIAL REVIEW; RELEASE; BAIL.] (a) The judge before whom the arrested person is brought shall review the facts surrounding the arrest and detention and either release or detain the defendant pending trial in accordance with the provisions of chapter 629A. The arrested person must be ordered released pending trial or hearing on the person's personal recognizance or on an order to appear or upon the execution of an unsecured bond in a specified amount unless the judge determines that release (1) will be inimical to public safety, (2) will create a threat of bodily harm to the arrested person, the victim of the alleged harassment or assault, or another, or (3) will not reasonably assure the appearance of the arrested person at subsequent proceedings.

(b) If the judge determines release is not advisable, the judge may impose any conditions of release, including money bail, that will reasonably assure the appearance of the person for subsequent proceedings, or will protect the victim of the alleged harassment or assault, or ~~may fix the amount of money bail without other conditions upon which the arrested person may obtain release~~ may issue a detention order as provided in chapter 629A. If conditions of release are imposed, the judge shall issue a written order for conditional release. The court administrator shall immediately distribute a copy of the order for conditional release to the agency having custody of the arrested person and shall provide the agency having custody of the arrested person with any available information on the location of the victim in a manner that protects the victim's safety. Either the court or its designee or the agency having custody of the arrested person shall serve upon the defendant a copy of the order. Failure to serve the arrested person with a copy of the order for conditional release does not invalidate the conditions of release.

(c) If the judge imposes as a condition of release a requirement that the person have no contact with the victim of the alleged harassment or assault, the judge may also, on its own motion or that of the prosecutor or on request of the victim, issue an ex parte temporary restraining order under section 609.748, subdivision 4, or an ex parte temporary order for protection under section 518B.01, subdivision 7. Notwithstanding section 518B.01, subdivision 7, paragraph (b), or 609.748, subdivision 4, paragraph (c), the temporary order is effective until the defendant is convicted or acquitted, or the charge is dismissed, provided that upon request the defendant is entitled to a full hearing on the restraining order under section 609.748, subdivision 5, or on the order for protection under section 518B.01. The hearing must be held within seven days of the defendant's request.

Sec. 8. [PROSECUTOR TRAINING.]

The county attorneys' association, in conjunction with the attorney general's office, shall prepare and conduct a training course for prosecutors on how to assure that their bail recommendations are racially and culturally neutral. The course may be combined with other training conducted by the county attorneys' association or other groups.

Sec. 9. [EFFECT OF STATUTE ON CRIMINAL RULES.]

Rules 6.02, 6.03, 19.05, 27.01, 28.02, 28.04, and 29.04 of the Rules of Criminal Procedure are superseded to the extent of their conflict with this article and article 2.

Sec. 10. [REPEALER.]

Minnesota Statutes 1992, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Except as otherwise provided in this section, articles 2 and 3 shall become effective only upon ratification of the amendment proposed in article 1 as provided in the Minnesota Constitution. If the constitutional amendment proposed by article 1 is adopted by the people, articles 2 and 3, sections 2 to 7, 9, and 10 are effective January 1, 1995, and apply to crimes committed on or after that date. Article 3, sections 1 and 8 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to criminal procedure; proposing an amendment to the Minnesota Constitution, article I, section 7, to permit courts to deny a defendant's release on bail when necessary to protect the orderly processes of the criminal justice system or when the defendant is accused of a violent crime and has engaged in a pattern or history of violent crime; enacting the Minnesota bail reform act; providing procedures governing pretrial and postconviction release and detention decisions; providing for appellate review of release and detention orders; imposing penalties for failure to appear in court as required and for commission of a crime while on release; providing for training of judges and prosecutors to ensure they make racially and culturally neutral bail recommendations and decisions; amending Minnesota Statutes 1992, sections 589.16; 629.53; and 629.63; Minnesota Statutes 1993 Supplement, sections 480.30; and 629.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 629A; repealing Minnesota Statutes 1992, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64."

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

The report was adopted.

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

H. F. No. 2048, A bill for an act relating to health; requiring the legislative auditor to study the administrative costs of providing health care services.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [SINGLE PAYER STUDY.]

The legislative auditor shall study the administrative cost of paying Minnesota health care providers through the multiple payers that currently reimburse the providers. The legislative auditor shall also analyze the administrative cost of paying Minnesota health care providers through one state government agency and, alternatively, through one private sector health carrier. "Administrative cost" includes: (1) the difference between all revenues received and all claims paid out by all publicly financed health programs and all private sector health carriers; and (2) billing costs for Minnesota health care providers. The commissioner shall also study the different types of administrative expenses, including costs that relate to the enhancement of quality of care. The report must, to the extent possible, rely solely on data collected from Minnesota health care providers, health carriers, and other group purchasers. The legislative auditor shall report findings of this study to the legislature by January 15, 1995.

Sec. 2. [APPROPRIATION.]

$70,000 is appropriated from the general fund to the office of the legislative auditor for the fiscal year ending June 30, 1995, for the purposes of the study in section 1."

Amend the title as follows:

Page 1, line 4, before the period, insert "; appropriating money"

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2310, A bill for an act relating to state and local government; providing for the collection of debts owed the state or for whom the state acts as a fiduciary; authorizing governmental agencies and subdivisions to obtain copyright, trademark, trade secret, or patent protection for intellectual property; imposing fees; appropriating money; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 168A.05, subdivisions 2, 7, and by adding a subdivision; 270A.03, subdivision 2; 272.488, subdivision 1, and by adding subdivisions; 508.25; 542.07; 570.01; 570.02, subdivision 1; and 570.025, subdivision 2; Minnesota Statutes 1993 Supplement, sections 168A.05, subdivision 3; and 336.9-407; proposing coding for new law in Minnesota Statutes, chapter 16B; proposing coding for new law as Minnesota Statutes, chapter 16C; repealing Minnesota Statutes 1992, sections 10.11, subdivision 1; 10.12; 10.14; 10.15; and 272.488, subdivision 2.

Reported the same back with the following amendments:

Page 1, delete lines 29 to 33, and insert:

"Prior to executing any contract or license agreement involving intellectual property developed or acquired by the state, a state agency must obtain the approval of the attorney general as to the terms and conditions of the contract or agreement."

Page 2, delete lines 1 to 30

Page 2, line 31, delete "POLICY" and insert "CITATION"

Page 6, line 10, delete everything after "to" and insert "332.35, 332.37, subdivisions 4, 6, 9, 10, and 12, or 332.38 to"

Page 6, line 11, delete everything before "332.45"

Page 7, line 5, after "(b)" insert "if notice has been given pursuant to this subdivision"

Page 7, line 31, after the period, insert "The centralized state collection entity has the authority to waive the administrative fee in appropriate circumstances."

Page 9, line 15, after the period, insert "If an administrative fee is not added to the debt, the costs of collection equal to the administrative fee established by the department of finance may be deducted from the money collected prior to deposit to the fund of obligation."

Page 9, line 25, delete "that will serve to locate" and insert "related to the location of"

Page 9, line 26, delete everything after the period

Page 9, delete lines 27 and 28

Page 10, line 13, after "debtors" insert ", amount of debt, date of debt, and agency to whom debt is owed"

Page 11, line 7, after the period, insert "If the debtor, within 20 days of the receipt of service, requests in writing that the court change venue to the county of either the debtor's residence or the county where the cause of action arose, that request shall be granted." and after "fees" insert ", docketing fees, or release of judgment fees"

Page 11, after line 24, insert:

"(g) The entity may utilize any statutory authority granted to a referring agency for purposes of collecting debt owed to that referring agency."

Page 12, line 2, before "property" insert "personal" and delete ", real and personal,"

Page 12, lines 4 and 7, before "property" insert "personal"

Page 12, line 22, delete "good faith mortgagee,"

Page 12, line 24, delete "or duly-perfected mechanic's lien"

Page 12, line 30, delete "takes" and insert "has"

Page 12, line 32, delete "and section 507.34"

Page 14, line 31, delete "government" and insert "tax"

Page 15, delete lines 17 to 36

Page 16, delete lines 1 and 2

Page 16, line 3, delete "5" and insert "4"

Page 16, line 7, delete "6" and insert "5"

Page 16, line 9, delete "STATE"

Page 16, line 17, delete "state"

Page 16, line 18, after "all" insert "nonexempt personal" and after "to" insert "nonexempt personal"

Page 16, line 19, before "property" insert "nonexempt personal"

Page 16, line 27, delete "state"

Page 17, delete lines 29 to 35

Page 17, line 36, delete "8" and insert "7"

Page 18, line 7, delete "9" and insert "8"

Page 18, line 21, delete ", in the case of personal property,"

Page 18, line 22, delete everything after "seized" and insert a period

Page 18, delete line 23

Page 18, line 29, delete "In the case of personal property,"

Page 18, line 30, delete everything after the period

Page 18, delete lines 31 and 32

Page 18, line 34, delete everything after the period

Page 18, line 35, delete everything before "notice"

Page 19, delete lines 2 to 4

Page 21, line 23, delete "state"

Page 22, line 22, before the colon, insert "within 45 days of the determination"

Page 22, line 23, delete ", at any time"

Page 22, line 25, delete everything after "upon"

Page 22, line 26, delete everything before the semicolon

Page 22, line 28, delete everything after "property" and insert a period

Page 22, delete line 29 and insert "Any person wishing to challenge a levy as wrongful must make a claim to the entity no later than one year following the date of the sale."

Page 23, delete lines 2 to 16

Page 23, line 17, delete "3" and insert "2" and delete "lands sold are" and insert "property is"

Page 23, line 26, delete everything after the period

Page 23, delete lines 27 to 33

Page 24, delete lines 28 to 33

Page 24, line 34, delete "(f)" and insert "(e)" and delete "or real"

Page 24, line 35, delete the first "property"

Page 24, line 36, delete "state"

Page 25, line 5, delete "and redemptions of real property"

Page 25, line 14, delete "If a judgment lien"

Page 25, delete line 15

Page 25, line 16, delete everything before "within"

Page 25, line 17, after the comma, insert "the centralized state collection entity may"

Page 27, line 22, delete "If a judgment lien has been"

Page 27, delete line 23, and insert "The"

Page 27, line 34, after "continuous" insert "with respect to a payment as defined in subdivision 4"

Page 28, after line 3, insert:

"Subd. 2a. [RELEASE WHEN NO ASSETS FOUND.] If, upon receipt of the notice of levy and upon diligent search for amounts due the debtor or for assets of the debtor, no amounts due or assets are found, the recipient of the notice shall report that fact in writing within ten days to the entity and shall be released from the levy at the time of the report."

Page 29, line 17, delete "in" and insert "on"

Page 32, line 10, delete "debt or"

Page 32, line 17, after the comma, insert "when title is applied for"

Page 32, line 18, delete everything after "title"

Page 32, line 19, delete everything before "in"

Pages 35 and 36, delete section 34

Page 38, line 32, delete "$....." and insert "$161,000"

Page 38, after line 33, insert:

"$..... is appropriated to the county of Ramsey from the general fund to provide the services required in section 12, subdivision 2, paragraph (c)."

Page 38, line 35, after "to" insert "13 and 15 to"

Page 39, after line 1, insert:

"The provisions of section 14 are effective on July 1, 1995."

Amend the title as follows:

Page 1, line 12, delete "508.25;"

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

The report was adopted.

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

H. F. No. 2525, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring

administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; establishing and regulating health care cooperatives; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62A.48, subdivision 1; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 16, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 65B.49, subdivision 2; 79.36; 256.9657, by adding a subdivision; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.32, subdivision 4; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, subdivision 11, and by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 144.1464; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9356, subdivision 3; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; proposing coding for new law in Minnesota Statutes, chapters 43A; 62A; 62E; 62J; 62N; 62P; 144; and 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q; and 308B; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUNITY INTEGRATED SERVICE NETWORKS

Section 1. [62J.016] [GOALS OF RESTRUCTURING.]

The state seeks to bring about changes in the health care delivery and financing system that will assure quality, affordable, and accessible health care for all Minnesotans. This goal will be accomplished by restructuring the delivery system, the financial incentives, and the regulatory environment in a way that will make health care providers and health plan companies more accountable to consumers, group purchasers, and communities for their costs and quality, their effectiveness in meeting the health care needs of all of their patients and enrollees, and their contributions to improving the health of the greater community.

Sec. 2. [62J.017] [IMPLEMENTATION TIMETABLE.]

The state seeks to complete the restructuring of the health care delivery and financing system by July 1, 1997. The restructured system will have two options: (1) integrated service networks, which will be accountable for meeting state cost containment, quality, and access standards; or (2) a uniform set of price and utilization controls for all health care services for Minnesota residents not provided through an integrated service network. Both systems will operate under the state's limits on cost increases and will be structured to promote competition in the health care marketplace.

Beginning July 1, 1994, measures will be taken to increase the public accountability of existing health plan companies, to promote the development of small, community-based integrated service networks, and to reduce administrative costs by standardizing third-party billing forms and procedures and utilization review requirements. Voluntary formation of other integrated service networks will begin January 1, 1996. Statutes for the entire restructured health care financing and delivery system must be enacted by January 1, 1996, and a phase-in of the all-payer reimbursement system must begin on that date. By July 1, 1997, all health coverage must be regulated under integrated service network or community integrated service network law pursuant to chapter 62N or all-payer law pursuant to chapter 62P.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62N.02, is amended by adding a subdivision to read:

Subd. 4a. [COMMUNITY INTEGRATED SERVICE NETWORK.] "Community integrated service network" or "community network" means a formal arrangement licensed by the commissioner under section 62N.25 for providing prepaid health services to enrolled populations of 50,000 or fewer enrollees.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62N.02, subdivision 8, is amended to read:

Subd. 8. [INTEGRATED SERVICE NETWORK.] "Integrated service network" means a formal arrangement permitted by this chapter and licensed by the commissioner for providing health services under this chapter to enrollees for a fixed payment per time period. Integrated service network does not include a community integrated service network.

Sec. 5. [62N.25] [COMMUNITY INTEGRATED SERVICE NETWORKS.]

Subdivision 1. [SCOPE OF LICENSURE.] Beginning July 1, 1994, the commissioner shall accept applications for licensure as a community integrated service network under this section. Licensed community integrated service networks may begin providing health coverage to enrollees no earlier than January 1, 1995, and may begin marketing coverage to prospective enrollees upon licensure.

Subd. 2. [LICENSURE REQUIREMENTS GENERALLY.] To be licensed and to operate as a community integrated service network, an applicant must satisfy the requirements of chapter 62D, and all other legal requirements that apply to entities licensed under chapter 62D, except as exempted or modified in this section. Community networks must, as a condition of licensure, comply with rules adopted under section 256B.0644 that apply to entities governed by chapter 62D.

Subd. 3. [REGULATION; APPLICABLE LAW.] Community integrated service networks are regulated and licensed by the commissioner under the same authority that applies to entities licensed under chapter 62D, except as exempted or modified under this section. All statutes or rules that apply to health maintenance organizations apply to community networks, unless otherwise specified. A cooperative organized under chapter 308A may establish a community integrated service network.

Subd. 4. [GOVERNING BODY.] Notwithstanding section 62D.06, at least 51 percent of the members of the governing body of the community integrated service network must be residents of the community integrated service network's service area. Service area, for purposes of this subdivision, may include contiguous geographic areas outside the state of Minnesota.

Subd. 5. [BENEFITS.] Community integrated service networks must offer the health maintenance organization benefit set, as defined in chapter 62D, and other laws applicable to entities regulated under chapter 62D, except that the community integrated service network may impose a deductible, not to exceed $1,000 per person per year, provided that out-of-pocket expenses on covered services do not exceed $3,000 per person or $5,000 per family per year. The deductible must not apply to preventive health services as described in Minnesota Rules, part 4685.0801, subpart 8.

Subd. 6. [SOLVENCY.] A community integrated service network is exempt from the deposit, reserve, and solvency requirements specified in sections 62D.041, 62D.042, 62D.043, and 62D.044 and shall comply instead with sections 62N.27 to 62N.32.

Subd. 7. [EXEMPTIONS FROM EXISTING REQUIREMENTS.] Community integrated service networks are exempt from the following requirements applicable to health maintenance organizations:

(1) conducting focused studies under Minnesota Rules, part 4685.1125;

(2) preparing and filing, as a condition of licensure, a written quality assurance plan, and annually filing such a plan and a work plan, under Minnesota Rules, parts 4685.1110 and 4685.1130;

(3) maintaining statistics under Minnesota Rules, part 4685.1200;

(4) filing provider contract forms under sections 62D.03, subdivision 4, and 62D.08, subdivision 1;

(5) reporting any changes in the address of a network provider or length of a provider contract or additions to the provider network to the commissioner within ten days under section 62D.08, subdivision 5. Community networks must report such information to the commissioner on a quarterly basis. Community networks that fail to make the required quarterly filing are subject to the penalties set forth in section 62D.08, subdivision 5; and

(6) preparing and filing, as a condition of licensure, a marketing plan, and annually filing a marketing plan, under sections 62D.03, subdivision 4, paragraph (l), and 62D.08, subdivision 1.

Subd. 8. [PROVIDER CONTRACTS.] The provisions of section 62D.123 are implied in every provider contract or agreement between a community integrated service network and a provider, regardless of whether those provisions are expressly included in the contract. No participating provider, agent, trustee, or assignee of a participating provider has or may maintain any cause of action against a subscriber or enrollee to collect sums owed by the community network.

Subd. 9. [EXCEPTIONS TO ENROLLMENT LIMIT.] A community integrated service network may enroll enrollees in excess of 50,000 if necessary to comply with guaranteed issue or guaranteed renewal requirements of chapter 62L or section 62A.65.

Sec. 6. [62N.255] [EXPANDED PROVIDER NETWORKS.]

Subdivision 1. [PROVIDER ACCEPTANCE REQUIRED.] Every community network shall establish an expanded network of allied independent health providers, in addition to a preferred network. A community network shall accept as a provider in the expanded network any allied independent health provider who: (1) meets the community network's credentialing standards; (2) agrees to the terms of the community network's provider contract; and (3) agrees to comply with all managed care protocols of the community network.

Subd. 2. [MANAGED CARE.] The managed care protocols used by the community network may include: (1) a requirement that an enrollee obtain a referral from the community network before obtaining services from an allied independent health provider in the expanded network; (2) limits on the number and length of visits to allied independent health providers in the expanded network allowed by each referral, as long as the number and length of visits allowed is not less than the number and length allowed for comparable referrals to allied independent health providers in the preferred network; and (3) ongoing management and review by the community network of the care provided by an allied independent health provider in the expanded network after a referral is made.

Subd. 3. [MANDATORY OFFERING TO ENROLLEES.] Each community network may offer to enrollees the option of receiving covered services through the expanded network of allied independent health providers established under subdivisions 1 and 2. The network may establish separate premium rates and cost-sharing requirements for this expanded network plan, as long as these premium rates and cost-sharing requirements are actuarially justified and approved by the commissioner.

Subd. 4. [PROVIDER REIMBURSEMENT.] A community network shall pay each allied independent health provider in the expanded network the same rate per unit of service as paid to allied independent health providers in the preferred network.

Subd. 5. [EXEMPTION.] A community network is exempt from the requirements of this section, to the extent that it operates as a staff model health plan company, as defined in section 295.50, subdivision 12b, by employing allied independent health care providers to deliver health care services to enrollees.

Subd. 6. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Allied independent health provider" means an independently enrolled audiologist, chiropractor, dietician, home health care provider, marriage and family therapist, nurse practitioner or advanced practice nurse, occupational therapist, optometrist, optician, outpatient chemical dependency counselor, pharmacist who is not employed by and based on the premises of a community network, physical therapist, podiatrist, licensed consulting psychologist, psychological practitioner, licensed social worker, or speech therapist.

(c) "Home health care provider" means a personal care assistant, home health aide, or a provider of homemaker, respite care, adult day care, or home health nursing services.

(d) "Independently enrolled" means that a provider can bill, and receive direct payment for services from, a third-party payer or patient.

Sec. 7. [62N.26] [SHARED SERVICES COOPERATIVE.]

The commissioner of health shall establish, or assist in establishing, a shared services cooperative organized under chapter 308A to make available administrative and legal services, technical assistance, provider contracting and billing services, and other services to those community integrated service networks and integrated service networks that choose to participate in the cooperative. The commissioner shall provide, to the extent funds are appropriated, start-up loans sufficient to maintain the shared services cooperative until its operations can be maintained by fees and contributions. The cooperative must not be staffed, administered, or supervised by the commissioner of health. The cooperative shall make use of existing resources that are already available in the community, to the extent possible.

Sec. 8. [62N.27] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 62N.27 to 62N.32, the terms defined in this section have the meanings given. Other terms used in those sections have the meanings given in sections 62D.041, 62D.042, 62D.043, and 62D.044.

Subd. 2. [NET WORTH.] "Net worth" means admitted assets, as defined in subdivision 3, minus liabilities. Liabilities do not include those obligations that are subordinated in the same manner as preferred ownership claims under section 60B.44, subdivision 10. For purposes of this subdivision, preferred ownership claims under section 60B.44, subdivision 10, include promissory notes subordinated to all other liabilities of the community network.

Subd. 3. [ADMITTED ASSETS.] "Admitted assets" means admitted assets as defined in section 62D.044, except that real estate investments allowed by section 62D.045 are not admitted assets. Admitted assets include the deposit required under section 62N.32.

Subd. 4. [ACCREDITED CAPITATED PROVIDER.] "Accredited capitated provider" means a health care providing entity that:

(1) receives capitated payments from a community network under a contract to provide health services to the community network's enrollees. For purposes of this section, a health care providing entity is "capitated" when its compensation arrangement with a community network involves the provider's acceptance of material financial risk for the delivery of a predetermined set of services for a specified period of time;

(2) is licensed to provide and provides the contracted services, either directly or through an affiliate. For purposes of this section, an "affiliate" is any person that directly or indirectly controls, or is controlled by, or is under common control with, the health care providing entity, and "control" exists when any person, directly or indirectly, owns, controls, or holds the power to vote, or holds proxies representing, no less than 80 percent of the voting securities or governance rights of any other person;

(3) agrees to serve as an accredited capitated provider of a community network for the purpose of reducing the community network's net worth and deposit requirements under section 62N.28; and

(4) is approved by the commissioner as an accredited capitated provider for a community network in accordance with section 62N.31.

Subd. 5. [PERCENTAGE OF RISK CEDED.] "Percentage of risk ceded" means the ratio, expressed as a percentage, between capitated payments made, or, in the case of a new entity, expected to be made, by a community network to all accredited capitated providers during any contract year and the total premium revenue, adjusted to eliminate expected administrative costs, received for the same time period by the community network.

Subd. 6. [PROVIDER AMOUNT AT RISK.] "Provider amount at risk" means a dollar amount certified by a qualified actuary to represent the expected direct costs to an accredited capitated provider for providing the contracted, covered health care services to the enrollees of the community network to which it is accredited for a period of six months.

Sec. 9. [62N.28] [NET WORTH REQUIREMENT.]

Subdivision 1. [REQUIREMENT.] Except as otherwise permitted by this chapter, each community network must maintain a minimum net worth equal to the greater of:

(1) $1,000,000;

(2) two percent of the first $150,000,000 of annual premium revenue plus one percent of annual premium revenue in excess of $150,000,000;

(3) eight percent of the annual health services costs, except those paid on a capitated or managed hospital payment basis, plus four percent of the annual capitation and managed hospital payment costs; or

(4) four months uncovered health services costs.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(1) "capitated basis" means fixed per member per month payment or percentage of premium paid to a provider that assumes the full risk of the cost of contracted services without regard to the type, value, or frequency of services provided. For purposes of this definition, capitated basis includes the cost associated with operating staff model facilities;

(2) "managed hospital payment basis" means agreements in which the financial risk is primarily related to the degree of utilization rather than to the cost of services; and

(3) "uncovered health services costs" means the cost to the community network of health services covered by the community network for which the enrollee would also be liable in the event of the community network's insolvency, and that are not guaranteed, insured, or assumed by a person other than the community network.

Subd. 3. [REINSURANCE CREDIT.] A community network may use the subtraction for premiums paid for insurance permitted under section 62D.042, subdivision 4.

Subd. 4. [PHASE-IN FOR NET WORTH REQUIREMENT.] (a) A community network may choose to comply with the net worth requirement on a phase-in basis according to the following schedule:

(1) 50 percent of the amount required under subdivisions 1 to 3 at the time that the community network begins enrolling enrollees;

(2) 75 percent of the amount required under subdivisions 1 to 3 at the end of the first full calendar year of operation;

(3) 87.5 percent of the amount required under subdivisions 1 to 3 at the end of the second full calendar year of operation; and

(4) 100 percent of the amount required under subdivisions 1 to 3 at the end of the third full calendar year of operation.

(b) A community network that elects to use the phase-in schedule provided in this subdivision cannot also use the real estate provision of section 62N.30 or the accredited capitated provider provision of section 62N.31.

Subd. 5. [NET WORTH CORRIDOR.] A community network shall not maintain net worth that exceeds two and one-half times the amount required of the community network under subdivision 1. Subdivision 4 is not relevant for purposes of this subdivision.

Subd. 6. [NET WORTH REDUCTION.] If a community network has contracts with accredited capitated providers, and only for so long as those contracts or successor contracts remain in force, the net worth requirement of subdivision 1 shall be reduced by the percentage of risk ceded, but in no event shall the net worth requirements be reduced by this subdivision to less than $1,000,000. The phase-in requirements of subdivision 4 shall not be affected by this reduction.

Sec. 10. [62N.29] [GUARANTEEING ORGANIZATION.]

A community network may satisfy its net worth and deposit requirements, in whole or in part, through the use of one or more guaranteeing organizations, with the approval of the commissioner, under the conditions permitted in chapter 62D. Governmental entities, such as counties, may serve as guaranteeing organizations subject to the requirements of chapter 62D.

Sec. 11. [62N.30] [REAL ESTATE AS NET WORTH.]

(a) The commissioner may, at the request of a community network, allow the community network a credit of up to 20 percent of the community network's net worth requirement for the community network's ownership of real estate of which the community network makes significant use in delivering care to enrollees. The credit must reflect reduced expenses and risk to the community network. In determining whether to allow the credit, the commissioner shall review operating expenses, debt service, and other costs connected with the real estate, as well as the use of the property by the community network in delivering care to enrollees, in order to ascertain whether ownership of the asset significantly reduces the community network's expenses and risk.

(b) A community network that uses this section to satisfy part of its net worth requirement may not use accredited capitated providers under section 62N.31 for that purpose.

Sec. 12. [62N.31] [ACCREDITED CAPITATED PROVIDERS.]

Subdivision 1. [GENERAL.] Each health care providing entity seeking initial accreditation as an accredited capitated provider shall submit to the commissioner of health sufficient information to establish that the applicant has operational capacity, facilities, personnel, and financial capability to provide the contracted covered services to the enrollees of the community network for which it seeks accreditation (a) on an ongoing basis, and (b) for a period of six months following the insolvency of the network without receiving payment from the network. Accreditation shall continue until abandoned by the accredited capitated provider or revoked by the commissioner in accordance with subdivision 7. The applicant may provide evidence of financial capability by demonstrating that the provider amount at risk can be covered by or through any of allocated or restricted funds; a letter of credit; the taxing authority of the applicant or governmental sponsor of the applicant; a debt rating in the highest two categories for investment grade debt; an unrestricted fund balance at least two times the provider amount at risk; reinsurance, either purchased directly by the applicant or by the community network to which it will be accredited; or any other method accepted by the commissioner.

An accredited capitated provider that provides services to its enrollees without compensation due to insolvency of the community network has no claim against the enrollees for payment. Accreditation of a health care providing entity shall not in itself limit the right of the accredited capitated provider to seek payment of unpaid capitated amounts from a community network, whether the community network is solvent or insolvent; provided that, if the community network is subject to any liquidation, rehabilitation, or conservation proceedings, the accredited capitated provider shall have the status accorded creditors under chapter 60B.44, subdivision 10.

Subd. 2. [APPROVAL BY COMMISSIONER.] Before a provider may be used as an accredited capitated provider, the commissioner must determine whether the provider is sufficiently solvent to carry out its obligation without risk of bankruptcy. In making that determination, the commissioner may consider the provider's assets, liabilities, cash flow, operational and financial history, tax return information, expected cost of providing care to the community network's enrollees, expected revenues from other sources, fixed costs, and any information provided under subdivision 1.

Subd. 3. [ADDITIONAL SAFEGUARDS.] The commissioner may condition accredited status upon secured or unsecured personal guarantees by individual providers, security agreements and mortgages of assets owned by the provider, or other means of securing performance of the accredited capitated provider and preventing the provider from using bankruptcy to avoid its obligations to the community network and its enrollees. The state has an interest in performance of the obligations of accredited capitated providers, and the commissioner has standing to and may intervene in any insolvency proceeding involving an accredited capitated provider as the debtor, for the purpose of asserting the interests of the state and of the community network.

Subd. 4. [DATA SUBMISSIONS.] Each accredited capitated provider, as a condition of being granted accreditation, must submit to the commissioner annually, no later than April 15, an opinion by a qualified actuary regarding its ongoing ability to accept the loss of compensation under this section. The provider must also submit an annual data filing to the commissioner, including but not limited to:

(1) the expected direct costs to an accredited capitated provider for providing the contracted services to the enrollees of the community network to which it is accredited for a period of not less than six months;

(2) the number of enrollees served under the accredited capitated provider arrangement for the community network, both for the prior year and estimated for the current year;

(3) an audited financial statement, including an independent auditor's report, balance sheet, statement of support, revenue and expenses, statement of changes in capital balance, and statement of cash flow;

(4) any material change in the operational capacity of the accredited capitated provider since the last report to the commissioner;

(5) any material change in an accredited capitated provider's financial capacity to provide the contracted services; and

(6) any other information that the commissioner deems appropriate.

Subd. 5. [CONTRACT TERMINATION.] An accredited capitated provider may terminate its contract with a community network subject to the approval of the commissioner and under the conditions of this subdivision. An accredited capitated provider seeking to terminate its contract with a community network, whether by nonrenewal, cancellation, revocation, rescission, or otherwise, must give the commissioner and the community network six months' written notice of the termination. If the community network is notified of the termination and has sufficient net worth to be in compliance with its net worth requirement or has obtained alternative credit against the requirement, to the satisfaction of the commissioner, the notice requirement can be reduced to the greater of 90 days or the time required to secure the alternative credit.

Subd. 6. [NET WORTH AND WORKING CAPITAL.] (a) An accredited capitated provider must have an initial and continuing net worth of at least $250,000. An accredited capitated provider must also have an initial working capital of at least $250,000 and after that must maintain a positive working capital balance at all times.

(b) The commissioner may require an accredited capitated provider to maintain additional net worth requirements based on the type, nature, or volume of health services customarily rendered by the particular accredited capitated provider.

Subd. 7. [FAILURE TO COMPLY.] (a) If an accredited capitated provider fails to comply with the net worth, working capital, and other requirements of this section, the commissioner may take appropriate action, including increased monitoring of the financial and operational capacity of both the accredited capitated provider and the community network, administrative supervision of the accredited capitated provider or of the community network under chapter 60G, or suspension or revocation of an accredited capitated provider's accreditation.

(b) If an accredited capitated provider loses its accreditation, the accredited capitated provider is precluded from reapplying for accreditation for a period of one year from the date of the loss of accreditation.

Sec. 13. [62N.32] [DEPOSIT REQUIREMENT.]

A community network must satisfy the deposit requirement provided in section 62D.041. The deposit counts as an admitted asset and as part of the required net worth. The deposit requirement cannot be reduced by the alternative means that may be used to reduce the net worth requirement, other than through the use of a guaranteeing organization.

Sec. 14. [62N.33] [COVERAGE FOR ENROLLEES OF INSOLVENT NETWORKS.]

In the event of a community network insolvency, the commissioner shall determine whether one or more community networks are willing and able to provide replacement coverage to all of the failed community network's enrollees, and if so, the commissioner shall facilitate the provision of the replacement coverage. If such replacement coverage is not available, the commissioner shall randomly assign enrollees of the insolvent community network to other community networks and health carriers in the service area, in proportion to their market share, for the remaining terms of the enrollees' contracts with the insolvent network. The other community networks and health carriers must accept the allocated enrollees under their policy or contract most similar to the enrollees' contracts with the insolvent community network. The allocation must keep groups together. Enrollees with special continuity of care needs may, in the commissioner's discretion, be given a choice of replacement coverage rather than random assignment. Individuals and groups that are assigned randomly may choose a different community network or health carrier when their contracts expire, on the same basis as any other individual or group. The replacement carrier must comply with any guaranteed renewal or other renewal provisions of the prior coverage, including but not limited to, provisions regarding preexisting conditions and health conditions that developed during prior coverage.

Sec. 15. [62N.34] [INSOLVENCY FUNDING.]

(a) In the event of an insolvency of a community network, all other community networks and health carriers shall be assessed a surcharge, if necessary to pay expenses and claims set forth in paragraph (b), in proportion to their gross premium revenues.

(b) Money raised by the assessment shall be used to pay for the following, to the extent that they exceed the community network's deposit and other remaining assets:

(1) expenses in connection with the insolvency and transfer of enrollees;

(2) outstanding fee-for-service claims from nonparticipating providers, discounted by 25 percent of the claim amount. Claims incurred after the implementation of the fee schedules provided under chapter 62P will be reimbursed at the fee schedule amount discounted by 25 percent. Providers may not seek to recover the unpaid portion of their claim from enrollees; and

(3) premiums to community networks and health carriers that take enrollees of the insolvent community network, prorated to account for premiums already paid to the insolvent community network on behalf of those enrollees, to purchase coverage for time periods for which the insolvent community network can no longer provide coverage.

(c) In any year in which an assessment is made, the commissioner, in consultation with community networks and other health carriers, shall report to the legislature and governor on the continuing viability of the assessment approach and on the merits of potential alternative funding sources.

Sec. 16. [62N.35] [BORDER ISSUES.]

To the extent feasible and appropriate, community networks that also operate under the health maintenance organization or similar prepaid health care law of another state must be licensed and regulated by this state in a manner that avoids unnecessary duplication and expense for the community network. The commissioner shall communicate with regulatory authorities in neighboring states to explore the feasibility of cooperative approaches to streamline regulation of border community networks, such as joint financial audits, and shall report to the legislature on any changes to Minnesota law that may be needed to implement appropriate collaborative approaches to regulation.

Sec. 17. [62N.36] [NOTIFICATION OF PROVIDER NETWORK OPENING.]

A community integrated service network or integrated service network shall publish a notice of any health care provider network opening, vacancy, or contract in appropriate regional newspapers. This notice must be published at least 14 days before the closing date for applications for the open or vacant position. The requirement for notification shall not apply if the community integrated service network or integrated service network is replacing a network provider, and any delay in filling a vacancy causes an impairment to delivery of health care services.

Sec. 18. [STUDY OF SOLVENCY REGULATION OF INTEGRATED SERVICE NETWORKS.]

The commissioners of health and commerce shall develop the solvency standards for the integrated service networks created by chapter 62N. The solvency standards for integrated service networks must be effective no later than January 1, 1996.

The standards may use a risk-based capital standard as an integral tool to assess solvency of the integrated service networks. The standards may require that integrated service networks file the risk based capital calculation as part of the annual financial statement. The risk-based capital standard for integrated service networks may be based upon the national association of insurance commissioners health organization risk based capital standards currently under development, with any necessary modifications to reflect the unique risk characteristics of integrated service networks. Those modifications must be based upon an actuarial analysis of the effect on risk.

Sec. 19. [MONITORING OF REINSURANCE ACCESSIBILITY FOR COMMUNITY NETWORKS.]

The commissioners of commerce and health shall monitor the private sector market for reinsurance, in order to determine whether community integrated service networks are able to purchase reinsurance at competitive rates. If the commissioners find that the private market for reinsurance is not accessible or not affordable to community

integrated service networks, the commissioners shall recommend to the legislature a voluntary or mandatory reinsurance purchasing pool for community integrated service networks. The commissioners' recommendations shall address the conditions under which community networks would be permitted or required to participate in the pool and the role of the state in overseeing or administering the pool.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective July 1, 1994.

ARTICLE 2

REQUIREMENTS FOR ALL HEALTH PLAN COMPANIES

Section 1. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 3. [OFFICE OF CONSUMER INFORMATION.] The commissioner shall create an office of consumer information to assist health plan company enrollees and to serve as a resource center for enrollees. The office shall operate within the information clearinghouse. The functions of the office are:

(1) to assist enrollees in understanding their rights;

(2) to explain and assist in the use of all available complaint systems, including internal complaint systems within health carriers, community integrated service networks, integrated service networks, and the departments of health and commerce;

(3) to provide information on coverage options in each regional coordinating board region of the state;

(4) to provide information on the availability of purchasing pools and enrollee subsidies; and

(5) to help consumers use the health care system to obtain coverage.

The office of consumer information shall not provide legal services to consumers and shall not represent a consumer or enrollee. The office of consumer information shall not serve as an advocate for consumers in disputes with health plan companies. Nothing in this subdivision shall interfere with the ombudsman program established under section 256B.031, subdivision 6, or other existing ombudsman programs.

Sec. 2. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 4. [INFORMATION ON HEALTH PLAN COMPANIES.] The information clearinghouse shall provide information on all health plan companies operating in a specific geographic area to consumers and purchasers who request it.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 5. [DISTRIBUTION OF DATA ON QUALITY.] The commissioner shall make available through the clearinghouse hospital quality data collected under section 62J.45, subdivision 4b, and health plan company quality data collected under section 62J.45, subdivision 4c.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4a. [EVALUATION OF CONSUMER SATISFACTION; PROVIDER INFORMATION PILOT STUDY.] (a) The commissioner may make a grant to the data institute to develop and implement a mechanism for collecting comparative data on consumer satisfaction through adoption of a standard consumer satisfaction survey. As a condition of receiving this grant, the data institute shall appoint a consumer advisory group which shall consist of 13 individuals, representing enrollees from public and private health plan companies and programs and two uninsured consumers, to advise the data institute on issues of concern to consumers. The advisory group must have at least one member from each regional coordinating board region of the state. The advisory group expires June 30, 1997. No more than seven members may be of the same gender. This survey shall include enrollees in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. The data institute shall

determine a mechanism for the inclusion of the uninsured. Health plan companies and group purchasers shall provide enrollment information, including the names, addresses, and telephone numbers of enrollees and former enrollees and other data necessary for the completion of this study to the data institute. This enrollment information provided by the health plan companies and group purchasers is classified as private data on individuals, as defined in section 13.02, subdivision 12. The data institute shall provide raw unaggregated data to the data analysis unit. The data institute may analyze and prepare findings from the raw, unaggregated data, and the findings from this survey may be included in the health plan company report cards, and in other reports developed by the data analysis unit, in consultation with the data institute, to be disseminated by the information clearinghouse. The raw unaggregated data is classified as private data on individuals as defined in section 13.02, subdivision 12. The survey may include information on the following subjects:

(1) enrollees' overall satisfaction with their health care plan;

(2) consumers' perception of access to emergency, urgent, routine, and preventive care, including locations, hours, waiting times, and access to care when needed;

(3) premiums and costs;

(4) technical competence of providers;

(5) communication, courtesy, respect, reassurance, and support;

(6) choice and continuity of providers;

(7) continuity of care;

(8) outcomes of care;

(9) services offered by the plan, including range of services, coverage for preventive and routine services, and coverage for illness and hospitalization;

(10) availability of information; and

(11) paperwork.

(b) The commissioner, in consultation with the data institute, shall develop a pilot study to collect comparative data from health care providers on opportunities and barriers to the provision of quality, cost-effective health care. The provider information pilot study shall include providers in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. Health plan companies and group purchasers shall provide to the commissioner providers' names, health plan assignment, and other appropriate data necessary for the commissioner to conduct the study. The provider information pilot study shall examine factors that increase and hinder access to the provision of quality, cost-effective health care. The study may examine:

(1) administrative barriers and facilitators;

(2) time spent obtaining permission for appropriate and necessary treatments;

(3) latitude to order appropriate and necessary tests, pharmaceuticals, and referrals to specialty providers;

(4) assistance available for decreasing administrative and other routine paperwork activities;

(5) continuing education opportunities provided;

(6) access to readily available information on diagnoses, diseases, outcomes, and new technologies;

(7) continuous quality improvement activities;

(8) inclusion in administrative decision-making;

(9) access to social services and other services that facilitate continuity of care;

(10) economic incentives and disincentives;

(11) peer review procedures; and

(12) the prerogative to address public health needs.

In selecting additional data for collection, the commissioner shall consider the: (1) statistical validity of the indicator; (2) public need for the information; (3) estimated expense of collecting and reporting the indicator; and (4) usefulness of the indicator to identify barriers and opportunities to improve quality care provision within health plan companies.

Sec. 5. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4b. [HOSPITAL QUALITY INDICATORS.] The commissioner, in consultation with the data institute, shall develop a system for collecting data on hospital quality. The commissioner shall require a licensed hospital to collect and report data as needed for the system. Data to be collected shall include structural characteristics including staff-mix and nurse-patient ratios. In selecting additional data for collection, the commissioner shall consider: (1) feasibility and statistical validity of the indicator; (2) purchaser and public demand for the indicator; (3) estimated expense of collecting and reporting the indicator; and (4) usefulness of the indicator for internal improvement purposes.

Sec. 6. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4c. [QUALITY REPORT CARDS.] Each health plan company shall report annually by April 1 to the commissioner specific quality indicators, in the form specified by the commissioner in consultation with the data institute. The quality indicators must be reported using standard definitions and measurement processes as specified by the commissioner. Wherever possible, the commissioner's specifications must be consistent with those outlined in the health plan employer data and information set (HEDIS 2.0). The commissioner, in consultation with the data institute, may modify the quality indicators to be reported to incorporate improvements in quality measurement tools. When HEDIS 2.0 indicators or health care financing administration approved quality indicators for medical assistance and Medicare are used, the commissioner is exempt from rulemaking. For additions or modifications to the HEDIS indicators or if other quality indicators are added, the commissioner shall proceed through rulemaking pursuant to chapter 14. The data analysis unit shall develop quality report cards, and these report cards shall be disseminated through the information clearinghouse. Data shall be collected and reported by county and high-risk and special needs populations as well as by health plans, except when this would allow individuals to be identified.

Sec. 7. Minnesota Statutes 1992, section 62M.02, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATION.] "Certification" means a determination by a utilization review organization that an admission, extension of stay, or other health care service has been reviewed and that it, based on the information provided, meets the utilization review requirements of the applicable health plan and the health carrier will then pay for the covered benefit, provided the preexisting limitation provisions, the general exclusion provisions, and any deductible, copayment, coinsurance, or other policy requirements have been met.

Sec. 8. Minnesota Statutes 1992, section 62M.02, subdivision 21, is amended to read:

Subd. 21. [UTILIZATION REVIEW ORGANIZATION.] "Utilization review organization" means an entity including but not limited to an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network or an integrated service network licensed under chapter 62N; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and determines certification of an admission, extension of stay, or other health care services for a Minnesota resident; or any entity performing utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state.

Sec. 9. Minnesota Statutes 1992, section 62M.03, subdivision 1, is amended to read:

Subdivision 1. [LICENSED UTILIZATION REVIEW ORGANIZATION.] Beginning January 1, 1993, any organization that ~~is licensed in this state and that~~ meets the definition of utilization review organization in section 62M.02, subdivision 21, must be licensed under chapter 60A, 62C, 62D, 62N, or 64B, or registered under this chapter and must comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a. Each licensed community integrated service network, integrated service network, or health maintenance organization that has an employed staff model of providing health care services shall comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a, for any services provided by providers under contract.

Sec. 10. Minnesota Statutes 1992, section 62M.03, subdivision 2, is amended to read:

Subd. 2. [NONLICENSED UTILIZATION REVIEW ORGANIZATION.] An organization that meets the definition of a utilization review organization under section 62M.02, subdivision 21, that is not licensed in this state that performs utilization review services for Minnesota residents must register with the commissioner of commerce and must certify compliance with sections 62M.01 to 62M.16.

Initial registration must occur no later than January 1, 1993. The registration is effective for two years and may be renewed for another two years by written request. Each utilization review organization registered under this chapter shall notify the commissioner of commerce within 30 days of any change in the name, address, or ownership of the organization.

Sec. 11. Minnesota Statutes 1992, section 62M.03, subdivision 3, is amended to read:

Subd. 3. [PENALTIES AND ENFORCEMENTS.] If a ~~nonlicensed~~ utilization review organization fails to comply with sections 62M.01 to 62M.16, the organization may not provide utilization review services for any Minnesota resident. The commissioner of commerce may issue a cease and desist order under section 45.027, subdivision 5, to enforce this provision. The cease and desist order is subject to appeal under chapter 14. A nonlicensed utilization review organization that fails to comply with the provisions of sections 62M.01 to 62M.16 is subject to all applicable penalty and enforcement provisions of section 72A.201. Each utilization review organization licensed under chapter 60A, 62C, 62D, 62N, or 64B shall comply with sections 62M.01 to 62M.16 as a condition of licensure.

Sec. 12. Minnesota Statutes 1992, section 62M.05, subdivision 3, is amended to read:

Subd. 3. [NOTIFICATION OF DETERMINATIONS.] A utilization review organization must have written procedures for providing notification of its determinations on all certifications in accordance with the following:

(a) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the hospital, attending physician, or applicable service provider within ten business days of the determination in accordance with section 72A.20, subdivision 4a, or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to, the enrollee or patient; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number."

(b) When a determination is made not to certify a hospital or surgical facility admission or extension of a hospital stay, or other service requiring review determination, within one working day after making the decision the attending physician and hospital must be notified by telephone and a written notification must be sent to the hospital, attending physician, and enrollee or patient. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the attending physician or provider with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the attending physician.

Sec. 13. Minnesota Statutes 1992, section 62M.06, subdivision 3, is amended to read:

Subd. 3. [STANDARD APPEAL.] The utilization review organization must establish procedures for appeals to be made either in writing or by telephone.

(a) Each utilization review organization shall notify in writing the enrollee or patient, attending physician, and claims administrator of its determination on the appeal as soon as practical, but in no case later than 45 days after receiving the required documentation on the appeal.

(b) The documentation required by the utilization review organization may include copies of part or all of the medical record and a written statement from the health care provider.

(c) Prior to upholding the original decision not to certify for clinical reasons, the utilization review organization shall conduct a review of the documentation by a physician who did not make the original determination not to certify.

(d) The process established by a utilization review organization may include defining a period within which an appeal must be filed to be considered. The time period must be communicated to the patient, enrollee, or attending physician when the initial determination is made.

(e) An attending physician who has been unsuccessful in an attempt to reverse a determination not to certify shall, consistent with section 72A.285, be provided the following:

(1) a complete summary of the review findings;

(2) qualifications of the reviewers, including any license, certification, or specialty designation; and

(3) the relationship between the enrollee's diagnosis and the review criteria used as the basis for the decision, including the specific rationale for the reviewer's decision.

(f) In cases ~~where an~~ of appeal to reverse a determination not to certify for clinical reasons ~~is unsuccessful~~, the utilization review organization must, upon request of the attending physician, ensure that a physician of the utilization review organization's choice in the same or a similar general specialty as typically manages the medical condition, procedure, or treatment under discussion is reasonably available to review the case.

Sec. 14. Minnesota Statutes 1992, section 62M.09, subdivision 5, is amended to read:

Subd. 5. [WRITTEN CLINICAL CRITERIA.] A utilization review organization's decisions must be supported by written clinical criteria and review procedures. Clinical criteria and review procedures must be established with appropriate involvement from physicians, in accordance with acceptable and prevailing medical practice in Minnesota, and based upon data that is valid for Minnesota residents. A utilization review organization must use written clinical criteria, as required, for determining the appropriateness of the certification request. The utilization review organization must have a procedure for ensuring the periodic evaluation and updating of the written criteria.

Sec. 15. [62Q.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [HEALTH PLAN.] "Health plan" means a health plan as defined in section 62A.011 or a policy, contract, or certificate issued by a community integrated service network; an integrated service network; or an all-payer insurer as defined in section 62P.02.

Subd. 4. [HEALTH PLAN COMPANY.] "Health plan company" means:

(1) a health carrier as defined under section 62A.011, subdivision 2;

(2) an integrated service network as defined under section 62N.02, subdivision 8;

(3) an all-payer insurer as defined under section 62P.02; or

(4) a community integrated service network as defined under section 62N.02, subdivision 4a.

Sec. 16. [62Q.03] [PROCESS FOR DEFINING, DEVELOPING, AND IMPLEMENTING A RISK ADJUSTMENT SYSTEM.]

Subdivision 1. [PURPOSE.] Risk adjustment is a vital element of the state's strategy for achieving a more equitable, efficient system of health care delivery and financing for all state residents. Risk adjustment is needed to: remove current disincentives in the health care system to insure and serve high risk and special needs populations; promote fair competition among health plan companies on the basis of their ability to efficiently and effectively provide services rather than on the health status of those in a given insurance pool; and help assure the viability of all health plan companies, including community integrated service networks. It is the commitment of the state to develop and implement a risk adjustment system by July 1, 1997, and to continue to improve and refine risk adjustment over time. The process for designing and implementing risk adjustment shall be open, explicit, utilize resources and expertise from both the private and public sectors, and include at least the representation described in subdivision 4. The process shall take into account the formative nature of risk adjustment as an emerging science, and shall develop and implement risk adjustment to allow continual modifications, expansions, and refinements over time. The process shall have at least two stages, as described in subdivision 2 and 3.

Subd. 2. [FIRST STAGE OF RISK ADJUSTMENT DEVELOPMENT PROCESS.] The objective of the first stage is to report to the legislature by January 15, 1995, with recommendations on the process, organization, resource needs, and specific work plan to define, develop, and implement a risk adjustment mechanism by July 1, 1997, and to continually improve risk adjustment over time. The report shall address the specific issues listed in subdivision 5, and shall also identify any additional policy issues, questions and concerns that must be addressed to facilitate development and implementation of risk adjustment.

Subd. 3. [SECOND STAGE OF THE RISK ADJUSTMENT DEVELOPMENT PROCESS.] The second stage of the process, following review and any modification by the legislature of the January 15, 1995 report, shall be to carry out the work plan to develop and implement a risk adjustment mechanism by July 1, 1997, and to continue to improve and refine a risk adjustment over time. The second stage of the process shall be carried out by the association created in subdivision 6.

Subd. 4. [EXPERT PANEL.] The commissioners of health and commerce shall convene an expert advisory panel comprised of, but not limited to, the board members of the Minnesota risk adjustment association, as described in subdivision 8, and experts from the fields of epidemiology, health services research, and health economics. The commissioners may also convene technical work groups that may include members of the expert advisory panel and other persons, all selected in the sole discretion of the commissioners. The expert advisory panel and the workgroups shall assist and advise the commissioners of health and commerce in preparing the implementation report described in subdivision 5.

Subd. 5. [IMPLEMENTATION REPORT TO THE LEGISLATURE.] The commissioners of health and commerce shall submit a report to the legislature by January 15, 1995, with recommendations on the process, organization, resource needs, and specific work plan to define, develop, and implement a risk adjustment system by July 1, 1997, and to continually improve risk adjustment over time. In developing the January 15, 1995 report, the commissioners of commerce and health must consider and describe the following:

(1) the relationship of risk adjustment to the implementation of universal coverage and community rating;

(2) the role of reinsurance in the risk adjustment system, as a short-term alternative in the absence of a risk adjustment methodology;

(3) the relationship of the risk adjustment system to the implementation of reforms in underwriting and rating requirements;

(4) the potential role of the health coverage reinsurance association in the risk adjustment system;

(5) the need for mandatory participation of all health plan companies in the risk adjustment system;

(6) current and emerging applications of risk adjustment methodologies used for reimbursement purposes at the state and national level and the reliability and validity of current risk assessment and risk adjustment methodologies;

(7) the levels and types of risk to be distributed through the risk adjustment system;

(8) the extent to which prepaid contracting by public programs needs to be addressed by the risk adjustment methodology;

(9) a plan for testing of the risk adjustment options being proposed, including simulations using existing health plan data, and development and testing of models on simulated data to assess the feasibility and efficacy of specific methodologies;

(10) the appropriate role of the state in the supervision of the risk adjustment association created pursuant to subdivision 6;

(11) risk adjustment methodologies that take into account differences among health plan companies due to their relative efficiencies, characteristics, and relative to existing insured contracts, new business, underwriting, or rating restrictions required or permitted by law; and

(12) methods to encourage health plan companies to enroll higher risk populations.

To the extent possible, the implementation report shall identify a specific methodology or methodologies that may serve as a starting point for risk adjustment, explain the advantages and disadvantages of each such methodology, and provide a specific workplan for implementing the methodology.

Subd. 6. [CREATION OF RISK ADJUSTMENT ASSOCIATION.] The Minnesota risk adjustment association is created on July 1, 1994, and may operate as a nonprofit unincorporated association.

Subd. 7. [PURPOSE OF ASSOCIATION.] The association is established to carry out the purposes of subdivision 1, as further elaborated on by the implementation report described in subdivision 5 and by legislation enacted in 1995 or subsequently.

Subd. 8. [GOVERNANCE.] (a) The association shall be governed by an interim 19-member board as follows: one provider member appointed by the Minnesota Hospital Association; one provider member appointed by the Minnesota Medical Association; one provider member appointed by the governor; three members appointed by the Minnesota Council of HMOs to include an HMO with at least 50 percent of total membership enrolled through a public program; three members appointed by Blue Cross and Blue Shield of Minnesota, to include a member from a Blue Cross and Blue Shield of Minnesota affiliated health plan with fewer than 50,000 enrollees and located outside the Minneapolis-St. Paul metropolitan area; two members appointed by the Insurance Federation of Minnesota; one member appointed by the Minnesota Association of Counties; and three public members appointed by the governor, to include at least one representative of a public program. The commissioners of health, commerce, human services, and employee relations shall be nonvoting ex-officio members.

(b) The board may elect officers and establish committees as necessary.

(c) A majority of the members of the board constitutes a quorum for the transaction of business.

(d) Approval by a majority of the board members present is required for any action of the board.

(e) Interim board members shall be appointed by July 1, 1994, and shall serve until a new board is elected according to the plan developed by the association.

(f) A member may designate a representative to act as a member of the interim board in the member's absence.

Subd. 9. [DATA COLLECTION.] The board of the association shall consider antitrust implications and establish procedures to assure that pricing and other competitive information is appropriately shared among competitors in the health care market or members of the board. Any information shared shall be distributed only for the purposes of administering or developing any of the tasks identified in subdivisions 2 and 4. In developing these procedures, the board of the association may consider the identification of a state agency or other appropriate third party to receive information of a confidential or competitive nature.

Subd. 10. [SUPERVISION.] The association's activities shall be supervised by the commissioners of health and commerce.

Subd 11. [REPORTING.] The board of the association shall provide a status report on its activities to the health care commission on a quarterly basis.

Sec. 17. [62Q.05] [DATA.]

Health plan companies are subject to the data reporting requirements of the 1992 and 1993 MinnesotaCare acts, as amended.

Sec. 18. [62Q.07] [ACTION PLANS.]

Subdivision 1. [ACTION PLANS REQUIRED.] (a) To increase public awareness and accountability of health plan companies, all health plan companies must annually file with the applicable commissioner an action plan that satisfies the requirements of this section beginning July 1, 1994, as a condition of doing business in Minnesota. Each health plan company must also file its action plan with the information clearinghouse. Action plans are required solely to provide information to consumers, purchasers, and the larger community as a first step toward greater accountability of health plan companies. The sole function of the commissioner in relation to the action plans is to ensure that each health plan company files a complete action plan, that the action plan is truthful and not misleading, and that the action plan is reviewed by appropriate community agencies.

(b) If a commissioner responsible for regulating a health plan company required to file an action plan under this section has reason to believe an action plan is false or misleading, the commissioner may conduct an investigation to determine whether the action plan is truthful and not misleading, and may require the health plan company to submit any information that the commissioner reasonably deems necessary to complete the investigation. If the commissioner determines that an action plan is false or misleading, the commissioner may require the health plan company to file an amended plan or may take any action authorized under chapter 72A.

Subd. 2. [CONTENTS OF ACTION PLANS.] (a) An action plan must include a detailed description of all of the health plan company's methods and procedures, standards, qualifications, criteria, and credentialing requirements for designating the providers who are eligible to participate in the health plan company's provider network, including any limitations on the numbers of providers to be included in the network. This description must be updated by the health plan company and filed with the applicable agency on a quarterly basis.

(b) An action plan must include the number of full-time equivalent physicians, by specialty, nonphysician providers, and allied health providers used to provide services. The action plan must also describe how the health plan company intends to encourage the use of nonphysician providers, midlevel practitioners, and allied health professionals, through at least consumer education, physician education, and referral and advisement systems. The annual action plan must also include data that is broken down by type of provider, reflecting actual utilization of midlevel practitioners and allied professionals by enrollees of the health plan company during the previous year. Until July 1, 1995, a health plan company may use estimates if actual data is not available. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(c) An action plan must include a description of the health plan company's policy on determining the number and the type of providers that are necessary to deliver cost-effective health care to its enrollees. The action plan must also include the health plan company's strategy, including provider recruitment and retention activities, for ensuring that sufficient providers are available to its enrollees.

(d) An action plan must include a description of actions taken or planned by the health plan company to ensure that information from report cards, outcome studies, and complaints is used internally to improve quality of the services provided by the health plan company.

(e) An action plan must include a detailed description of the health plan company's policies and procedures for enrolling and serving high risk and special needs populations. This description must also include the barriers that are present for the high risk and special needs population and how the health plan company is addressing these barriers in order to provide greater access to these populations. "High risk and special needs populations" includes, but is not limited to, recipients of medical assistance, general assistance medical care, and MinnesotaCare; persons with chronic conditions or disabilities; individuals within certain racial, cultural, and ethnic communities; individuals and families with low income; adolescents; the elderly; individuals with limited or no English language proficiency; persons with high-cost preexisting conditions; chemically dependent persons; and persons who are at high-risk of requiring treatment. The action plan must also reflect actual utilization of providers by enrollees defined by this section as high risk or special needs populations during the previous year. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(f) An action plan must include a general description of any action the health plan company has taken and those it intends to take to offer health coverage options to rural communities and other communities not currently served by the health plan company.

(g) A health plan company may satisfy any of the requirements of the action plan in paragraphs (a) to (f) by stating that it has no policies, procedures, practices, or requirements, either written or unwritten, or formal or informal, and has undertaken no activities or plans on the issues required to be addressed in the action plan, provided that the statement is truthful and not misleading.

Sec. 19. [62Q.11] [DISPUTE RESOLUTION.]

Subdivision 1. [ESTABLISHED.] The commissioners of health and commerce shall make dispute resolution processes available to encourage early settlement of disputes in order to avoid the time and cost associated with litigation and other formal adversarial hearings. For purposes of this section, "dispute resolution" means the use of negotiation, mediation, arbitration, mediation-arbitration, neutral fact finding, and minitrials. These processes shall be nonbinding unless otherwise agreed to by all parties to the dispute.

Subd. 2. [REQUIREMENTS.] (a) If an enrollee of a health plan company chooses to use a dispute resolution process prior to the filing of a formal claim or of a lawsuit, the health plan company must participate.

(b) If an enrollee chooses to use a dispute resolution process after the filing of a lawsuit, the health plan company must participate in dispute resolution, including, but not limited to, alternative dispute resolution under Rule 114 of the Minnesota general rules of practice.

(c) The commissioners of health and commerce shall inform and educate health plan companies' enrollees about dispute resolution and its benefits.

(d) A health plan company may encourage but not require an enrollee to submit a complaint to alternative dispute resolution.

Sec. 20. [62Q.13] [LIMITATION ON EXCLUSIVE CONTRACTS.]

A contract requirement between a health care provider and health plan company that obligates the health care provider to provide health care services exclusively to enrollees or insureds of the health plan company applies only if the health plan company maintains the same licensure status that it did at the time the contract was entered into. If the health plan company changes its licensure status, a contract for the exclusive provision of services is not valid and is not enforceable. For purposes of this section, the provision of health care services through a preferred provider organization is considered a form of licensure status. This section does not apply to health care providers employed by a health plan company.

Sec. 21. [62Q.14] [FREEDOM OF CHOICE.]

No health plan company may restrict the choice of an enrollee as to where the enrollee receives the services defined under United States Code, title 42, section 1396d(a)(4)(c), or receives services for the treatment of sexually transmitted diseases.

Sec. 22. [62Q.16] [STANDARD POLICY TERMS.]

The termination of any health plan as defined in section 62A.011, subdivision 3, with the exception of individual health plans, issued or renewed after January 1, 1995, must provide coverage until the end of the month in which coverage was terminated.

Sec. 23. Minnesota Statutes 1992, section 79.36, is amended to read:

79.36 [ADDITIONAL POWERS.]

In addition to the powers granted in section 79.35, the reinsurance association may do the following:

(a) Sue and be sued. A judgment against the reinsurance association shall not create any direct liability against the individual members of the reinsurance association. The reinsurance association shall provide in the plan of

operation for the indemnification, to the extent provided in the plan of operation, of the members, members of the board of directors of the reinsurance association, and officers, employees and other persons lawfully acting on behalf of the reinsurance association;

(b) Reinsure all or any portion of its potential liability, including potential liability in excess of the prefunded limit, with reinsurers licensed to transact insurance in this state or otherwise approved by the commissioner of labor and industry;

(c) Provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the reinsurance association;

(d) Contract for goods and services, including but not limited to independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(e) Adopt operating rules, consistent with the plan of operation, for the administration of the reinsurance association, enforce those operating rules, and delegate authority as necessary to assure the proper administration and operation of the reinsurance association;

(f) Intervene in or prosecute at any time, including but not limited to intervention or prosecution as subrogee to the member's rights in a third party action, any proceeding under this chapter or chapter 176 in which liability of the reinsurance association may, in the opinion of the board of directors of the reinsurance association or its designee, be established, or the reinsurance association affected in any other way;

(g) The net proceeds derived from intervention or prosecution of any subrogation interest, or other recovery, shall first be used to reimburse the reinsurance association for amounts paid or payable pursuant to this chapter, together with any expenses of recovery, including attorney's fees, and any excess shall be paid to the member or other person entitled thereto, as determined by the board of directors of the reinsurance association, unless otherwise ordered by a court.

(h) Hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; ~~and~~

(i) Perform other acts not specifically enumerated in this section which are necessary or proper to accomplish the purposes of the reinsurance association and which are not inconsistent with sections 79.34 to 79.40 or the plan of operation; and

(j) Manage, administer, and operate the reinsurance and risk adjustment association, if selected by the commissioner of commerce under section 62Q.03, subdivision 6.

Sec. 24. [UTILIZATION REVIEW STUDY.]

The commissioners of health and commerce shall study means of funding the registration required by Minnesota Statutes, section 62M.03, and of monitoring and enforcing the requirements of Minnesota Statutes, chapter 62M. They shall jointly report their recommendations to the legislature by January 15, 1995.

Sec. 25. [ALTERNATIVE DISPUTE RESOLUTION PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, in consultation with the commissioner of commerce, the Minnesota health care commission, and the state office of dispute resolution at the bureau of mediation services, shall establish an alternative dispute resolution pilot project. The project shall be administered by the commissioner of health. For purposes of this section, "dispute resolution" means the use of negotiation, mediation, mediation-arbitration, neutral fact finding, and minitrials.

Subd. 2. [REQUIREMENTS.] The pilot project may be used by health care providers and their patients to attempt to resolve disputes before litigation is commenced in any court. The pilot project requires the use of negotiation, mediation, arbitration, mediation-arbitration, neutral fact finding, and minitrials prior to the filing of a lawsuit. These processes shall be nonbinding unless otherwise agreed to by all parties to the dispute.

Subd. 3. [REPORT.] The commissioner of health shall report to the legislature by January 1, 1995, on the results of the pilot project and on any recommended legislative changes.

Sec. 26. [EXEMPTION.]

The commissioner of health shall apply to the health care financing administration for an exemption to the requirement that physicians report settlements of $10,000 or less to the National Practitioners Data Bank under Code of Federal Regulations, title 45, part 60.

Sec. 27. [EFFECTIVE DATE.]

Sections 15 to 17 and 24 are effective the day following final enactment. Sections 1 to 6 and 18 are effective July 1, 1994. Sections 7 to 14, 19, and 21 are effective January 1, 1995.

ARTICLE 3

THE REGULATED ALL-PAYER OPTION

Section 1. Minnesota Statutes 1993 Supplement, section 62P.01, is amended to read:

62P.01 [REGULATED ALL-PAYER ~~SYSTEM~~ OPTION.]

~~The regulated all payer system established under this chapter governs all health care services that are provided outside of an integrated service network. The regulated all payer system is designed to control costs, prices, and utilization of all health care services not provided through an integrated service network while maintaining or improving the quality of services. The commissioner of health shall adopt rules establishing controls within the system to ensure that the rate of growth in spending in the system, after adjustments for population size and risk, remains within the limits set by the commissioner under section 62J.04. All providers that serve Minnesota residents and all health carriers that cover Minnesota residents shall comply with the requirements and rules established under this chapter for all health care services or coverage provided to Minnesota residents.~~ The purpose of the regulated all-payer option is to provide an alternative to integrated service networks for those consumers, providers, third-party payers, and group purchasers who prefer to participate in a fee-for-service system. The initial goal of the all-payer option is to reduce administrative costs and burdens by including the all-payer option in a uniform, standardized system of billing forms and procedures and utilization review. The longer-term goal of the all-payer option is to establish a uniform reimbursement system, reimbursement and utilization controls, and quality standards and monitoring; to ensure that the annual growth in the costs for all services not provided through integrated service networks will remain within the growth limits established under section 62J.04; and to ensure that quality for these services is maintained or improved.

Sec. 2. [62P.02] [DEFINITIONS.]

(a) For purposes of this chapter, the following definitions apply:

(b) "All-payer insurer" means a health carrier as defined in section 62A.011, subdivision 2. The term does not include community integrated service networks or integrated service networks licensed under chapter 62N.

(c) "All-payer reimbursement level" means the reimbursement amount specified by the all-payer reimbursement system.

(d) "All-payer reimbursement system" means the Minnesota-specific fee schedule, the Minnesota-specific diagnosis related groups system, and other provider payment methods established under this chapter or rules adopted under this chapter.

(e) "Commissioner" means the commissioner of health.

(f) "Health care provider" has the meaning given in section 62J.03, subdivision 8.

(g) "Cosmetic medical or cosmetic dental procedures" means elective medical or dental procedures not part of the universal standard benefits set which are primarily performed to improve physical appearance.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62P.03, is amended to read:

62P.03 [IMPLEMENTATION.]

~~(a) By January 1, 1994, the commissioner of health, in consultation with the Minnesota health care commission, shall report to the legislature recommendations for the design and implementation of the all payer system. The commissioner may use a consultant or other technical assistance to develop a design for the all-payer system. The commissioner's recommendations shall include the following:~~

~~(1) methods for controlling payments to providers such as uniform fee schedules or rate limits to be applied to all health plans and health care providers with independent billing rights;~~

~~(2) methods for controlling utilization of services such as the application of standardized utilization review criteria, incentives based on setting and achieving volume targets, recovery of excess spending due to overutilization, or required use of practice parameters;~~

~~(3) methods for monitoring quality of care and mechanisms to enforce the quality of care standards;~~

~~(4) requirements for maintaining and reporting data on costs, prices, revenues, expenditures, utilization, quality of services, and outcomes;~~

~~(5) measures to prevent or discourage adverse risk selection between the regulated all payer system and integrated service networks;~~

~~(6) measures to coordinate the regulated all payer system with integrated service networks to minimize or eliminate barriers to access to health care services that might otherwise result;~~

~~(7) an appeals process;~~

~~(8) measures to encourage and facilitate appropriate use of midlevel practitioners and eliminate undesirable barriers to their participation in providing services;~~

~~(9) measures to assure appropriate use of technology and to manage introduction of new technology;~~

~~(10) consequences to be imposed on providers whose expenditures have exceeded the limits established by the commissioner; and~~

~~(11) restrictions on provider conflicts of interest.~~

~~(b)~~ On July 1, 1994, the regulated all-payer ~~system~~ option shall begin to be phased in with full implementation of the all-payer reimbursement system by July 1, ~~1996~~ 1997. During the transition period, expenditure limits for health carriers shall be established in accordance with section 62P.04 and health care provider revenue limits shall be established in accordance with section 62P.05.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62P.04, is amended to read:

62P.04 [EXPENDITURE LIMITS FOR HEALTH PLAN COMPANY.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health ~~carrier~~ plan company" has the definition provided in section ~~62A.011~~ 62Q.01.

(c) ~~"Total expenditures" mean incurred claims or expenditures on health care services, administrative expenses, charitable contributions, and all other payments made by health carriers out of premium revenues, except taxes and assessments, and payments or allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenues minus taxes and assessments. Taxes and assessments~~ "Exempted taxes and assessments" means direct payments ~~for taxes~~ to government agencies, contributions to the Minnesota comprehensive health association, the medical assistance provider's surcharge under section 256.9657, the MinnesotaCare provider tax under section 295.52, assessments by the health coverage reinsurance association, assessments by the Minnesota life and health insurance guaranty association, assessments by the Minnesota reinsurance and risk adjustment association, and any new assessments imposed by federal or state law.

(d) "Consumer cost-sharing" means enrollee coinsurance, copayment, and deductible requirements.

(e) "Total expenditures" means incurred claims or expenditures on health care services, administrative expenses, charitable contributions, and all other payments made by health plan companies out of premium revenues, except taxes and assessments, and payments of allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenue minus taxes and assessments.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish limits on the increase in total expenditures by each health ~~carrier~~ plan company for calendar years 1994 ~~and~~, 1995, 1996, and 1997. The limits must be the same as the annual rate of growth in health care spending established under section 62J.04, subdivision 1, paragraph (b). Health ~~carriers~~ plan companies that are affiliates may elect to meet one combined expenditure limit.

Subd. 3. [DETERMINATION OF EXPENDITURES.] Health ~~carriers~~ plan companies shall submit to the commissioner of health, by April 1, 1994, for calendar year 1993~~, and by~~; April 1, 1995, for calendar year 1994; April 1, 1996, for calendar year 1995; April 1, 1997, for calendar year 1996; and April 1, 1998, for calendar year 1997 all information the commissioner determines to be necessary to implement and enforce this section. The information must be submitted in the form specified by the commissioner. The information must include, but is not limited to, expenditures per member per month or cost per employee per month, and detailed information on revenues and reserves. The commissioner, to the extent possible, shall coordinate the submittal of the information required under this section with the submittal of the financial data required under chapter 62J, to minimize the administrative burden on health ~~carriers~~ plan companies. The commissioner may adjust final expenditure figures for demographic changes, risk selection, changes in basic benefits, and legislative initiatives that materially change health care costs, as long as these adjustments are consistent with the methodology submitted by the health ~~carrier~~ plan company to the commissioner, and approved by the commissioner as actuarially justified. The methodology to be used for adjustments and the election to meet one expenditure limit for affiliated health ~~carriers~~ plan companies must be submitted to the commissioner by ~~September 1, 1993~~ June 1, 1994. Community integrated service networks may submit the information with their application for licensure. The commissioner shall also accept changes to methodologies already submitted. The adjustment methodology submitted and approved by the commissioner must apply to all periods of the interim limits.

Subd. 4. [MONITORING OF RESERVES.] (a) The ~~commissioner~~ commissioners of health and commerce shall monitor health ~~carrier~~ plan company reserves and net worth as established under chapters 60A, 62C, 62D, 62H, and 64B with respect to the health plan companies that each commissioner respectively regulates, to ensure that savings resulting from the establishment of ~~expenditure~~ health care provider revenue limits are passed on to consumers in the form of lower premium rates.

(b) Health ~~carriers~~ plan companies shall fully reflect in the premium rates the savings generated by the expenditure limits and the health care provider revenue limits. No premium rate increase may be approved for those health ~~carriers~~ plan companies unless the health ~~carrier~~ plan company establishes to the satisfaction of the commissioner of commerce or the commissioner of health, as appropriate, that the proposed new rate would comply with this paragraph.

Subd. 5. [NOTICE.] The commissioner of health shall publish in the State Register and make available to the public by July 1, 1995, a list of all health ~~carriers~~ plan companies that exceeded their expenditure target for the 1994 calendar year. The commissioner shall publish in the State Register and make available to the public by July 1, 1996, a list of all health ~~carriers~~ plan companies that exceeded their combined expenditure limit for calendar years 1994 and 1995. The commissioner shall notify each health ~~carrier~~ plan company that the commissioner has determined that the ~~carrier~~ health plan company exceeded its expenditure limit, at least 30 days before publishing the list, and shall provide each ~~carrier~~ health plan company with ten days to provide an explanation for exceeding the expenditure target. The commissioner shall review the explanation and may change a determination if the commissioner determines the explanation to be valid.

Subd. 6. [ASSISTANCE BY THE COMMISSIONER OF COMMERCE.] The commissioner of commerce shall provide assistance to the commissioner of health in monitoring health ~~carriers~~ plan companies regulated by the commissioner of commerce. The commissioner of commerce, in consultation with the commissioner of health, shall enforce compliance by those health ~~carriers~~ plan companies.

Subd. 7. [ENFORCEMENT.] The commissioners of health and commerce shall enforce the reserve limits referenced in subdivision 4, with respect to the health ~~carriers~~ plan companies that each commissioner respectively regulates. Each commissioner shall require health ~~carriers~~ plan companies under the commissioner's jurisdiction to submit plans

of corrective action when the reserve requirement is not met. Each commissioner may adopt rules necessary to enforce this section. ~~Carriers~~ Health plan companies that exceed the expenditure limits based on two-year average expenditure data (1994 and 1995, 1996 and 1997) or whose reserves exceed the limits referenced in subdivision 4 shall be required by the appropriate commissioner to pay back the amount overspent through an assessment on the ~~carrier~~ health plan company. A health plan company may appeal the commissioner's order to pay back the amount overspent by mailing to the commissioner a written notice of appeal within 30 days from the date the commissioner's order was mailed. The contested case and judicial review provisions of chapter 14 apply to the appeal. The health plan company shall pay the amount specified by the commissioner either to the commissioner or into an escrow account until final resolution of the appeal. Notwithstanding sections 3.762 to 3.765, each party is responsible for its own fees and expenses, including attorneys fees, for the appeal. Any amount required to be paid back under this section shall be deposited in the general fund. The appropriate commissioner may approve a different repayment method to take into account the ~~carrier's~~ health plan company's financial condition. Health plan companies shall comply with the limits but shall also guarantee that their contractual obligations are met. Health plan companies are prohibited from meeting spending obligations by increasing subscriber liability, including copayments and deductibles.

Sec. 5. Minnesota Statutes 1993 Supplement, section 62P.05, is amended to read:

62P.05 [HEALTH CARE PROVIDER REVENUE LIMITS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "health care provider" has the definition given in section 62J.03, subdivision 8.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish limits on the increase in revenue for each health care provider, for calendar years 1994 ~~and~~, 1995, 1996, and 1997. The limits must be the same as the annual rate of growth in health care spending established under section 62J.04, subdivision 1, paragraph (b). The commissioner may adjust final revenue figures for case mix complexity, ~~inpatient to outpatient conversion~~, payer mix, out-of-period settlements, certain taxes and assessments including the MinnesotaCare provider tax and provider surcharge, any new assessments imposed by federal or state law, research and education costs, donations, grants, and legislative initiatives that materially change health care ~~costs~~ revenues, as long as these adjustments are consistent with the methodology submitted by the health care provider to the commissioner, and approved by the commissioner as actuarially justified. The methodology to be used for adjustments must be submitted to the commissioner by ~~September 1, 1993~~ June 1, 1994. The commissioner shall also accept changes to methodologies already submitted. The adjustment methodology submitted and approved by the commissioner must apply to all periods of the interim limits. ~~A health care provider's revenues for purposes of these growth limits are net of the contributions, surcharges, taxes, and assessments listed in section 62P.04, subdivision 1, that the health care provider pays.~~

Subd. 3. [MONITORING OF REVENUE.] The commissioner of health shall monitor health care provider revenue, to ensure that savings resulting from the establishment of revenue limits are passed on to consumers in the form of lower charges. The commissioner shall monitor hospital revenue by examining net ~~patient~~ inpatient revenue per adjusted admission and net outpatient revenue per outpatient visit. The commissioner shall monitor the revenue of physicians and other health care providers by examining revenue per patient per year or revenue per encounter. If this information is not available, the commissioner may enforce an annual limit on the rate of growth of the provider's current fees ~~based on the limits on the rate of growth established for calendar years 1994 and 1995~~.

Subd. 4. [MONITORING AND ENFORCEMENT.] Health care providers shall submit to the commissioner of health, in the form and at the times required by the commissioner, all information the commissioner determines to be necessary to implement and enforce this section. ~~Health care providers shall submit to audits conducted by the commissioner.~~ The commissioner shall enforce limits based on survey data supplied to the commissioner by April 1 for the previous calendar year's revenue and spending data. Providers that do not submit survey data to the commissioner are required to meet the growth limits and may be subject to random audits. The commissioner shall regularly audit all health clinics employing or contracting with over 100 physicians. The commissioner shall also audit, at times and in a manner that does not interfere with delivery of patient care, a sample of smaller clinics, hospitals, and other health care providers. Providers that exceed revenue limits based on two-year average revenue data shall be required by the commissioner to pay back the amount overspent during the following calendar year.

The commissioner shall monitor providers meeting the growth limits based on their current fees on an annual basis. The fee charged for each service must be averaged across 12 months and compared to the previous 12-month period. The percentage increase in the average fee from 1993 to 1994, from 1994 to 1995, from 1995 to 1996, and from 1996 to 1997 is subject to the growth limits established under section 62J.04, subdivision 1, paragraph (b). The audit process must include a review of the provider's monthly fee schedule, and a random claims analysis for the provider during

different parts of the year to monitor variations in fees. The commissioner shall require providers that exceed growth limits, based on annual fees, to pay back during the following calendar year the amount overspent.

The commissioner shall notify each provider that has exceeded its revenue limit, at least 30 days before taking action, and shall provide each provider with ten days to provide an explanation for exceeding the revenue target. The commissioner shall review the explanation and may change a determination if the commissioner determines the explanation to be valid.

The commissioner may approve a different repayment schedule for a health care provider that takes into account the provider's financial condition. ~~For those providers subject to fee limits established by the commissioner,~~ Based on claims data submitted under section 62J.38, the commissioner may adjust the percentage increase in the fee schedule to account for changes in utilization. The commissioner may adopt rules in order to enforce this section.

A provider may appeal the commissioner's order to pay back the amount overspent by mailing a written notice of appeal to the commissioner within 30 days after the commissioner's order was mailed. The contested case and judicial review provisions of chapter 14 apply to the appeal. The provider shall pay the amount specified by the commissioner either to the commissioner or into an escrow account until final resolution of the appeal. Notwithstanding sections 3.762 to 3.765, each party is responsible for its own fees and expenses, including attorneys fees, for the appeal. Any amount required to be paid back under this section shall be deposited in the general fund.

Sec. 6. [62P.07] [SCOPE.]

Subdivision 1. [GENERAL APPLICABILITY.] (a) Minnesota health care providers shall comply with the requirements and rules established under this chapter for: (1) all health care services provided to Minnesota residents who are not enrolled in a community integrated service network or an integrated service network; (2) all out-of-network services provided to enrollees of community integrated service networks and integrated service networks; and (3) all health care services provided to persons covered by an all-payer insurer.

(b) All-payer insurers shall comply with the requirements and rules established under this chapter for all coverage provided.

(c) Community integrated service networks and integrated service networks shall comply with the requirements and rules established under this chapter when reimbursing health care providers for out-of-network services.

(d) The rules and requirements of this chapter do not apply to cosmetic medical or cosmetic dental procedures performed by a physician or dentist.

Subd. 2. [PROGRAMS EXCLUDED.] This chapter does not apply to services reimbursed under Medicare, medical assistance, general assistance medical care, the MinnesotaCare program, or worker's compensation programs.

Subd. 3. [PAYMENT REQUIRED AT ALL-PAYER LEVEL.] (a) All reimbursements to Minnesota health care providers from all-payer insurers, for services provided to covered persons, shall be at the all-payer reimbursement level.

(b) All-payer insurers shall reimburse out-of-state health care providers for nonemergency services provided to covered persons at the all-payer reimbursement level. For purposes of this paragraph, "nonemergency services" means services that do not meet the definition of "emergency care" under Minnesota Rules, part 4685.0100, subpart 5.

(c) Community integrated service networks and integrated service networks shall reimburse Minnesota health care providers for out-of-network services at the all-payer reimbursement level.

(d) Community integrated service networks and integrated service networks shall reimburse out-of-network health care providers located out-of-state for nonemergency out-of-network services at the all-payer reimbursement level. For purposes of this paragraph, "nonemergency out-of-network services" means out-of-network services that do not meet the definition of "emergency care" under Minnesota Rules, part 4685.0100, subpart 5.

Subd. 4. [BALANCE BILLING PROHIBITED.] Minnesota health care providers shall accept reimbursement at the all-payer reimbursement level, including applicable copayments, deductibles, and coinsurance, as payment in full for services provided to Minnesota residents and persons covered by all-payer insurers, and for out-of-network services provided to enrollees of community integrated service networks and integrated service networks.

Sec. 7. [62P.09] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [GENERAL DUTIES.] The commissioner of health is responsible for developing and administering the all-payer option. The commissioner shall:

(1) develop, implement, and administer fee schedules for physicians and providers with independent billing rights;

(2) develop, implement, and administer a reimbursement system for hospitals and other institutional providers, but excluding intermediate care facilities for the mentally retarded, nursing homes, state-operated community service sites operated by the commissioner of human services, regional treatment centers, and child care facilities;

(3) modify and adjust all-payer reimbursement levels so that health care spending under the all-payer option does not exceed the growth limits on health care spending established under section 62J.04;

(4) collect data from all-payer insurers, health care providers, and patients to monitor spending and quality of care;

(5) provide incentives for the appropriate utilization of services and the appropriate use and distribution of technology;

(6) coordinate the development and administration of the all-payer option with the development and administration of the integrated service network system; and

(7) develop and implement a fair and efficient system for resolving appeals by providers and insurers.

Subd. 2. [COORDINATION.] The commissioner shall regularly consult with the commissioner of commerce in developing and administering the all-payer option and in applying the all-payer reimbursement system to health carriers regulated by the commissioner of commerce.

Subd. 3. [TIMELINES FOR IMPLEMENTATION.] In developing and implementing the all-payer option, the commissioner shall comply with the following implementation schedule:

(a) The phase-in of standardized billing requirements must be completed following the timetable set forth in article 9.

(b) The phase-in of the all-payer reimbursement system must begin January 1, 1996.

(c) The all-payer reimbursement system must be fully implemented by July 1, 1997.

Subd. 4. [IMPLEMENTATION PLAN.] The commissioner, as part of the implementation plan due January 1, 1995, shall present recommendations and draft legislation to the legislature to:

(1) establish reimbursement methods for the all-payer option reimbursement system;

(2) provide an implementation schedule to phase-in the all-payer reimbursement system, beginning January 1, 1996; and

(3) establish mechanisms to ensure compliance by all-payer insurers, health care providers, and patients with the all-payer option reimbursement system and all-payer option reimbursement limits established under section 62J.04.

Sec. 8. [62P.11] [PAYMENT TO PHYSICIANS AND INDEPENDENT PROVIDERS.]

Subdivision 1. [FEE SCHEDULE.] The commissioner shall adopt a Minnesota-specific fee schedule, based upon the Medicare resource based relative value scale, to reimburse physicians and other independent providers. The fee schedule must assign each service a relative value unit that measures the relative resources required to provide the service. Payment levels for each service must be determined by multiplying relative value units by a conversion factor that converts relative value units into monetary payment. The conversion factor used to derive the fee schedule must be set at a level that is consistent with current relevant health care spending, subject to the state's target for spending growth. The conversion factor must be set at a level that equalizes total aggregate expenditures for a given period before and after implementation of the all-payer option.

Subd. 2. [DEVELOPMENT AND MODIFICATION OF RELATIVE VALUE UNITS.] (a) When appropriate, the relative value unit for each service shall be the Medicare value adjusted to reflect Minnesota health care costs. The commissioner may assign a different relative value to a service if, in the judgment of the commissioner, the Medicare relative value unit is not accurate. The commissioner may also develop or adopt relative value units for services not covered under the Medicare resource based relative value scale. Except as provided in paragraph (b), modifications or additions to relative value units are subject to the rulemaking requirements of chapter 14.

(b) The commissioner may modify the relative value units used in the Minnesota-specific fee schedule, or increase the number of services assigned relative value units, to reflect changes and improvements in the Medicare resource based relative value scale. When adopting these federal changes, the commissioner is exempt from the rulemaking requirements of chapter 14, but shall publish a notice of modifications and additions to relative value units in the State Register 30 days before they take effect.

Subd. 3. [DEVELOPMENT OF THE CONVERSION FACTOR.] The commissioner shall develop a conversion factor using actual Minnesota claims data available to the commissioner.

Sec. 9. [62P.13] [VOLUME PERFORMANCE STANDARD FOR PHYSICIAN AND OUTPATIENT SERVICES.]

Subdivision 1. [DEVELOPMENT.] The commissioner shall establish an annual, statewide volume performance standard for physician and outpatient services. The volume performance standard shall serve as an expenditure target and must be set at a level that is consistent with achieving the limits on health care spending growth pursuant to section 62J.04. The volume performance standard must combine expenditures for all services provided by physicians and other independent providers and all ambulatory care services that are not provided through an integrated service network. The statewide volume performance standard must be developed from aggregated and encounter level data reported to the state, including the claims database established under section 62J.38, when it becomes operational.

Subd. 2. [APPLICATION.] The commissioner shall compare actual expenditures for physician and outpatient services with the volume performance standard in order to keep all-payer option expenditures within the statewide growth limits. If total expenditures during a particular year exceed the expenditure target for that year, the commissioner shall update the fee schedule rates for the second year following the year in which the target was exceeded, by adjusting the conversion factor, in order to offset this increase.

Sec. 10. [62P.15] [REIMBURSEMENT.]

The commissioner, as part of the implementation report due January 1, 1995, shall recommend to the legislature and the governor which health care professionals should be paid at the full fee schedule rate and which at a partial rate, for services covered in the fee schedule.

Sec. 11. [62P.17] [PAYMENT FOR SERVICES NOT IN THE FEE SCHEDULE.]

The commissioner shall examine options for paying for services not covered in the fee schedule and shall present recommendations to the legislature and the governor as part of the implementation report due January 1, 1995. The options examined by the commissioner must include, but are not limited to, updates and modifications to the Medicare resource based relative value scale; development of additional relative value units; development of a fee schedule based on a percentage of usual, customary, and reasonable charges; and use of rate of increase controls.

Sec. 12. [62P.19] [PAYMENT FOR URBAN AND SELECTED RURAL HOSPITALS.]

Subdivision 1. [ESTABLISHMENT OF RATE.] The commissioner shall develop a Minnesota-specific diagnosis related groups system to pay for inpatient services in those acute-care general hospitals not qualifying for reimbursement under section 62P.25. In developing this system, the commissioner shall consider the all-patient refined diagnosis related groups system and other diagnosis related groups systems. Payment rates must be standardized on a statewide basis based on hospital cost data for operating and capital expenses, adjusted for area wage rates, and consistent with the overall growth target for health care spending. The commissioner shall consider whether other adjustments are needed, based on studies of the cost of graduate medical education and uncompensated care. The commissioner shall recommend any needed adjustments to the legislature and governor as part of the implementation report due January 1, 1995.

Subd. 2. [SHORT STAY AND LONG STAY OUTLIERS.] The reimbursement system must provide, on a budget neutral basis, lower charges for self-pay patients with short or low cost stays. The commissioner shall phase out this exception once universal coverage is achieved. The commissioner, as part of the implementation report due January 1, 1995, shall recommend to the legislature and the governor whether an outlier payment for long stays is needed.

Sec. 13. [62P.21] [STATEWIDE VOLUME PERFORMANCE STANDARD FOR HOSPITALS.]

Subdivision 1. [DEVELOPMENT.] The commissioner shall establish an annual, statewide volume performance standard for inpatient hospital expenditures. The volume performance standard shall serve as an expenditure target and must be set at a level that is consistent with meeting the limits on health care spending growth.

Subd. 2. [APPLICATION.] The commissioner shall compare actual inpatient hospital expenditures with the volume performance standard in order to keep all-payer option expenditures within the statewide growth limits. If aggregate inpatient hospital expenditures for a particular year exceed the volume performance standard, the commissioner shall adjust the annual increase in payment levels for diagnosis related groups for the following year.

Sec. 14. [62P.23] [FLEXIBILITY IN APPLYING THE VOLUME PERFORMANCE STANDARD; REVIEW.]

Subdivision 1. [REALLOCATION.] The commissioner may reallocate spending limits between the inpatient hospital services volume performance standard and the physician and outpatient services volume performance standard, if this promotes the efficient use of health care services and does not cause total health care spending in the all-payer option to exceed the level allowed by the growth limits on health care spending.

Subd. 2. [REVIEW.] The commissioner shall review the effectiveness of the volume performance standard after the first three years of operation and shall recommend any necessary changes to the legislature and the governor.

Sec. 15. [62P.25] [REIMBURSEMENT FOR SMALL RURAL HOSPITALS.]

All-payer insurers shall pay small rural hospitals on the basis of reasonable charges, subject to a rate of increase control. For purposes of this requirement, a "small rural hospital" means a hospital with 40 or fewer licensed beds that is located at least 25 miles from any other hospital. The commissioner shall recommend to the legislature and the governor a methodology for determining reasonable charges as part of the implementation report due January 1, 1995.

Sec. 16. [62P.27] [PAYMENT FOR OUTPATIENT SERVICES.]

Outpatient services provided in acute-care general hospitals and freestanding ambulatory surgery centers shall be paid on the basis of approved charges, subject to rate of increase controls. The rate of increase allowed must be consistent with the volume performance standard for physician and outpatient services.

Sec. 17. [62P.29] [OTHER INSTITUTIONAL PROVIDERS.]

Subdivision 1. [SPECIALTY HOSPITALS AND HOSPITAL UNITS.] The commissioner shall develop payment mechanisms for specialty hospitals providing pediatric and psychiatric care and distinct psychiatric and rehabilitation units in hospitals. The commissioner shall present these recommendations to the legislature and governor as part of the implementation report due January 1, 1995.

Subd. 2. [OTHER PROVIDERS.] The commissioner shall apply rate of increase limits on charges or fees to other nonhospital institutional providers. These providers include, but are not limited to, home health agencies, substance abuse treatment centers, and nursing homes, to the extent their services are included in the all-payer option.

Sec. 18. [62P.31] [LIMITATIONS ON ALL-PAYER OPTION.]

Beginning July 1, 1997, all-payer insurers shall not employ or contract with health care providers, establish a network of exclusive or preferred providers, or negotiate provider payments that differ from the all-payer fee schedule, except that all-payer insurers may establish and maintain preferred provider networks solely for utilization control and quality management and not for negotiation of provider payments. Preferred provider organizations may continue to provide care to their existing enrollees, without becoming licensed as an integrated service network or otherwise becoming subject to this section, through December 31, 1997.

Sec. 19. [62P.33] [RECOMMENDATIONS FOR A USER FEE.]

The commissioner of health shall present to the legislature, as part of the implementation plan due January 1, 1996, recommendations for establishing and collecting a user fee from all-payer insurers. The user fee must be set at a level that reflects the state's investment in fee schedules, standard utilization reviews, quality monitoring, and other regulatory and administrative functions provided for the regulated all-payer option. The commissioner may consult

actuaries in developing recommendations for and setting the level of the user fee. The commissioner may also present recommendations to establish additional fees and assessments if the commissioner determines they are needed to assure equal levels of accountability between the integrated service network system and the regulated all-payer option in terms of public health goals, serving high-risk and special needs populations, and other obligations imposed on the integrated service network system.

Sec. 20. [STUDY OF STANDARD UTILIZATION REVIEW CRITERIA FOR SERVICES.]

The commissioner of health, after consulting with providers, utilization review organizations, the practice parameters advisory committee, and the health technology advisory committee, shall report to the legislature by July 1, 1995, and recommend clinical criteria for determining the necessity, appropriateness, and efficacy of five frequently used health care services for which standard criteria for utilization review would decrease providers' administrative costs.

Sec. 21. [INSTRUCTION TO THE REVISOR.]

The revisor, in the next edition of Minnesota Statutes, shall replace the term "regulated all-payer system" and similar terms with "regulated all-payer option" and similar terms in sections 62J.04, 62J.09, 62J.152, 62P.01, and 62P.03.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 21 are effective the day following final enactment, except that section 6 is effective January 1, 1996, and section 18 is effective July 1, 1997.

ARTICLE 4

FUTURE REQUIREMENTS FOR HEALTH PLAN COMPANIES

Section 1. [62J.48] [CRITERIA FOR REIMBURSEMENT.]

All ambulance services licensed under section 144.802 are eligible for reimbursement under the integrated service network system and the regulated all-payer option. The commissioner shall require community integrated service networks, integrated service networks, and all-payer insurers to adopt the following reimbursement policies.

(1) All emergency calls must be reimbursed without prior approval. Reimbursement must not be denied through retroactive review.

(2) All scheduled or prearranged air and ground ambulance transports must be reimbursed if requested by an attending physician or nurse, or if approved by a designated representative of an integrated service network who is immediately available on a 24-hour basis.

(3) Reimbursement must be provided for all emergency ambulance calls in which a patient is transported or medical treatment rendered.

(4) Special transportation services must not be billed or reimbursed if the patient needs medical attention immediately before transportation.

Sec. 2. Minnesota Statutes 1993 Supplement, section 62N.06, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED ENTITIES.] (a) An integrated service network may be organized as a separate nonprofit corporation under chapter 317A ~~or~~, as a cooperative under chapter 308A, or as an insurance company licensed under chapter 60A.

(b) A ~~nonprofit~~ health carrier, as defined in section 62A.011, may establish and operate one or more integrated service networks without forming a separate corporation or cooperative, but only if all of the following conditions are met:

(i) ~~a~~ an existing contract between the health carrier and a health care provider, for a term of less than seven years, ~~that was executed before June 1, 1993,~~ that does not explicitly mention the provider's relationship within an integrated service network, or a future integrated service network, does not bind the health carrier or provider as applied to integrated service network services, except with the mutual consent of the health carrier and provider ~~entered into on or after June 1, 1993~~. This clause does not apply to contracts between a health carrier and its salaried employees;

(ii) the health carrier shall not apply toward the net worth, working capital, or deposit requirements of this chapter any assets used to satisfy net worth, working capital, deposit, or other financial requirements under any other chapter of Minnesota law;

(iii) the health carrier shall not include in its premiums for health coverage provided under any other chapter of Minnesota law, an assessment or surcharge relating to net worth, working capital, or deposit requirements imposed upon the integrated service network under this chapter; and

(iv) the health carrier shall not include in its premiums for integrated service network coverage under this chapter an assessment or surcharge relating to net worth working capital or deposit requirements imposed upon health coverage offered under any other chapter of Minnesota law.

Sec. 3. [62N.14] [OFFICE OF CONSUMER AFFAIRS.]

Subdivision 1. [DUTIES.] Every integrated service network must have an office of consumer affairs which will be responsible for dealing with all enrollee complaints and inquiries. The integrated service network, through its office of consumer affairs, will be responsible for:

(1) soliciting consumer comment on the quality and accessibility of services available;

(2) disseminating information to consumers on the integrated service network's enrollee complaint resolutions system;

(3) receiving unsolicited comments on and complaints about services;

(4) taking prompt action upon consumer complaints; and

(5) providing for and participating in alternative dispute resolution processes.

Subd. 2. [CONTACT WITH COMMISSIONER.] Each integrated service network shall designate a contact person for direct communication with the commissioner. Integrated service network complaint files must be maintained by the integrated service network for seven years and must be made available upon the request of the commissioner. The health department may at any time inspect the integrated service network's office of consumer affairs complaint files.

Subd. 3. [ENROLLEE MEMBERSHIP CARDS.] Integrated service networks shall issue enrollee membership cards to each enrollee of the integrated service network. The enrollee card shall contain, at minimum, the following information:

(1) the telephone number of the integrated service network's office of consumer affairs;

(2) the telephone number of the state's office of consumer information; and

(3) the telephone number of the department of health.

The membership cards shall also conform to the requirements set forth in section 62J.60.

Subd. 4. [ENROLLEE DOCUMENTS.] Each integrated service network, through its office of consumer affairs, is responsible for providing enrollees, upon request, with any reasonable information desired by an enrollee. This information may include duplicate copies of the evidence of coverage form required under section 62N.11; an annually updated list of addresses and telephone numbers of available integrated service network providers, including midlevel practitioners and allied professionals; and information on the enrollee complaint system of the integrated service network.

Sec. 4. [62N.38] [FEDERAL AGENCY PARTICIPATION.]

Subdivision 1. [PARTICIPATION.] An integrated service network may be organized by a department, agency, or instrumentality of the United States government.

Subd. 2. [ENROLLEES.] An integrated service network organized under subdivision 1 may limit its enrollment to those persons entitled to care under the federal program responsible for the integrated service network.

Subd. 3. [PARTICIPATION IN STATE PROGRAMS.] An integrated service network organized under subdivision 1 may request that the commissioner of health waive the requirement of section 62N.10, subdivision 4 with regard to some or all of the programs listed in that provision. The commissioner shall grant the waiver unless the commissioner determines that the applicant does not plan to provide care to low-income persons who are otherwise eligible for enrollment in the integrated service network. The integrated service network may withdraw its waiver with respect to some or all of the programs listed in section 62N.10, subdivision 4 at any time, as long as it is willing and able to enroll in the programs previously waived on the same basis as other integrated service networks.

Subd. 4. [SOLVENCY.] The commissioner shall consult with federal officials to develop procedures to allow integrated service networks organized under subdivision 1 to use the United States government as a guaranteeing organization.

Subd. 5. [VETERANS.] In developing and implementing initiatives to expand access to health care, the commissioner shall recognize the unique problems of veterans and consider methods to reach underserved portions of the veteran population.

Sec. 5. [62N.381] [AMBULANCE SERVICE RATE NEGOTIATION.]

Subdivision 1. [APPLICABILITY.] This section applies to all reimbursement rate negotiations between ambulance services and community integrated service networks or integrated service networks.

Subd. 2. [RANGE OF RATES.] The reimbursement rate negotiated for a new contract period must not be lower than the rate for the current contract period, and must not be greater than the current rate plus the rate of growth allowed under section 62J.04, subdivision 1, unless the ambulance service proposes a lower rate or can justify a higher rate. If the network and ambulance service cannot agree on a rate, each party shall submit their rate proposal along with supportive data to the advisory committee established by the commissioner under subdivision 3.

Subd. 3. [ADVISORY COMMITTEE ON AMBULANCE RATES.] The commissioner shall establish an advisory committee on ambulance rates, by September 1, 1994. Membership of the committee shall consist of: three representatives of integrated service networks, three representatives of the ambulance industry chosen by the Minnesota Ambulance Association, and one representative selected by the commissioner who has expertise in business or finance and is not a state employee. Each member shall designate an alternate, who shall have full voting rights. The committee is governed by section 15.0575.

Subd. 4. [DEVELOPMENT OF CRITERIA.] The commissioner, in consultation with the advisory committee, shall develop criteria for the committee to use in reviewing rate proposals, and criteria for the commissioner to use in making a final determination.

Subd. 5. [REVIEW OF RATE PROPOSALS.] The committee, using the criteria developed under subdivision 4, shall review the rate proposals by ambulance services and integrated service networks, and shall: (1) endorse the network rate proposal; (2) endorse the ambulance service proposal; or (3) develop and recommend its own proposal. The committee shall forward its decision to the commissioner. The commissioner, using the criteria developed under subdivision 4 and after considering the committee's decision, shall make a final rate determination and require the network and the ambulance service to adhere to this reimbursement rate.

Sec. 6. [62Q.19] [ESSENTIAL COMMUNITY PROVIDERS.]

Subdivision 1. [DESIGNATION.] The commissioner shall designate essential community providers. The criteria for essential community provider designation shall be the following:

(1) a demonstrated ability to integrate applicable supportive and stabilizing services with medical care for uninsured persons and high-risk and special needs populations as defined in section 62Q.07, subdivision 2, paragraph (e), underserved, and other special needs populations; and

(2) a commitment to serve low-income and underserved populations by meeting the following requirements:

(i) has nonprofit status in accordance with chapter 317A;

(ii) has tax exempt status in accordance with the Internal Revenue Service Code, section 501(c)(3);

(iii) charges for services on a sliding fee schedule based on current poverty income guidelines; and

(iv) does not restrict access or services because of a client's financial limitation; or

(3) status as a community health board as defined in chapter 145A.

The commissioner may designate an eligible provider as an essential community provider for all the services offered by that provider or for specific services designated by the commissioner.

For the purpose of this subdivision, supportive and stabilizing services include at a minimum, transportation, child care, cultural, and linguistic services where appropriate.

Subd. 2. [APPLICATION.] Any provider may apply to the commissioner for designation as an essential community provider within two years after the effective date of the rules adopted by the commissioner to implement this section.

Subd. 3. [HEALTH PLAN COMPANY AFFILIATION.] A health plan company must offer a provider contract to any designated essential community provider located within the area served by the health plan company. A health plan company shall not unduly restrict enrollee access to the essential community provider for the population that the essential community provider is certified to serve. A health plan company may also make other providers available to this same population. A health plan company may require an essential community provider to meet all data requirements, utilization review, and quality assurance requirements on the same basis as other health plan providers.

Subd. 4. [ESSENTIAL COMMUNITY PROVIDER RESPONSIBILITIES.] Essential community providers must agree to serve enrollees of all health plan companies operating in the area that the essential community provider is certified to serve.

Subd. 5. [CONTRACT PAYMENT RATES.] An essential community provider and a health plan company may negotiate the payment rate for covered services provided by the essential community provider. This rate must be competitive with rates paid to other health plan providers for the same or similar services.

Subd. 6. [TERMINATION.] The designation as an essential community provider is terminated five years after it is granted, and the former essential community provider has no rights or privileges beyond those of any other health care provider.

Subd. 7. [RECOMMENDATIONS ON ESSENTIAL COMMUNITY PROVIDERS.] As part of the implementation plan due January 1, 1995, the commissioner shall present recommendations and draft legislation for defining essential community providers, using the criteria established under subdivision 1, and defining the relationship between essential community providers and health plan companies.

Sec. 7. [62Q.21] [UNIVERSAL STANDARD BENEFITS SET.]

Subdivision 1. [MANDATORY OFFERING.] Effective January 1, 1996, each health plan company shall offer the universal standard benefits set to its enrollees.

Subd. 2. [STANDARD BENEFIT SET.] Effective July 1, 1997, health plan companies shall offer, sell, issue, or renew only the universal standard benefits set and the cost-sharing and supplemental coverage options allowed under sections 62Q.25 and 62Q.27.

Subd. 3. [GENERAL DESCRIPTION.] The universal standard benefits set must contain all appropriate and necessary health care services. Benefits necessary to meet public health goals, adequately serve high risk and special needs populations, facilitate the utilization of cost-effective alternatives to traditional inpatient acute and extended health care delivery, or meet other objectives of health care reform shall be considered by the commissioner for inclusion in the universal standard benefits set. Appropriate and necessary dental services must be included.

Subd. 4. [BENEFIT SET RECOMMENDATIONS.] The commissioner, in consultation with the Minnesota health care commission and the commissioners of commerce and human services, shall develop the universal standard benefits set and report these recommendations to the legislature by January 1, 1995. The commissioner shall include in this report a definition for "appropriate and necessary." In developing this definition, the commissioner shall consider that a benefit set that excludes genuinely appropriate and necessary services will not reduce or contain costs, but will only transfer those costs onto individuals and the public sector. Therefore, the definition of appropriate and necessary must be sufficiently broad to address the type, frequency, level, setting, and duration of services that

address an individual's mental or physical condition, the needs of those with chronic conditions or disabilities, including those who need health services to improve their functioning, those for whom maintenance of health may not be possible, and those for whom preventing deterioration in their health conditions might not be achievable, and meet other health care reform objectives. In developing the universal standard benefits set, the commissioner shall take into account factors including, but not limited to:

(1) information regarding the benefits, risks, and cost-effectiveness of health care interventions;

(2) development of practice parameters;

(3) technology assessments;

(4) medical innovations;

(5) health status assessments;

(6) identification of unmet needs or particular barriers to access;

(7) public health goals;

(8) expenditure limits available funding; and

(9) cost-efficient and effective alternatives to inpatient health care services for acute or extended health care needs, such as home health care services; and

(10) cost savings resulting from the inclusion of a health care service that will decrease the utilization of other health care services in the benefit set.

Subd. 5. [ADVISORY COMMITTEE ON THE UNIVERSAL BENEFITS SET.] The commissioner shall appoint an advisory committee to develop recommendations regarding nondental health care services to be included in the universal benefits set. The committee must include representatives of health care providers, consumers, health plan companies, and counties. No more than half plus one of the members may be of the same gender. Recommendations of the committee must be provided to the Minnesota health care commission by October 1, 1994. The advisory committee expires January 1, 1995.

Subd. 6. [ADVISORY COMMITTEE ON DENTAL SERVICES.] The commissioner shall appoint an advisory committee to develop recommendations regarding the level of appropriate and necessary dental services to be included in the universal standard benefits set. No more than half plus one of the members may be of the same gender. The committee shall also develop recommendations on an appropriate system to deliver dental services. In its analysis, the committee shall study the quality and cost-effectiveness of dental services delivered through capitated dental networks, discounted dental preferred provider organizations, and independent practice dentistry. The committee shall report these recommendations to the Minnesota health care commission by October 1, 1994. The advisory committee expires January 1, 1995.

Subd. 7. [CHEMICAL DEPENDENCY SERVICES.] If chemical dependency services are included in the universal standard benefits set, the commissioner shall consider the cost-effectiveness of requiring health plan companies and chemical dependency facilities to use the assessment criteria in Minnesota Rules, parts 9530.6600 to 9530.6660.

Sec. 8. [62Q.22] [CHEMICAL DEPENDENCY SERVICES.]

In developing benefit set recommendations the commissioner shall develop criteria to ensure that chemically dependent individuals have access to cost-effective treatment options that address the specific needs of individuals. These include, but are not limited to, the need for: treatment that takes into account severity of illness and comorbidities; provision of a continuum of care from primary inpatient to outpatient care, aftercare, and long-term care; the safety of the individual's domestic and community environment; gender appropriate and culturally appropriate programs; and access to appropriate social services.

Sec. 9. [62Q.23] [GENERAL SERVICES.]

(a) Health plan companies shall comply with all continuation and conversion of coverage requirements applicable to health maintenance organizations under state or federal law.

(b) Health plan companies shall comply with sections 62A.047, 62A.27, and any other coverage required under chapter 62A of newborn infants, dependent children who do not reside with a covered person, handicapped children and dependents, and adopted children. A health plan company providing dependent coverage shall comply with section 62A.302.

(c) Health plan companies shall comply with the equal access requirements of section 62A.15, subdivision 2.

Sec. 10. [62Q.25] [SUPPLEMENTAL COVERAGE.]

Health plan companies may choose to offer separate supplemental coverage for services not covered under the universal benefits set. Health plan companies may offer any Medicare supplement, Medicare select, or other Medicare-related product otherwise permitted for any type of health plan company in this state. Each Medicare-related product may be offered only in full compliance with the requirements in chapters 62A, 62D, and 62E that apply to that category of product.

Sec. 11. [62Q.27] [ENROLLEE COST-SHARING.]

(a) The commissioner, as part of the implementation plan due January 1, 1995, shall present to the legislature recommendations and draft legislation to establish up to five standardized benefit plans which may be offered by each health plan company. The plans must vary only on the basis of enrollee cost sharing and encompass a range of cost-sharing options from (1) lower premium costs combined with higher enrollee cost-sharing, to (2) higher premium costs combined with lower enrollee cost-sharing. Each plan offered may include out-of-network coverage options.

(b) For purposes of this section, "enrollee cost-sharing" or "cost-sharing" means copayments, deductibles, coinsurance, and other out-of-pocket expenses paid by the individual consumer of health care services.

(c) The following principles must apply to cost-sharing:

(1) enrollees must have a choice of cost-sharing arrangements;

(2) enrollee cost-sharing must be administratively feasible and consistent with efforts to reduce the overall administrative burden on the health care system;

(3) cost-sharing for recipients of medical assistance, general assistance medical care, or the MinnesotaCare program must be determined by applicable law and rules governing these programs;

(4) cost-sharing must be capped at an annual limit determined by the commissioner to protect individuals and families from financial catastrophe and to protect individuals with substantial health care needs;

(5) child health supervision services, immunizations, prenatal care, and other preventive services must not be subjected to cost-sharing;

(6) the impact of enrollee cost-sharing requirements on appropriate utilization must be considered when cost-sharing requirements are developed;

(7) additional requirements may be established to assist enrollees for whom an inducement in addition to the elimination of cost-sharing is necessary in order to encourage them to use cost-effective preventive services. These requirements may include the provision of educational information, assistance or guidance, and opportunities for responsible decision making by enrollees that minimize potential out-of-pocket costs;

(8) a copayment may be no greater than 25 percent of the paid charges for the service or product;

(9) cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services; and

(10) cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) The commissioner shall consider whether a health plan company may return all or part of an enrollee's cost-sharing to the enrollee as an incentive for completing preventive care, participating in health education, improving health, or reducing health risks.

Sec. 12. [62Q.29] [STATE-ADMINISTERED PUBLIC PROGRAMS.]

Public agencies, on behalf of eligible recipients enrolled in public programs such as medical assistance, general assistance medical care, and MinnesotaCare, may contract with health plan companies to provide services included in these programs, but not included in the universal standard benefits set.

Sec. 13. [62Q.30] [EXPEDITED FACT FINDING AND DISPUTE RESOLUTION PROCESS.]

The commissioner shall establish an expedited fact finding and dispute resolution process to assist enrollees of integrated service networks and all-payer insurers with contested treatment, coverage, and service issues to be in effect July 1, 1997. The commissioner may order an integrated service network or an all-payer insurer to provide or pay for a service that is within the universal standard benefits set. If the disputed issue relates to whether a service is appropriate and necessary, the commissioner may issue an order only after consulting with appropriate experts, reviewing pertinent literature, and considering the availability of satisfactory alternatives. The commissioner may fine or revoke the license of an integrated service network or an all-payer insurer that is the subject of repeated orders by the commissioner that suggests a pattern of inappropriate underutilization.

Sec. 14. [EFFECTIVE DATE.]

Sections 2, 3, 6, 7, and 11 to 13 are effective the day following final enactment, except that sections 9 and 10 are effective July 1, 1997.

ARTICLE 5

IMPLEMENTATION AND TRANSITION PLANS

Section 1. [62Q.41] [ANNUAL IMPLEMENTATION PLAN.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop an annual implementation plan to be submitted to the legislature each year beginning January 1, 1995, describing the progress and status of rule development and implementation of the integrated service network system and the regulated all-payer option, and providing recommendations for legislative changes that the commissioner determines may be needed.

Sec. 2. [TRANSITION PLAN.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop a plan to facilitate the transition from the existing health care delivery and financing system to the integrated service network system and the regulated all-payer option. The plan may include recommendations for integrated service network requirements or other requirements that should become applicable to some or all health plan companies prior to July 1, 1997, and recommendations for requirements that should be modified or waived during a transition period after July 1, 1997, as health plan companies convert to integrated service networks or to the regulated all-payer option. The transition plan must be submitted to the legislature by January 1, 1995.

Sec. 3. [STATE ADMINISTERED HEALTH PROGRAM PHASE-IN.]

(a) The commissioner of human services shall present to the legislature and the governor, as part of the implementation plan due January 1, 1996, a plan to incorporate state administered health programs, into the all-payer option and the integrated service network system. The plan must identify the federal waivers and approvals required. The plan must also provide a schedule for phasing in the state administered health programs beginning July 1, 1997, and for increasing reimbursement levels in stages over the phase-in period. For purposes of this section, "state administered health programs" means the medical assistance, general assistance medical care, and MinnesotaCare programs.

(b) The commissioner shall include with the plan required under paragraph (a) recommendations, including proposed legislation, for a coordinated program for receiving bids from managed care plans to serve enrollees of the state health plan and recipients of state administered health programs, to be phased in beginning July 1, 1997.

(c) The recommendations shall include a requirement that managed care plans interested in contracting to serve enrollees or recipients of any program listed in paragraph (b) submit a bid to provide services to all enrollees and recipients of those programs residing within the plan's service area.

(d) The commissioner must convene an advisory task force to assist with the preparation of plans, recommendations, and legislation required by this section. The task force must include representatives of recipients of state administered health programs, providers with substantial experience in providing services to recipients of these programs, the department of human services, county human services representatives, and other affected persons. No more than one-half plus one of the members may be of the same gender.

Sec. 4. [RECODIFICATION AND HEALTH PLAN COMPANY REGULATORY REFORM.]

Subdivision 1. [PROPOSED LEGISLATION.] The commissioner of health, in consultation with the commissioner of commerce, the Minnesota health care commission, and the legislative commission on health care access, shall draft proposed legislation to recodify, simplify, and standardize all statutes, rules, regulatory requirements, and procedures relating to health plan companies. The recodification and regulatory reform must become effective simultaneously with the full implementation of the integrated service network system and the regulated all-payer option on July 1, 1997. The commissioner of health shall submit to the legislature by January 1, 1996, a report on the recodification and regulatory reform with proposed legislation.

Subd. 2. [ADVISORY TASK FORCE.] The commissioner of health shall convene an advisory task force to advise the commissioner on the recodification and reform of regulatory requirements under this section. The task force must include representatives of health plan companies, consumers, public and private employers, labor unions, providers, and other affected persons. No more than half plus one of the members may be of the same gender.

Sec. 5. [HEALTH REFORM DEMONSTRATION MODELS.]

The commissioner of health, in consultation with appropriate state agencies, is authorized to seek federal and private foundation grants to supplement any funds appropriated under this act in order to conduct demonstration models to develop the implementation strategies for the various components of health care reform. The model projects may include the following:

(1) risk adjustment formulas;

(2) integration of special needs populations into integrated service networks;

(3) organization of health services delivery by post-secondary educational facilities;

(4) establishment of rural purchasing pools and cooperative service arrangements;

(5) integration of rural public health nursing agency services with rural community integrated service networks;

(6) development of appropriate access services which facilitate enrollment of low-income or special needs populations into integrated service networks;

(7) evaluation methods for the action plans prepared by health plan companies; and

(8) integration of services provided by licensed school nurses into integrated service networks.

Sec. 6. [AMBULANCE RATE REGULATION STUDY.]

The commissioner, in consultation with the Minnesota Ambulance Association and the regional emergency medical services systems, shall develop an ambulance rate regulation system for ambulance services provided in both the integrated service network and all-payer option sectors. The commissioner shall present recommendations and an implementation plan for this rate regulation system to the legislature by January 1, 1996.

Sec. 7. [PREPAID MEDICAL ASSISTANCE PLAN STUDY.]

The commissioners of health and human services shall study the coordination between health care reform and the prepaid medical assistance plan. The study must also determine whether there have been cost savings, cost increases, or cost shifting under current implementation of the prepaid medical assistance plan. The commissioners shall jointly report their findings to the legislature by January 1, 1995.

Sec. 8. [POOLED PRESCRIPTION DRUG PURCHASING PROGRAM.]

Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds that increasing costs are threatening the ability of a number of Minnesotans without prescription drug coverage to afford the purchase of prescription drugs. The legislature also finds that innovative private and public arrangements involving pooled prescription drug benefit management have provided many Minnesotans with economical access to prescription drugs. The legislature desires to make available the advantages of similar arrangements to those Minnesotans not currently enjoying such advantages without disrupting existing and future private and public arrangements in which other Minnesotans participate.

Subd. 2. [PROPOSED LEGISLATION.] By January 15, 1995, the commissioner of health shall provide the legislature with proposed legislation containing the commissioner's recommendations for creation of a pooled prescription drug purchasing program. The program to be created by the proposed legislation shall:

(1) make available the cost savings associated with pooled prescription drug purchasing to those Minnesotans lacking private or public prescription drug coverage who are not eligible to participate in other private or public pooled prescription drug benefit management programs;

(2) not disrupt, displace or otherwise affect existing private and public arrangements for management of prescription drug benefits;

(3) provide that the program may be administered by a private vendor supervised by the state and selected on the basis of competitive bidding; and

(4) take into account the effect of ongoing changes in state and federal health care policy.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 6

UNIVERSAL COVERAGE

Section 1. [62Q.16] [UNIVERSAL COVERAGE.]

It is the commitment of the state to achieve universal health coverage for all Minnesotans by July 1, 1997. In order to achieve this commitment, the following goals must be met:

(1) every Minnesotan shall have health coverage and shall contribute to the costs of coverage based on ability to pay;

(2) no Minnesotan shall be denied coverage or forced to pay more because of health status;

(3) quality health care services must be accessible to all Minnesotans;

(4) all health care purchasers must be placed on an equal footing in the health care marketplace; and

(5) a comprehensive and affordable health plan must be available to all Minnesotans.

Sec. 2. [62Q.17] [VOLUNTARY PURCHASING POOLS.]

Subdivision 1. [PERMISSION TO FORM.] Notwithstanding section 62A.10, employers, groups, and individuals may voluntarily form purchasing pools, for the purpose of negotiating and purchasing health plan coverage from health plan companies for members of the pool.

Subd. 2. [COMMON FACTORS.] All participants in a purchasing pool must live within a common geographic region, be employed in a similar occupation, or share some common factor as approved by the commissioner.

Subd. 3. [GOVERNING STRUCTURE.] Each pool must have a governing structure controlled by its members. The governing structure of the pool is responsible for administration of the pool. The governing structure shall review and evaluate all bids for coverage from health plan companies, shall determine criteria for joining and leaving the pool, and may design incentives for healthy lifestyles and health promotion programs. The governing structure may design uniform entrance standards for all employers, except small employers as defined under section 62L.02. Small employers must be permitted to enter any pool if the small employer meets the pool's membership requirements. Pools must provide as much choice in health plans to members as is financially possible. The governing structure may charge all members a fee for administrative purposes.

Subd. 4. [ENROLLMENT.] Pools must have an annual open enrollment period of not less than 15 days, during which all individuals or groups that qualify for membership may enter the pool without any preexisting condition limitations or exclusions or exclusionary riders, except those permitted under chapter 62L for groups or section 62A.65 for individuals. Pools must reach and maintain an enrolled population of at least 1,000 members within six months of formation. If a pool fails to reach or maintain the minimum enrollment, all coverage subsequently purchased through the purchasing pool must be regulated through existing applicable laws and forego all advantages under this section.

Subd. 5. [MEMBERS.] The governing structure of the pool shall set a minimum time period for membership. Members must stay in the purchasing pool for the entire minimum period to avoid paying a penalty. Penalties for early withdrawal from the purchasing pool shall be established by the governing structure.

Subd. 6. [EMPLOYER-BASED PURCHASING POOLS.] Employer-based purchasing pools must, with respect to small employers as defined in section 62L.02, meet all the requirements of chapter 62L. The experience of the pool must be pooled and the rates blended across all groups. Pools may decide to create tiers within the pool, based on experience of group members. These tiers must be designed within the requirements of section 62L.08. The governing structure may establish criteria limiting movement between tiers. Tiers must be phased out within two years of the pool's creation.

Subd. 7. [INDIVIDUAL MEMBERS.] Purchasing pools that contain individual members must meet all of the underwriting and rate restrictions found in the individual health plan market.

Subd. 8. [REPORTS.] Prior to the initial effective date of coverage, and annually thereafter, each pool shall file a report with the information clearinghouse. The information clearinghouse must use the report to promote the purchasing pools. The annual report must contain the following information:

(1) the number of lives in the pool;

(2) the geographic area the pool intends to cover;

(3) the number of health plans offered;

(4) a description of the benefits under each plan;

(5) a description of the premium structure, including any copayments or deductibles, of each plan offered;

(6) evidence of compliance with chapter 62L;

(7) a sample of marketing information, including a phone number where the pool may be contacted; and

(8) a list of all administrative fees charged.

Sec. 3. [62Q.18] [UNIVERSAL COVERAGE; INSURANCE REFORMS.]

Subdivision 1. [DEFINITION.] For purposes of this section,

(1) "continuous coverage" has the meaning given in section 62L.02;

(2) "guaranteed issue" means:

(i) for individual health plans, that a health plan company shall not decline an application by an individual for any individual health plan offered by that health plan company, including coverage for a dependent of the individual to whom the health plan has been or would be issued; and

(ii) for group health plans, that a health plan company shall not decline an application by a group for any group health plan offered by that health plan company and shall not decline to cover under the group health plan any person eligible for coverage under the group's eligibility requirements, including persons who become eligible after initial issuance of the group health plan;

(3) "qualifying coverage" has the meaning given in section 62L.02; and

(4) "underwriting restrictions" has the meaning given in section 62L.03, subdivision 4.

Subd. 2. [INDIVIDUAL MANDATE.] Effective July 1, 1997, each Minnesota resident shall obtain and maintain qualifying coverage.

Subd. 3. [GUARANTEED ISSUE.] (a) Effective July 1, 1997, each health plan company shall offer, sell, issue, or renew each of its individual health plan forms on a guaranteed issue basis to any Minnesota resident.

(b) Effective July 1, 1997, each health plan company shall offer, sell, issue, or renew each of its group health plan forms to any employer that has its principal place of business in this state on a guaranteed issue basis, provided that the guaranteed issue requirement does not apply to employees, dependents, or other persons to be covered, who are not residents of this state.

(c) Effective July 1, 1997, each health plan company that issues a group health plan to an employer that does not have its principal place of business in this state, where the health plan covers or is intended to cover 20 or more residents of this state, must cover residents of this state on a guaranteed issue basis.

Subd. 4. [UNDERWRITING RESTRICTIONS LIMITED.] Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan that has underwriting restrictions that apply to a Minnesota resident, except as expressly permitted under this section.

Subd. 5. [PREEXISTING CONDITION LIMITATIONS.] Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan that contains a preexisting condition limitation or exclusion or exclusionary rider that applies to a Minnesota resident, except a limitation which is no longer than 12 months and applies only to a person who has not maintained continuous coverage. An unexpired preexisting condition limitation from previous qualifying coverage may be carried over to new coverage under a health plan, if the unexpired condition is one permitted under this section. A Minnesota resident who has not maintained continuous coverage may be subjected to a new 12-month preexisting condition limitation after each break in continuous coverage.

Subd. 6. [LIMITS ON PREMIUM RATE VARIATIONS.] (a) Effective July 1, 1995, the premium rate variations permitted under sections 62A.65 and 62L.08 become:

(1) for factors other than age and geography, 12.5 percent of the index rate; and

(2) for age, 25 percent of the index rate.

(b) Effective July 1, 1996, the premium variations permitted under sections 62A.65 and 62L.08 become:

(1) for factors other than age and geography, 7.5 percent of the index rate; and

(2) for age, 15 percent of the index rate.

(c) Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan, that is subject to section 62A.65 or 62L.08, for which the premium rate varies between covered persons on the basis of any factor other than:

(1) for individual health plans, differences in benefits or benefit design, and for group health plans, actuarially valid differences in benefits or benefit design;

(2) the number of persons to be covered by the health plan;

(3) actuarially valid differences in expected costs between adults and children;

(4) healthy lifestyle discounts authorized by statute; and

(5) for individual health plans, geographic variations permitted under section 62A.65, and for group health plans, geographic variations permitted under section 62L.08.

(d) All premium rate variations permitted under paragraph (c) are subject to the approval of the commissioner.

Subd. 7. [PORTABILITY OF COVERAGE.] (a) Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew any group or individual health plan that does not provide for guaranteed issue, with full credit for previous qualifying coverage against any preexisting condition limitation that would otherwise apply under subdivision 5. No health plan shall be subject to any other type of underwriting restriction.

(b) Effective July 1, 1994, no health plan company shall offer, sell, issue, or renew any group or individual health plan that does not, with respect to individuals who maintain continuous coverage and whose immediately preceding qualifying coverage is a health plan issued by the same health plan company, medical assistance under chapter 256B, general assistance medical care under chapter 256D, or the MinnesotaCare plan established under section 256.9352,

(1) make coverage available on a guaranteed issue basis; and

(2) give full credit for previous continuous coverage against any applicable preexisting condition limitation or exclusion.

(c) Paragraph (b) applies to individuals whose immediately preceding qualifying coverage is medical assistance under chapter 256B, general assistance medical care under chapter 256D, or the MinnesotaCare plan established under section 256.9352, only if the individual has disenrolled from the public program or will disenroll upon issuance of the new coverage. Paragraph (b) does not apply if the public program uses or will use public funds to pay the premiums for an individual who remains or will remain enrolled in the public program. This paragraph does not prohibit public payment of premiums to continue private sector coverage originally obtained prior to enrollment in the public program, where otherwise permitted by state or federal law.

(d) Effective July 1, 1994, no health plan company shall offer, sell, issue, or renew any group health plan that does not, with respect to individuals who maintain continuous coverage:

(1) make coverage available on a guaranteed issue basis; and

(2) give full credit for previous continuous coverage against any applicable preexisting condition limitation or exclusion.

To the extent that this paragraph conflicts with chapter 62L, with respect to small employers as defined in section 62L.02, chapter 62L governs.

Subd. 8. [COMPREHENSIVE HEALTH ASSOCIATION.] Effective July 1, 1997, the comprehensive health association created in section 62E.10 shall not accept new applicants for enrollment, except for medicare-related coverage described in section 62E.12 and for coverage described in section 62E.18.

Subd. 9. [CONTINGENCY; FUTURE LEGISLATION.] This section, except for subdivision 6, paragraphs (a) and (b), and subdivision 7, paragraphs (b), (c), and (d), is not intended to be implemented prior to legislation enacted to achieve the objectives of sections 1, 5, 6, and 7.

Sec. 4. [MARKET REFORM STRATEGIES STUDY.]

The health care commission shall study and recommend to the legislature by January 1, 1995, insurance market reforms designed to promote the formation of large purchasing pools to be available to individuals and small employers by July 1, 1997. The health care commission shall study:

(1) whether mergers between or among health care providers and group purchasers that expand market share beyond a specified percentage should be regulated or prohibited, in order to preserve competition on price and quality;

(2) integrating public and private sector financing mechanisms to extend MinnesotaCare subsidies to employees and dependents who are eligible for employer-based coverage without eroding existing coverage;

(3) requiring purchasing pools to make available to consumers all plans that submit bids to the pool;

(4) whether some or all purchasers should be required to obtain coverage through a public or private pool;

(5) the impact and effectiveness of the Minnesota employees insurance program under section 43A.317 and the public employees insurance plan under section 43A.316; and

(6) how statewide or regional purchasing pools could be developed for all individuals and small groups that do not have access to a private purchasing pool, and for the MinnesotaCare program and other state-subsidized health care programs, by expanding the Minnesota employees insurance program currently operated by the department of employee relations or by other means.

Sec. 5. [SURVEY OF THE UNINSURED AND EVALUATION OF EXISTING REFORMS.]

Subdivision 1. [SURVEY.] The Minnesota health care commission shall authorize a survey of Minnesota households and employers to provide current data on the uninsured population and assess the effectiveness of the existing health care reforms. As part of this survey, the commissioner of human services shall conduct a survey of the MinnesotaCare population to determine the effects of existing health care reforms on this population. Results of this survey shall be presented to the legislature by January 15, 1995.

Subd. 2. [EVALUATION.] The commissioner of health, in consultation with the health care commission and the commissioners of human services and commerce, shall evaluate the effect of existing reforms and the effect of the MinnesotaCare program on the uninsured population. Based on this evaluation, the commissioners of health, commerce, and human services shall recommend modifications to existing reforms as necessary to continue to make progress toward universal coverage by 1997 and report these modifications to the legislature by January 15, 1996.

Sec. 6. [HEALTH CARE AFFORDABILITY STUDY.]

(a) The commissioner of health, in consultation with the commissioners of human services, commerce, and revenue, shall study and report to the Minnesota health care commission by October 1, 1994, the various factors that affect health care affordability, including out-of-pocket spending, insurance premiums, and taxes.

(b) Based on the study in paragraph (a), the Minnesota health care commission shall recommend to the legislature by January 15, 1995, a specific percentage of income that overall health care costs to a family or individual should not exceed.

(c) The recommendations in paragraph (b) must be used by the commissioners of health and human services to develop an appropriate premium subsidy and sliding fee scale for a permanent health care subsidy program.

Sec. 7. [FINANCING STUDY.]

The Minnesota health care commission, in consultation with the commissioners of health, commerce, human services, and revenue, and representatives of county government shall study state health care financing and tax systems and report to the legislature by January 1, 1995, specific recommendations for a stable, long-term funding system for all government health programs. The report must include recommendations for overhauling the current system, specific financing methods, and detailed cost estimates for an expanded, fully-funded subsidy program to guarantee universal coverage to all Minnesota residents. The report must include an inventory and analysis of the existing system of government financing of health care. It must include recommendations for capturing savings that will accrue under health care reform and reallocating them to offset additional costs of universal coverage. The commission may contract for actuarial, finance, and taxation expertise.

The study must take into account the following goals and guiding principles:

(a) To the extent possible, universal coverage should be achieved without a net increase in total health spending, taxes, or government spending by recapturing savings and reallocating resources within the system.

(b) To the extent that universal coverage will require additional financing mechanisms, revenues should be raised by taxing items that are considered to be health risks and contribute to preventable illness and injury. If additional revenues are needed, revenues should be raised by implementing broad-based taxes with appropriate offsets for low-income individuals.

(c) Financing reform should ensure adequate and equitable financing of all necessary components of the health system.

(d) Activities that benefit the entire community, such as core public health activities, including collection of data on health status and community health needs, and medical education should be financed by broad-based funding sources. Funding mechanisms should promote collaboration between the public and private sectors.

(e) Personal health care services for individuals who are enrolled in a health plan should be provided or paid for by the health plan.

(f) Government subsidy programs for low-income Minnesotans should be financed by broad-based funding sources.

(g) Funding mechanisms that are inequitable or create undesirable incentives, such as the Minnesota comprehensive health association assessment, should be restructured.

Sec. 8. [PREEXISTING CONDITIONS STUDY.]

The health care commission shall study the feasibility and impact of the following:

(1) eliminating preexisting condition limitations in steps;

(2) standardizing preexisting condition limitations;

(3) narrowing the preexisting condition limitation period from 12 months to six months; and

(4) requiring limited coverage of services for preexisting conditions.

The health care commission shall provide a written report to the legislature on or before December 15, 1994.

Sec. 9. [REQUIRED OFFER OF INDIVIDUAL HEALTH PLANS.]

The health care commission shall study the effects and desirability of the requirement that all health plan companies offer individual health plans, as provided in section 62Q.18, subdivision 9. The health care commission shall provide a written report to the legislature on or before December 15, 1994.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 4 to 9 are effective the day following final enactment. Sections 2 and 3 are effective July 1, 1994.

ARTICLE 7

PUBLIC HEALTH

Section 1. [62Q.075] [LOCAL PUBLIC ACCOUNTABILITY AND COLLABORATION PLAN.]

Subdivision 1. [DEFINITION.] For purposes of this section, "managed care organization" means a health maintenance organization, community integrated service network, or integrated service network.

Subd. 2. [REQUIREMENT.] Beginning July 1, 1995, all managed care organizations shall annually file with the action plans required under section 62Q.07 a plan describing the actions the managed care organization has taken and those it intends to take to contribute to achieving public health goals for each service area in which an enrollee of the managed care organization resides. This plan must be jointly developed in collaboration with the local public health units, appropriate regional coordinating boards, and other community organizations providing health services within the same service area as the managed care organization. Local government units with responsibilities and authority defined under chapters 145A and 256E may designate individuals to participate in the collaborative planning with the managed care organization to provide expertise and represent community needs and goals as identified under chapters 145A and 256E.

Subd. 3. [CONTENTS.] The plan must address the following:

(a) specific measurement strategies and a description of any activities which contribute to public health goals and needs of high risk and special needs populations as defined and developed under chapters 145A and 256E;

(b) description of the process by which the managed care organization will coordinate its activities with the community health boards, regional coordinating boards, and other relevant community organizations servicing the same area;

(c) documentation indicating that local public health units and local government unit designees were involved in the development of the plan;

(d) documentation of compliance with the plan filed the previous year, including data on the previously identified progress measures.

Subd. 4. [REVIEW.] Upon receipt of the plan, the appropriate commissioner shall provide a copy to the regional coordinating boards, local community health boards, and other relevant community organizations within the managed care organization's service area. After reviewing the plan, these community groups may submit written comments on the plan to either the commissioner of health or commerce, as applicable, and may advise the commissioner of the managed care organization's effectiveness in assisting to achieve regional public health goals. The plan may be reviewed by the county boards, or city councils acting as a local board of health in accordance with chapter 145A, within the managed care organization's service area to determine whether the plan is consistent with the goals and objectives of the plans required under chapters 145A and 256E and whether the plan meets the needs of the community. The county board, or applicable city council, may also review and make recommendations on the availability and accessibility of services provided by the managed care organization. The county board, or applicable city council, may submit written comments to the appropriate commissioner, and may advise the commissioner of the managed care organization's effectiveness in assisting to meet the needs and goals as defined under the responsibilities of chapters 145A and 256E. Copies of these written comments must be provided to the managed care organization. The plan and any comments submitted must be filed with the information clearinghouse to be distributed to the public.

Sec. 2. [62Q.32] [LOCAL OMBUDSPERSON.]

Community health service agencies may establish an office of ombudsperson to provide a system of consumer advocacy for persons receiving health care services through an integrated service network system or through the regulated all-payer option. The ombudsperson's functions may include but are not limited to:

(a) mediation or advocacy on behalf of a person who is having difficulty accessing health care services through either an integrated service network or through the regulated all-payer option; and

(b) investigation of the quality of services provided to a person and determine the extent to which quality assurance mechanisms are needed or any other system change may be needed.

Sec. 3. [62Q.33] [LOCAL GOVERNMENT PUBLIC HEALTH FUNCTIONS.]

Subdivision 1. [FINDINGS.] The legislature finds that the local government public health functions of community assessment, policy development, and assurance of service delivery are essential elements in consumer protection and in achieving the objectives of health care reform in Minnesota. The legislature further finds that the site-based and population-based services provided by state and local health departments are a critical strategy for the long-term containment of health care costs. The legislature further finds that without adequate resources, the local government public health system will lack the capacity to fulfill these functions in a manner consistent with the needs of a reformed health care delivery system.

Subd. 2. [REPORT ON SYSTEM DEVELOPMENT.] The commissioner of health, in consultation with the state community health services advisory committee and the commissioner of human services, and representatives of local health departments, county government, a municipal government acting as a local board of health, the Minnesota health care commission, area Indian health services, health care providers, and citizens concerned about public health, shall coordinate the process for defining implementation and financing responsibilities of the local government core public health functions. The commissioner shall submit recommendations and an initial and final report on local government core public health functions according to the timeline established in subdivision 5.

Subd. 3. [CORE PUBLIC HEALTH FUNCTIONS.] (a) The report required by subdivision 2 must describe the local government core public health functions of: assessment of community health needs; goal-determination, public policy, and program development for addressing these needs; and assurance of service availability and accessibility to meet

community health goals and needs. The report must further describe activities for implementation of these functions that are the continuing responsibility of the local government public health system, taking into account the ongoing reform of the health care delivery system.

(b) The activities to be defined in terms of the local government core public health functions include, but are not limited to:

(1) consumer protection and advocacy;

(2) targeted outreach and linkage to personal services;

(3) health status monitoring and disease surveillance;

(4) investigation and control of diseases and injuries;

(5) protection of the environment, work places, housing, food, and water;

(6) laboratory services to support disease control and environmental protection;

(7) health education and information;

(8) community mobilization for health-related issues;

(9) training and education of public health professionals;

(10) public health leadership and administration;

(11) emergency medical services;

(12) violence prevention; and

(13) other activities that have the potential to improve the health of the population or special needs populations and reduce the need for or cost of health care services.

Subd. 4. [CAPACITY BUILDING, ACCOUNTABILITY AND FUNDING.] The recommendations required by subdivision 2 shall include:

(1) a definition of minimum outcomes for implementing core public health functions, including a local ombudsperson under the assurance of services function;

(2) the identification of counties and applicable cities with public health programs that need additional assistance to meet the minimum outcomes;

(3) a budget for supporting all functions needed to achieve the minimum outcomes, including the local ombudsperson assurance of services function;

(4) an analysis of the costs and benefits expected from achieving the minimum outcomes;

(5) strategies for improving local government public health functions throughout the state to meet the minimum outcomes including: (i) funding distribution for local government public health functions necessary to meet the minimum outcomes; and (ii) strategies for the financing of personal health care services within the uniform benefits set and identifying appropriate mechanisms for the delivery of these services; and

(6) a recommended level of dedicated funding for local government public health functions in terms of a percentage of total health service expenditures by the state or in terms of a per capita basis, including methods of allocating the dedicated funds to local government.

Subd. 5. [TIMELINE.] (a) By October 1, 1994, the commissioner shall submit to the legislative commission on health care access the initial report and recommendations required by subdivisions 2 to 4.

(b) By February 15, 1995, the commissioner, in cooperation with the legislative commission on health care access, shall submit a final report to the legislature, with specific recommendations for capacity building and financing to be implemented over the period from January 1, 1996, through December 31, 1997.

(c) By January 1, 1997, and by January 1 of each odd-numbered year thereafter, the commissioner shall present to the legislature an updated report and recommendations.

Sec. 4. [PUBLIC HEALTH GOALS REPORT.]

The commissioner of health shall provide a written report to the legislature by January 1, 1996, of recommendations on how providers and payers participating in the regulated all-payer option shall participate in achieving public health goals.

Sec. 5. [EFFECTIVE DATE.]

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

ARTICLE 8

CONFORMING AND MISCELLANEOUS CHANGES

Section 1. [43A.312] [LIMITATION ON COMPENSATION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Administrative employee" means an individual whose primary duty as an employee is the performance of office or nonmanual work directly related to management policies or general business operations.

(b) "Compensation" means the annual value of wages, salary, benefits, deferred compensation, and stock options.

(c) "Executive employee" means an individual whose primary duty as an employee consists of the management of the enterprise in which the individual is employed.

(d) "Health care provider" means a person or organization that provides health care or medical care services within Minnesota for a fee and is eligible for reimbursement under the medical assistance program under chapter 256B. "Health care provider" includes a for-profit affiliate of the health care provider. For purposes of this subdivision, "for a fee" includes traditional fee-for-service arrangements, capitation arrangements, and any other arrangement in which a provider receives compensation for providing health care services or has the authority to directly bill a group purchaser, health plan company, or individual for providing health care services. For purposes of this subdivision, "eligible for reimbursement under the medical assistance program" means that the provider's services would be reimbursed by the medical assistance program if the services were provided to medical assistance enrollees and the provider sought reimbursement, or that the services would be eligible for reimbursement under medical assistance except that those services are characterized as experimental, cosmetic, or voluntary.

(e) "Health plan company" means:

(1) a health carrier as defined under section 62A.011, subdivision 2;

(2) an integrated service network as defined under section 62N.02;

(3) an all-payer insurer regulated under chapter 62P;

(4) a community integrated service network regulated under chapter 62N; or

(5) a for-profit affiliate of an entity listed in this paragraph.

(f) "State health care plan" means the medical assistance program, the general assistance medical care program, the MinnesotaCare program, health insurance plans for state employees established under section 43A.18, the public employees insurance plan under section 43A.316, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.19.

Subd. 2. [SALARY RATIO LIMITATION.] No health care provider or health plan company serving enrollees or clients of a state health care plan, or serving as a contractor or third-party administrator for a state health care plan, may compensate its most highly paid executive or administrative employee an amount exceeding 25 times the compensation paid to its lowest paid employee. For purposes of this requirement, stock options are valued at fair market value at the time they become the property of the employee.

Subd. 3. [REPORTING.] Each health care provider and health plan company subject to the salary ratio limitation in subdivision 2 shall report the compensation received by its most highly paid executive or administrative employee, based upon full-time equivalents, and its lowest paid employee, based upon full-time equivalents, to the commissioner of employee relations. This information shall be provided in the form and at the times specified by the commissioner. This information on compensation is classified as public data under chapter 13. Health plan companies subject to subdivision 2, and state health care programs, shall report the names and business addresses of all health care providers serving as participating providers to the commissioner of employee relations. This information is classified as private data under chapter 13.

Subd. 4. [ENFORCEMENT.] The commissioner of employee relations shall verify that all health care providers and health plan companies subject to subdivision 2 have reported the information required in subdivision 3 and shall verify that all health care providers and health plan companies have complied with the salary ratio limitation. The commissioner shall notify all health care providers and health plan companies in violation of subdivision 2 and shall provide four years for the health care provider or health plan company to comply with the salary ratio limitation. The commissioner shall require health care providers and health plan companies to submit the information necessary to demonstrate compliance. If at the end of four years the health care provider or health plan company has not complied, the commissioner, in conjunction with the appropriate agency commissioner or commissioners, shall prohibit the health care provider or health plan company from serving enrollees or clients of a state health care plan, or from serving as a contractor or third-party administrator for state health care plans. All state agency commissioners shall cooperate with the commissioner of employee relations in administering and enforcing this section.

Sec. 2. Minnesota Statutes 1992, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 1, June 1, and December 1 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies, domestic mutual insurance companies, marine insurance companies, health maintenance organizations, integrated service networks, community integrated service networks, and nonprofit health service plan corporations, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraphs (b) and (e), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded $1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a), (b), or (e) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is $500 or less.

(e) For health maintenance organizations ~~and~~, nonprofit health services plan corporations, integrated service networks, and community integrated service networks, the installments must be based on an amount equal to one percent of premiums described in paragraph (c) that are paid after December 31, 1995.

(f) Premiums under ~~the children's health plan~~ medical assistance, the ~~health right plan~~ MinnesotaCare program, and the Minnesota comprehensive health insurance plan are not subject to tax under this section.

Sec. 3. Minnesota Statutes 1992, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to 62A.56. A long-term care policy must cover prescribed long-term care in nursing facilities and at least the prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least $100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least $50,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Prior hospitalization may not be required under a long-term care policy.

Coverage under either policy designation must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period; for purposes of this sentence, "days" means calendar days. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to be homebound or house confined to receive home care services. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

No individual long-term care policy shall be offered or delivered in this state until the insurer has received from the insured a written designation of at least one person, in addition to the insured, who is to receive notice of cancellation of the policy for nonpayment of premium. The insured has the right to designate up to a total of three persons who are to receive the notice of cancellation, in addition to the insured. The form used for the written designation must inform the insured that designation of one person is required and that designation of up to two additional persons is optional and must provide space clearly designated for listing between one and three persons. The designation shall include each person's full name, home address, and telephone number. Each time an individual policy is renewed or continued, the insurer shall notify the insured of the right to change this written designation.

The insurer may file a policy form that utilizes a plan of care prepared as provided under section 62A.46, subdivision 5, clause (1) or (2).

Sec. 4. Minnesota Statutes 1993 Supplement, section 61B.20, subdivision 13, is amended to read:

Subd. 13. [MEMBER INSURER.] "Member insurer" means an insurer licensed or holding a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 61B.19, subdivision 2, and includes an insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn. The term does not include:

(1) a nonprofit hospital or medical service organization, other than a nonprofit health service plan corporation that operates under chapter 62C;

(2) a health maintenance organization;

(3) a fraternal benefit society;

(4) a mandatory state pooling plan;

(5) a mutual assessment company or an entity that operates on an assessment basis;

(6) an insurance exchange; ~~or~~

(7) an integrated service network or a community integrated service network; or

(8) an entity similar to those listed in clauses (1) to ~~(6)~~ (7).

Sec. 5. Minnesota Statutes 1992, section 62D.04, is amended by adding a subdivision to read:

Subd. 5. [PARTICIPATION; GOVERNMENT PROGRAMS.] Health maintenance organizations shall, as a condition of receiving and retaining a certificate of authority, participate in the medical assistance, general assistance medical care, and MinnesotaCare programs. The participation required from health maintenance organizations shall be pursuant to rules adopted under section 256B.0644.

Sec. 6. Minnesota Statutes 1992, section 62E.02, subdivision 10, is amended to read:

Subd. 10. [INSURER.] "Insurer" means those companies operating pursuant to chapter 62A or 62C and offering, selling, issuing, or renewing policies or contracts of accident and health insurance. "Insurer" does not include health maintenance organizations, integrated service networks, or community integrated service networks.

Sec. 7. Minnesota Statutes 1992, section 62E.02, subdivision 18, is amended to read:

Subd. 18. [WRITING CARRIER.] "Writing carrier" means the insurer or insurers ~~and~~, health maintenance organization or organizations, integrated service network or networks, and community integrated service network or networks selected by the association and approved by the commissioner to administer the comprehensive health insurance plan.

Sec. 8. Minnesota Statutes 1992, section 62E.02, subdivision 20, is amended to read:

Subd. 20. [COMPREHENSIVE INSURANCE PLAN OR STATE PLAN.] "Comprehensive health insurance plan" or "state plan" means policies of insurance and contracts of health maintenance organization, integrated service network, or community integrated service network coverage offered by the association through the writing carrier.

Sec. 9. Minnesota Statutes 1992, section 62E.02, subdivision 23, is amended to read:

Subd. 23. [CONTRIBUTING MEMBER.] "Contributing member" means those companies regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance; health maintenance organizations regulated under chapter 62D; nonprofit health service plan corporations regulated under chapter 62C; integrated service network and community integrated service networks regulated under chapter 62N; fraternal benefit societies regulated under chapter 64B; the private employers insurance program established in section 43A.317, effective July 1, 1993; and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization, integrated service network, or community integrated service network shall be considered to be accident and health insurance premiums.

Sec. 10. Minnesota Statutes 1992, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternals; joint self-insurance plans regulated under chapter 62H; the private employers insurance program established in section 43A.317, effective July 1, 1993; ~~and~~ health maintenance organizations; integrated service networks; and community integrated service networks licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 11. Minnesota Statutes 1992, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner, at least two of whom must be plan enrollees. Public members may include licensed insurance agents. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, ~~or~~ health maintenance contract

payment, integrated service network, or community integrated service network payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 12. Minnesota Statutes 1992, section 62E.10, subdivision 3, is amended to read:

Subd. 3. [MANDATORY MEMBERSHIP.] All members shall maintain their membership in the association as a condition of doing accident and health insurance, self-insurance, ~~or~~ health maintenance organization, integrated service network, or community integrated service network business in this state. The association shall submit its articles, bylaws and operating rules to the commissioner for approval; provided that the adoption and amendment of articles, bylaws and operating rules by the association and the approval by the commissioner thereof shall be exempt from the provisions of sections 14.001 to 14.69.

Sec. 13. Minnesota Statutes 1993 Supplement, section 62J.03, subdivision 6, is amended to read:

Subd. 6. [GROUP PURCHASER.] "Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. "Group purchaser" includes, but is not limited to, integrated service networks; community integrated service networks; health insurance companies, health maintenance organizations, nonprofit health service plan corporations, and other health plan companies; employee health plans offered by self-insured employers; trusts established in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq.; the Minnesota comprehensive health association; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers' compensation plans; and the medical component of automobile insurance coverage.

Sec. 14. Minnesota Statutes 1992, section 62J.03, is amended by adding a subdivision to read:

Subd. 10. [HEALTH PLAN COMPANY.] "Health plan company" means a health plan company as defined in section 62Q.01, subdivision 4.

Sec. 15. Minnesota Statutes 1993 Supplement, section 62J.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS ON THE RATE OF GROWTH.] (a) The commissioner of health shall set annual limits on the rate of growth of public and private spending on health care services for Minnesota residents, as provided in paragraph (b). The limits on growth must be set at levels the commissioner determines to be realistic and achievable but that will reduce the rate of growth in health care spending by at least ten percent per year for the next five years. The commissioner shall set limits on growth based on available data on spending and growth trends, including data from group purchasers, national data on public and private sector health care spending and cost trends, and trend information from other states.

(b) The commissioner shall set the following annual limits on the rate of growth of public and private spending on health care services for Minnesota residents:

(1) for calendar year 1994, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1993 plus 6.5 percentage points;

(2) for calendar year 1995, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1994 plus 5.3 percentage points;

(3) for calendar year 1996, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1995 plus 4.3 percentage points;

(4) for calendar year 1997, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1996 plus 3.4 percentage points; and

(5) for calendar year 1998, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1997 plus 2.6 percentage points.

~~If the health care financing administration forecast for the total growth in national health expenditures for a calendar year is lower than the rate of growth for the calendar year as specified in clauses (1) to (5), the commissioner shall adopt this forecast as the growth limit for that calendar year.~~ The commissioner shall adjust the growth limit set for calendar year 1995 to recover savings in health care spending required for the period July 1, 1993 to December 31, 1993. The commissioner shall publish:

(1) the projected limits in the State Register by April 15 of the year immediately preceding the year in which the limit will be effective except for the year 1993, in which the limit shall be published by July 1, 1993;

(2) the quarterly change in the regional consumer price index for urban consumers; and

(3) the health care financing administration forecast for total growth in the national health care expenditures. In setting an annual limit, the commissioner is exempt from the rulemaking requirements of chapter 14. The commissioner's decision on an annual limit is not appealable.

Sec. 16. Minnesota Statutes 1993 Supplement, section 62J.04, subdivision 1a, is amended to read:

Subd. 1a. [ADJUSTED GROWTH LIMITS AND ENFORCEMENT.] (a) The commissioner shall publish the final adjusted growth limit in the State Register by January ~~15~~ 31 of the year that the expenditure limit is to be in effect. The adjusted limit must reflect the actual regional consumer price index for urban consumers for the previous calendar year, and may deviate from the previously published projected growth limits to reflect differences between the actual regional consumer price index for urban consumers and the projected Consumer Price Index for urban consumers. The commissioner shall report to the legislature by ~~January~~ February 15 of each year on differences between the projected increase in health care expenditures, ~~the implementation of growth limits, and the reduction in the trend in the growth based on the limits imposed~~ the actual expenditures based on data collected, and the impact and validity of growth limits within the overall health care reform strategy.

(b) The commissioner shall enforce limits on growth in spending and revenues for integrated service networks and for the regulated all-payer system. If the commissioner determines that artificial inflation or padding of costs or prices has occurred in anticipation of the implementation of growth limits, the commissioner may adjust the base year spending totals or growth limits or take other action to reverse the effect of the artificial inflation or padding.

(c) The commissioner shall impose and enforce overall limits on growth in revenues and spending for integrated service networks, with adjustments for changes in enrollment, benefits, severity, and risks. If an integrated service network exceeds a spending limit, the commissioner may reduce future limits on growth in aggregate premium revenues for that integrated service network by up to the amount overspent. If the integrated service network system exceeds a systemwide spending limit, the commissioner may reduce future limits on growth in premium revenues for the integrated service network system by up to the amount overspent.

(d) The commissioner shall set prices, utilization controls, and other requirements for the regulated all-payer system to ensure that the overall costs of this system, after adjusting for changes in population, severity, and risk, do not exceed the growth limits. If spending growth limits for a calendar year are exceeded, the commissioner may reduce reimbursement rates or otherwise recoup overspending for all or part of the next calendar year, to recover in savings up to the amount of money overspent. To the extent possible, the commissioner may reduce reimbursement rates or otherwise recoup overspending from individual providers who exceed the spending growth limits.

(e) The commissioner, in consultation with the Minnesota health care commission, shall research and make recommendations to the legislature regarding the implementation of growth limits for integrated service networks and the regulated all-payer option. The commissioner must consider both spending and revenue approaches and will report on the implementation of the interim limits as defined in sections 62P.04 and 62P.05. The commissioner must examine and make recommendations on the use of annual update factors based on volume performance standards as a mechanism for achieving controls on spending in the all-payer option. The commissioner must make recommendations regarding the enforcement mechanism and must consider mechanisms to adjust future growth limits as well as mechanisms to establish financial penalties for noncompliance. The commissioner must also address the feasibility of system-wide limits imposed on all integrated service networks.

Sec. 17. Minnesota Statutes 1993 Supplement, section 62J.09, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) [NUMBER OF MEMBERS.] Each regional coordinating board consists of 17 members as provided in this subdivision. A member may designate a representative to act as a member of the board in the member's absence. The governor shall appoint the chair of each regional board from among its members. The appointing authorities under each paragraph for which there is to be chosen more than one member shall consult prior to appointments being made to ensure that, to the extent possible, the board includes a representative from each county within the region.

(b) [PROVIDER REPRESENTATIVES.] Each regional board must include four members representing health care providers who practice in the region. One member is appointed by the Minnesota Medical Association. One member is appointed by the Minnesota Hospital Association. One member is appointed by the Minnesota Nurses' Association. The remaining member is appointed by the governor to represent providers other than physicians, hospitals, and nurses.

(c) [HEALTH PLAN COMPANY REPRESENTATIVES.] Each regional board includes four members representing health plan companies who provide coverage for residents of the region, including one member representing health insurers who is elected by a vote of all health insurers providing coverage in the region, one member elected by a vote of all health maintenance organizations providing coverage in the region, and one member appointed by Blue Cross and Blue Shield of Minnesota. The fourth member is appointed by the governor.

(d) [EMPLOYER REPRESENTATIVES.] Regional boards include three members representing employers in the region. Employer representatives are ~~elected by a vote of the employers who are~~ appointed by the Minnesota chamber of commerce from nominations provided by members of chambers of commerce in the region. At least one member must represent self-insured employers.

(e) [EMPLOYEE UNIONS.] Regional boards include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.

(f) [PUBLIC MEMBERS.] Regional boards include three consumer members. One consumer member is elected by the community health boards in the region, with each community health board having one vote. One consumer member is elected by the state legislators with districts in the region. One consumer member is appointed by the governor.

(g) [COUNTY COMMISSIONER.] Regional boards include one member who is a county board member. The county board member is elected by a vote of all of the county board members in the region, with each county board having one vote.

(h) [STATE AGENCY.] Regional boards include one state agency commissioner appointed by the governor to represent state health coverage programs.

Sec. 18. Minnesota Statutes 1993 Supplement, section 62J.2916, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES AVAILABLE.] (a) [DECISION ON THE WRITTEN RECORD.] The commissioner may issue a decision based on the application, the comments, and the applicant's responses to the comments, to the extent each is relevant. In making the decision, the commissioner may consult with staff of the department of health and may rely on department of health data.

(b) [LIMITED HEARING.] (1) The commissioner may order a limited hearing. A copy of the order must be mailed to the applicant and to all persons who have submitted comments or requested to be kept informed of the proceedings involving the application. The order must state the date, time, and location of the limited hearing and must identify specific issues to be addressed at the limited hearing. The issues may include the feasibility and desirability of one or more alternatives to the proposed arrangement. The order must require the applicant to submit written evidence, in the form of affidavits and supporting documents, addressing the issues identified, within 20 days after the date of the order. The order shall also state that any person may arrange to receive a copy of the written evidence from the commissioner, at the person's expense, and may provide written comments on the evidence within 40 days after the date of the order. A person providing written comments shall provide a copy of the comments to the applicant.

(2) The limited hearing must be held before the commissioner or department of health staff member or members designated by the commissioner. The commissioner or the commissioner's designee or designees shall question the applicant about the evidence submitted by the applicant. The questions may address relevant issues identified in the

comments submitted in response to the written evidence or identified by department of health staff or brought to light by department of health data. At the conclusion of the applicant's responses to the questions, any person who submitted comments about the applicant's written evidence may make a statement addressing the applicant's responses to the questions. The commissioner or the commissioner's designee or designees may ask questions of any person making a statement. At the conclusion of all statements, the applicant may make a closing statement.

(3) The commissioner's decision after a limited hearing must be based upon the application, the comments, the applicant's response to the comments, the applicant's written evidence, the comments in response to the written evidence, and the information presented at the limited hearing, to the extent each is relevant. In making the decision, the commissioner may consult with staff of the department of health and may rely on department of health data.

(c) [CONTESTED CASE HEARING.] The commissioner may order a contested case hearing. A contested case hearing shall be tried before an administrative law judge who shall issue a written recommendation to the commissioner and shall follow the procedures in sections 14.57 to 14.62. All factual issues relevant to a decision must be presented in the contested case. The attorney general may appear as a party. Additional parties may appear to the extent permitted under sections 14.57 to 14.62. The record in the contested case includes the application, the comments, the applicant's response to the comments, and any other evidence that is part of the record under sections 14.57 to 14.62.

Sec. 19. Minnesota Statutes 1993 Supplement, section 62J.32, subdivision 4, is amended to read:

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] (a) The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight health care professionals, and representatives of the research community and the medical technology industry. One representative of the research community must be an individual with expertise in pharmacology or pharmaceutical economics who is familiar with the results of the pharmaceutical care research project at the University of Minnesota and the potential cost savings that can be achieved through use of a comprehensive pharmaceutical care model. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, except that its existence does not terminate and members do not receive per diem compensation.

(b) The commissioner, upon the advice and recommendation of the practice parameter advisory committee, may convene expert review panels to assess practice parameters and outcome research associated with practice parameters.

Sec. 20. Minnesota Statutes 1993 Supplement, section 62J.35, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO PROVIDE DATA.] The intentional failure to provide the data requested under this chapter is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider or group purchaser. The commissioner may assess a fine against a provider or group purchaser who refuses to provide data required by the commissioner. If a provider or group purchaser refuses to provide the data required, the commissioner may obtain a court order requiring the provider or group purchaser to produce documents and allowing the commissioner to inspect the records of the provider or group purchaser for purposes of obtaining the data required.

Sec. 21. Minnesota Statutes 1993 Supplement, section 62J.35, subdivision 3, is amended to read:

Subd. 3. [DATA PRIVACY.] All data received under this section or under section 62J.04, 62J.37, 62J.38, 62J.41, or 62J.42 is private or nonpublic, ~~as applicable~~ except to the extent that it is given a different classification elsewhere in this chapter. The commissioner shall establish procedures and safeguards to ensure that data released by the commissioner is in a form that does not identify specific patients, providers, employers, purchasers, or other specific individuals and organizations, except with the permission of the affected individual or organization, or as permitted elsewhere in this chapter.

Sec. 22. Minnesota Statutes 1993 Supplement, section 62J.38, is amended to read:

62J.38 [DATA FROM GROUP PURCHASERS.]

(a) The commissioner shall require group purchasers to submit detailed data on total health care spending for calendar years 1990, 1991, and 1992, and for calendar year 1993 and successive calendar years. Group purchasers shall submit data for the 1993 calendar year by ~~February 15~~ April 1, 1994, and each April 1 thereafter shall submit data for the preceding calendar year.

(b) The commissioner shall require each group purchaser to submit data on revenue, expenses, and member months, as applicable. Revenue data must distinguish between premium revenue and revenue from other sources and must also include information on the amount of revenue in reserves and changes in reserves. Expenditure data, including raw data from claims, must be provided separately for the following categories: physician services, dental services, other professional services, inpatient hospital services, outpatient hospital services, emergency and out-of-area care, pharmacy services and prescription drugs, mental health services, chemical dependency services, other expenditures, subscriber liability, and administrative costs.

(c) State agencies and all other group purchasers shall provide the required data using a uniform format and uniform definitions, as prescribed by the commissioner.

Sec. 23. Minnesota Statutes 1993 Supplement, section 62J.41, subdivision 2, is amended to read:

Subd. 2. [ANNUAL MONITORING AND ESTIMATES.] The commissioner shall require health care providers to submit the required data for the period July 1, 1993 to December 31, 1993, by ~~February 15~~ April 1, 1994. Health care providers shall submit data for the 1994 calendar year by ~~February 15~~ April 1, 1995, and each ~~February 15~~ April 1 thereafter shall submit data for the preceding calendar year. The commissioner of revenue may collect health care service revenue data from health care providers, if the commissioner of revenue and the commissioner agree that this is the most efficient method of collecting the data. The commissioner of revenue shall provide any data collected to the commissioner of health.

Sec. 24. Minnesota Statutes 1993 Supplement, section 62J.45, subdivision 11, is amended to read:

Subd. 11. [USE OF DATA.] (a) The board of the data institute, with the advice of the data collection advisory committee and the practice parameter advisory committee through the commissioner, is responsible for establishing the methodology for the collection of the data and is responsible for providing direction on what data would be useful to the plans, providers, consumers, and purchasers.

(b) The health care analysis unit is responsible for the analysis of the data and the development and dissemination of reports.

(c) The commissioner, in consultation with the board, shall determine when and under what conditions data disclosure to group purchasers, health care providers, consumers, researchers, and other appropriate parties may occur to meet the state's goals. The commissioner may require users of data to contribute toward the cost of data collection through the payment of fees. The commissioner shall require users of data to maintain the data according to the data privacy provisions applicable to the data.

(d) The commissioner and the board shall not allow a group purchaser or health care provider to use or have access to data collected by the data institute, unless the group purchaser or health care provider fully cooperates with the data collection efforts of the data institute by submitting all data requested in the form and manner specified by the board. The commissioner and the board shall prohibit group purchasers and health care providers from transferring, providing, or sharing data obtained from the data institute with a group purchaser or health care provider that does not fully cooperate with the data collection efforts of the data institute.

Sec. 25. [62J.65] [EXEMPTION.]

Patient revenues derived from non-Minnesota patients are exempt from the regulated all-payer system and Medicare balance billing prohibition under section 62J.25.

Sec. 26. Minnesota Statutes 1993 Supplement, section 62N.01, is amended to read:

62N.01 [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] ~~Sections 62N.01 to 62N.24~~ This chapter may be cited as the "Minnesota integrated service network act."

Subd. 2. [PURPOSE.] ~~Sections 62N.01 to 62N.24 allow~~ This chapter allows the creation of integrated service networks that will be responsible for arranging for or delivering a full array of health care services, from routine primary and preventive care through acute inpatient hospital care, to a defined population for a fixed price from a purchaser.

Each integrated service network is accountable to keep its total revenues within the limit of growth set by the commissioner of health under section 62N.05, subdivision 2. Integrated service networks can be formed by health care providers, health maintenance organizations, insurance companies, employers, or other organizations. Competition between integrated service networks on the quality and price of health care services is encouraged.

Sec. 27. Minnesota Statutes 1993 Supplement, section 62N.02, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] The definitions in this section apply to ~~sections 62J.04, subdivision 8, and 62N.01 to 62N.24~~ this chapter.

Sec. 28. Minnesota Statutes 1993 Supplement, section 62N.065, subdivision 1, is amended to read:

Subdivision 1. [UNREASONABLE EXPENSES.] No integrated service network shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of ~~sections 62N.01 to 62N.24~~ this chapter; in order to safeguard the underlying nonprofit status of integrated service networks; and to ensure that payment of integrated service network money to any person or organization results in a corresponding benefit to the integrated service network and its enrollees; when determining whether an integrated service network has incurred an unreasonable expense in relation to payments made to a person or organization, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the integrated service network have acted with good faith and in the best interests of the integrated service network in entering into, and performing under, a contract under which the integrated service network has incurred an expense. In addition to the compliance powers under subdivision 3, the commissioner has standing to sue, on behalf of an integrated service network, officers or trustees of the integrated service network who have breached their fiduciary duty in entering into and performing such contracts.

Sec. 29. Minnesota Statutes 1993 Supplement, section 62N.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] All integrated service networks must be licensed by the commissioner. Licensure requirements are:

(1) the ability to be responsible for the full continuum of required health care and related costs for the defined population that the integrated service network will serve;

(2) the ability to satisfy standards for quality of care;

(3) financial solvency; ~~and~~

(4) the ability to develop and complete the action plans required by law; and

(5) the ability to fully comply with this chapter and all other applicable law.

The commissioner may adopt rules to specify licensure requirements for integrated service networks in greater detail, consistent with this subdivision.

Sec. 30. Minnesota Statutes 1993 Supplement, section 62N.10, subdivision 2, is amended to read:

Subd. 2. [FEES.] Licensees shall pay an initial fee and a renewal fee each following year to be established by the commissioner of health. The fee must be imposed at a rate sufficient to cover the cost of regulation.

Sec. 31. Minnesota Statutes 1993 Supplement, section 62N.22, is amended to read:

62N.22 [DISCLOSURE OF COMMISSIONS.]

Before selling~~, or offering to sell,~~ any coverage or enrollment in a community integrated service network or an integrated service network, a person selling the coverage or enrollment shall disclose in writing to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 32. Minnesota Statutes 1993 Supplement, section 62N.23, is amended to read:

62N.23 [TECHNICAL ASSISTANCE~~; LOANS~~.]

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating a community integrated service network or an integrated service network. This shall be known as the integrated service network technical assistance program (ISNTAP).

The technical assistance program shall offer seminars on the establishment and operation of community integrated service networks or integrated service networks in all regions of Minnesota. The commissioner shall advertise these seminars in local and regional newspapers, and attendance at these seminars shall be free.

The commissioner shall write a guide to establishing and operating a community integrated service network or an integrated service network. The guide must provide basic instructions for parties wishing to establish a community integrated service network or an integrated service network. The guide must be provided free of charge to interested parties. The commissioner shall update this guide when appropriate.

The commissioner shall establish a toll-free telephone line that interested parties may call to obtain assistance in establishing or operating a community integrated service network or an integrated service network.

(b) The commissioner, in consultation with the commission, shall provide recommendations for the creation of a loan program that would provide loans or grants to entities forming community integrated service networks or integrated service networks or to community networks or networks less than one year old. The commissioner shall propose criteria for the loan program.

Sec. 33. Minnesota Statutes 1992, section 65B.49, subdivision 2, is amended to read:

Subd. 2. [BASIC ECONOMIC LOSS.] (a) Each plan of reparation security shall provide for payment of basic economic loss benefits.

(b) A reparation obligor may make available a policy endorsement that provides medical expense benefits under section 65B.44, subdivision 2, solely through managed care plans certified by the commissioner. If made available, the insured may elect this policy endorsement at the time of the policy application or renewal. Once elected, this policy endorsement remains effective for as long as the policy is in effect, or until written revocation of it by the insured is received by the reparation obligor.

In exchange for electing this policy endorsement, the insured shall receive an appropriate premium reduction.

(c) The commissioner shall adopt rules, and may adopt emergency rules, necessary to implement this section including rules specifying the criteria and procedure for certifying a managed care plan, including provisions for emergency care, and regulating the form and content of notices to insureds regarding the precise consequences of electing to obtain medical expense benefits through certified managed care plans.

Sec. 34. Minnesota Statutes 1992, section 144.1485, is amended to read:

144.1485 [DATA BASE ON HEALTH PERSONNEL.]

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

(b) Health professionals who report their practice/place of employment address to the commissioner of health under section 144.052 may request in writing that their practice/place of employment address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of a signed statement by the health professional that the classification is required for the safety of the health professional, if the statement also provides a valid, existing address where the health professional consents to receive service of process. The commissioner shall use the mailing address in place of the practice/place of employment address in all documents available to the general public. The practice/place of employment address and any

information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to other state agencies. The practice/place of employment address may be used to develop summary reports that show in aggregate the distribution of health care providers in Minnesota.

Sec. 35. Minnesota Statutes 1993 Supplement, section 144.1486, is amended to read:

144.1486 [RURAL COMMUNITY HEALTH CENTERS.]

~~The commissioner of health shall develop and implement a program to establish community health centers in rural areas of Minnesota that are underserved by health care providers. The program shall provide rural communities and community organizations with technical assistance, capital grants for start-up costs, and short-term assistance with operating costs. The technical assistance component of the program must provide assistance in review of practice management, market analysis, practice feasibility analysis, medical records system analysis, and scheduling and patient flow analysis. The program must: (1) include a local match requirement for state dollars received; (2) require local communities, through instrumentalities of the state of Minnesota or nonprofit boards comprised of local residents, to operate and own their community's health care program; (3) encourage the use of midlevel practitioners; and (4) incorporate a quality assurance strategy that provides regular evaluation of clinical performance and allows peer review comparisons for rural practices. The commissioner shall report to the legislature on implementation of the program by February 15, 1994.~~

Subdivision 1. [COMMUNITY HEALTH CENTER.] "Community health center" means a community owned and operated primary and preventive health care practice that meets the unique, essential health care needs of a specified population.

Subd. 2. [PROGRAM GOALS.] The Minnesota community health center program shall increase health care access for residents of rural Minnesota by creating new community health centers in areas where they are needed and maintaining essential rural health care services. The program is not intended to duplicate the work of current health care providers.

Subd. 3. [GRANTS.] (a) The commissioner shall provide grants to communities for planning and establishing community health centers through the Minnesota community health center program. Grant recipients shall develop and implement a strategy that allows them to become self-sufficient and qualify for other supplemental funding and enhanced reimbursement. The commissioner shall coordinate the grant program with the federal rural health clinic, federally qualified health center, and migrant and community health center programs to encourage federal certification. The commissioner may award planning, project, and initial operating expense grants, as provided in paragraphs (b) to (d).

(b) Planning grants may be awarded to communities to plan and develop state funded community health centers, federally qualified health centers, or migrant and community health centers.

(c) Project grants may be awarded to communities for community health center start-up or expansion, and the conversion of existing practices to community health centers. Start-up grants may be used for facilities, capital equipment, moving expenses, initial staffing, and setup. Communities must provide reasonable assurance of their ability to obtain health care providers and effectively utilize existing health care provider resources. Funded community health center projects must become operational before funding expires. Communities may obtain funding for conversion of existing health care practices to community health centers. Communities with existing community health centers may apply for grants to add sites in underserved areas. Governing boards must include representatives of new service areas.

(d) Centers may apply for grants for up to two years to subsidize initial operating expenses. Applicants for initial operating expense grants must demonstrate that expenses exceed revenues by a minimum of ten percent or demonstrate other extreme need that cannot be met using organizational reserves.

Subd. 4. [ELIGIBILITY REQUIREMENTS.] In order to qualify for community health center program funding, a project must:

(1) be located in a rural shortage area that is a medically underserved, federal health professional shortage, or governor designated shortage area. "Rural" means an area of the state outside the ten-county Twin Cities metropolitan area and outside of the Duluth, St. Cloud, East Grand Forks, Moorhead, Rochester, and LaCrosse census defined urbanized areas;

(2) represent or propose the formation of a nonprofit corporation with local resident governance, or be a governmental entity. Applicants in the process of forming a nonprofit corporation may have a nonprofit coapplicant serve as financial agent through the remainder of the formation period. With the exception of governmental entities, all applicants must submit application for nonprofit incorporation and 501(c)(3) tax-exempt status within six months of accepting community health center grant funds;

(3) result in a locally owned and operated community health center that provides primary and preventive health care services, and incorporates quality assurance, regular reviews of clinical performance, and peer review;

(4) seek to employ midlevel professionals, where appropriate;

(5) demonstrate community and popular support and provide a 20 percent local match of state funding; and

(6) propose to serve an area that is not currently served by a federally certified medical organization.

Subd. 5. [REVIEW PROCESS, RATING CRITERIA AND POINT ALLOCATION.] (a) The commissioner shall establish grant application guidelines and procedures that allow the commissioner to assess relative need and the applicant's ability to plan and manage a health care project. Program documentation must communicate program objectives, philosophy, expectations, and other conditions of funding to potential applicants.

The commissioner shall establish an impartial review process to objectively evaluate grant applications. Proposals must be categorized, ranked, and funded using a 100-point rating scale. Fifty-two points shall be assigned to relative need and 48 points to project merit.

(b) The scoring of relative need must be based on proposed service area factors, including but not limited to:

(1) population below 200 percent of poverty;

(2) geographic barriers based on average travel time and distance to the next nearest source of primary care that is accessible to Medicaid and Medicare recipients and uninsured low-income individuals;

(3) a shortage of primary care health professionals, based on the ratio of the population in the service area to the number of full-time equivalent primary care physicians in the service area; and

(4) other community health issues including a high unemployment rate, high percentage of uninsured population, high growth rate of minority and special populations, high teenage pregnancy rate, high morbidity rates due to specific diseases, late entry into prenatal care, high percentage geriatric population, high infant mortality rate, high percentage of low birth weight, cultural and language barriers, high percentage minority population, excessive average travel time and distance to next nearest source of subsidized primary care.

(c) Project merit shall be determined based on expected benefit from the project, organizational capability to develop and manage the project, and probability of success, including but not limited to the following factors:

(1) proposed scope of health services;

(2) clinical management plan;

(3) governance;

(4) financial and administrative management; and

(5) community support, integration, collaboration, resources, and innovation.

The commissioner may elect not to award any of the community health center grants if applications fail to meet criteria or lack merit. The commissioner's decision on an application is final.

Subd. 6. [ELIGIBLE EXPENDITURES.] Grant recipients may use grant funds for the following types of expenditures:

(1) salaries and benefits for employees, to the extent they are involved in project planning and implementation;

(2) purchase, repair, and maintenance of necessary medical and dental equipment and furnishings;

(3) purchase of office, medical, and dental supplies;

(4) in-state travel to obtain training or improve coordination;

(5) initial operating expenses of community health centers;

(6) programs or plans to improve the coordination, effectiveness, or efficiency of the primary health care delivery system;

(7) facilities;

(8) necessary consultant fees; and

(9) reimbursement to rural-based primary care practitioners for equipment, supplies, and furnishings that are transferred to community health centers. Up to 65 percent of the grant funds may be used to reimburse owners of rural practices for the reasonable market value of usable facilities, equipment, furnishings, supplies, and other resources that the community health center chooses to purchase.

Grant funds shall not be used to reimburse applicants for preexisting debt amortization, entertainment, and lobbying expenses.

Subd. 7. [SPECIAL CONSIDERATION.] The commissioner, through the office of rural health, shall make special efforts to identify areas of the state where need is the greatest, notify representatives of those areas about grant opportunities, and encourage them to submit applications.

Subd. 8. [REQUIREMENTS.] The commissioner shall develop a list of requirements for community health centers and a tracking and reporting system to assess benefits realized from the program to ensure that projects are on schedule and effectively utilizing state funds.

The commissioner shall require community health centers established through the grant program to:

(1) abide by all federal and state laws, rules, regulations, and executive orders;

(2) establish policies, procedures, and services equivalent to those required for federally certified rural health clinics or federally qualified health centers. Written policies are required for description of services, medical management, drugs, biologicals and review of policies;

(3) become a Minnesota nonprofit corporation and apply for 501(c)(3) tax-exempt status within six months of accepting state funding. Local governmental or tribal entities are exempt from this requirement;

(4) establish a governing board composed of nine to 25 members who are residents of the area served and representative of the social, economic, linguistic, ethnic, and racial target population. At least 35 percent of the board must represent consumers;

(5) establish corporate bylaws that reflect all functions and responsibilities of the board;

(6) develop an appropriate management and organizational structure with clear lines of authority and responsibility to the board;

(7) provide for adequate patient management and continuity of care on site and from referral sources;

(8) establish quality assurance and risk management programs, policies, and procedures;

(9) develop a strategic staffing plan to acquire an appropriate mix of primary care providers and clinical support staff;

(10) establish billing policies and procedures to maximize patient collections, except where federal regulations or contractual obligations prohibit the use of these measures;

(11) develop and implement policies and procedures, including a sliding scale fee schedule, that assure that no person will be denied services because of inability to pay;

(12) establish an accounting and internal control system in accordance with sound financial management principles;

(13) provide a local match equal to 20 percent of the grant amount;

(14) work cooperatively with the local community and other health care organizations, other grant recipients, and the office of rural health;

(15) obtain an independent annual audit and submit audit results to the office of rural health;

(16) maintain detailed records and, upon request, make these records available to the commissioner for examination; and

(17) pursue supplemental funding sources, when practical, for implementation and initial operating expenses.

Subd. 9. [PRECAUTIONS.] The commissioner may withhold, delay, or cancel grant funding if a grant recipient does not comply with program requirements and objectives.

Subd. 10. [TECHNICAL ASSISTANCE.] The commissioner may provide, contract for, or provide supplemental funding for technical assistance to community health centers in the areas of clinical operations, medical practice management, community development, and program management.

Sec. 36. [144.1492] [PHYSICIAN SUBSTITUTE DEMONSTRATION PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, through the office of rural health, shall establish and administer a physician substitute (locum tenens and emergency room coverage) demonstration project at up to four rural demonstration sites within the state. The commissioner shall coordinate the administration of the project with the University of Minnesota health system. The commissioner may contract with a nonprofit rural health policy organization to establish, administer, and evaluate the physician substitute program.

Subd. 2. [PROJECT ACTIVITIES.] The project must:

(1) encourage physicians to serve as substitute physicians for the demonstration sites;

(2) provide a central register of physicians interested in serving as physician substitutes at the demonstration sites;

(3) provide a referral service for requests from demonstration sites for physician substitutes; and

(4) provide physician substitute services, at rates that reflect the administrative savings resulting from centralized referral and credentialing.

Subd. 3. [UNIVERSITY OF MINNESOTA HEALTH SYSTEM.] The commissioner shall seek the assistance of the University of Minnesota health system in credentialing persons desiring to serve as physician substitutes. The University of Minnesota health system may employ physician substitutes serving in the demonstration project as temporary clinical faculty and may provide physician substitutes with additional opportunities for professional education and interaction.

Subd. 4. [DEMONSTRATION SITES.] The commissioner shall designate up to four rural communities as demonstration sites for the project. The commissioner shall choose sites based on a community's need for physician substitute services and the willingness of the community to work cooperatively with the commissioner and the University of Minnesota health system and participate in the demonstration project evaluation.

Subd. 5. [EVALUATION.] The commissioner shall evaluate the demonstration project and shall present an evaluation report to the legislature by January 15, 1995. The evaluation must identify any modifications necessary to improve the effectiveness of the project. The evaluation must also include a recommendation on whether the demonstration project should be extended to other areas of the state.

Sec. 37. [144.1493] [STATE RURAL HEALTH NETWORK REFORM INITIATIVE.]

Subdivision 1. [PURPOSE AND MATCHING FUNDS.] The commissioner of health shall apply for federal grant funding under the state rural health network reform initiative, a health care financing administration program to provide grant funds to states to encourage innovations in rural health financing and delivery systems. The

commissioner may use state funds appropriated to the department of health for the provision of technical assistance for community integrated service network development as matching funds for the federal grant.

Subd. 2. [USE OF FEDERAL FUNDS.] If the department of health receives federal funding under the state rural health network reform initiative, the department shall use these funds to implement a program to provide technical assistance and grants to rural communities to establish health care networks and to develop and test a rural health network reform model.

Subd. 3. [ELIGIBLE APPLICANTS AND CRITERIA FOR AWARDING OF GRANTS TO RURAL COMMUNITIES.] (a) Funding which the department receives to award grants to rural communities to establish health care networks shall be awarded through a request for proposal process. Planning grant funds may be used for community facilitation and initial network development activities including incorporation as a nonprofit organization or cooperative, assessment of network models, and determination of the best fit for the community. Implementation grant funds can be used to enable incorporated nonprofit organizations and cooperatives to purchase technical services needed for further network development such as legal, actuarial, financial, marketing, and administrative services.

(b) In order to be eligible to apply for a planning or implementation grant under the federally funded health care network reform program, an organization must be located in a rural area of Minnesota excluding the seven-county Twin Cities metropolitan area and the census-defined urbanized areas of Duluth, Rochester, St. Cloud, and Moorhead. The proposed network organization must also meet or plan to meet the criteria for a community integrated service network.

(c) In determining which organizations will receive grants, the commissioner may consider the following factors:

(1) the applicant's description of their plans for health care network development, their need for technical assistance, and other technical assistance resources available to the applicant. The applicant must clearly describe the service area to be served by the network, how the grant funds will be used, what will be accomplished, and the expected results. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations;

(2) the extent of community support for the applicant and the health care network. The applicant should demonstrate support from private and public health care providers in the service area, local community and government leaders, and the regional coordinating board for the area. Evidence of such support may include commitment of financial support, in-kind services or cash, for development of the network;

(3) the size and demographic characteristics of the population in the service area for the proposed network and the distance of the service area from the nearest metropolitan area; and

(4) the technical assistance resources available to the applicant from nonstate sources and the financial ability of the applicant to purchase technical assistance services with nonstate funds.

Sec. 38. Minnesota Statutes 1992, section 144.581, subdivision 2, is amended to read:

Subd. 2. [USE OF HOSPITAL FUNDS FOR CORPORATE PROJECTS.] In the event that the municipality, political subdivision, state agency, or other governmental entity provides direct financial subsidy to the hospital from tax revenue at the time an undertaking authorized under subdivision 1, clauses (a) to (g), is established or funded, the hospital may not contribute funds to the undertaking for more than three years and thereafter all funds must be repaid, with interest in no more than ten years.

Sec. 39. Minnesota Statutes 1992, section 145.64, subdivision 1, is amended to read:

Subdivision 1. [DATA AND INFORMATION.] All data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence, shall not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review organization, and shall not be subject to subpoena or discovery. No person described in section 145.63 shall disclose what transpired at a meeting of a review organization except to the extent necessary to carry out one or more of the purposes of a review organization. The proceedings and records of a review organization shall not be subject to discovery or introduction into evidence in any civil action against a professional arising out of the matter or matters which are the subject of consideration by the review organization. Information, documents or records otherwise available from original sources shall not be immune from discovery or use in any civil action merely because they were presented during proceedings of a review

organization, nor shall any person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness cannot be asked about the witness' testimony before a review organization or opinions formed by the witness as a result of its hearings.

The confidentiality protection and protection from discovery or introduction into evidence provided in this subdivision shall also apply to the governing body of the review organization and shall not be waived as a result of referral of a matter from the review organization to the governing body or consideration by the governing body of decisions, recommendations, or documentation of the review organization.

The governing body of a hospital, community integrated service network, or integrated service network, that is owned or operated by a governmental entity, may close a meeting to discuss decisions, recommendations, deliberations, or documentation of the review organization. A meeting may not be closed except by a majority vote of the governing body in a public meeting. The closed meeting must be tape recorded and the tape must be retained by the governing body for five years.

Sec. 40. Minnesota Statutes 1993 Supplement, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] (a) The commissioner shall manage spending for the health right plan in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the covered services for the remainder of the current fiscal year and for the following two fiscal years. The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. Based on this comparison, and after consulting with the chairs of the house ways and means committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the health right plan; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the health right plan. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.

The reserve referred to in this subdivision is appropriated to the commissioner but may only be used upon approval of the commissioner of finance, if estimated costs will exceed the forecasted amount of available revenues after all adjustments authorized under this subdivision have been made.

By February 1, ~~1994~~ 1995, the department of human services and the department of health shall develop a plan to adjust benefit levels, eligibility guidelines, or other steps necessary to ensure that expenditures for the MinnesotaCare program are contained within the two percent provider tax and the one percent HMO gross premiums tax ~~for the 1996-1997 biennium~~ fiscal year 1997. ~~Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the departments shall take place after June 1, 1994, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1994 legislature.~~

(b) Notwithstanding paragraph (a), the commissioner shall proceed with the enrollment of single adults and households without children who have gross family incomes that are equal to or less than 125 percent of the federal poverty guidelines, even if the expenditures do not remain within the limits of available revenues through fiscal year 1997, in order to allow the department of human services and the department of health to develop the plan required by paragraph (a).

Sec. 41. Minnesota Statutes 1993 Supplement, section 256.9354, subdivision 5, is amended to read:

Subd. 5. [ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.] (a) Beginning ~~July~~ October 1, 1994, "eligible persons" ~~means~~ shall include all ~~families and individuals~~ individuals and households with no children who have gross family incomes that are equal to or less than 125 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B.

(b) Beginning October 1, 1995, "eligible persons" means all individuals and families who are not eligible for medical assistance under chapter 256B.

(c) ~~These persons~~ All eligible persons under paragraphs (a) and (b) are eligible for coverage through the MinnesotaCare ~~plan~~ program but must pay a premium as determined under sections 256.9357 and 256.9358. Individuals and families whose income is greater than the limits established under section 256.9358 may not enroll in the MinnesotaCare ~~plan~~ program.

Sec. 42. Minnesota Statutes 1992, section 256.9358, subdivision 4, is amended to read:

Subd. 4. [INELIGIBILITY.] ~~An individual or family~~ Families with children whose gross monthly income is above the amount specified in subdivision 3 ~~is~~ are not eligible for the plan. Beginning October 1, 1994, an individual or households with no children whose gross monthly income is greater than $767 for a single individual and $1,025 for a married couple without children are ineligible for the plan. Beginning October 1, 1995, an individual or families whose gross monthly income is above the amount specified in subdivision 3 are not eligible for the plan.

Sec. 43. Minnesota Statutes 1993 Supplement, section 151.21, subdivision 7, is amended to read:

Subd. 7. ~~This section does not apply to prescription drugs dispensed to persons covered by a health plan that covers prescription drugs under a managed care formulary or similar practices.~~ This section does not apply when a pharmacist is dispensing a prescribed drug to persons covered under a managed health care plan that maintains a mandatory or closed drug formulary.

Sec. 44. Minnesota Statutes 1993 Supplement, section 151.21, subdivision 8, is amended to read:

Subd. 8. ~~The following drugs are excluded from this section: coumadin, dilantin, lanoxin, premarin, theophylline, synthroid, tegretol, and phenobarbital.~~ The drug formulary committee established under section 256B.0625, subdivision 13, shall establish a list of drug products that are to be excluded from this section. This list shall be updated on an annual basis and shall be provided to the board for dissemination to pharmacists licensed in the state.

Sec. 45. Minnesota Statutes 1993 Supplement, section 256.9354, is amended by adding a subdivision to read:

Subd. 7. [GENERAL ASSISTANCE MEDICAL CARE.] A person cannot have coverage under both MinnesotaCare and general assistance medical care in the same month, except that a MinnesotaCare enrollee may be eligible for retroactive general assistance medical care according to section 256D.03, subdivision 3, paragraph (b).

Sec. 46. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 6, is amended to read:

Subd. 6. [COPAYMENTS AND BENEFIT LIMITS.] Enrollees are responsible for all copayments in section 256.9353, subdivision 6, and shall pay copayments to the managed care plan or to its participating providers. The enrollee is also responsible for payment of inpatient hospital charges which exceed the MinnesotaCare benefit limit ~~to the managed care plan or its participating providers~~.

Sec. 47. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 7, is amended to read:

Subd. 7. [MANAGED CARE PLAN VENDOR REQUIREMENTS.] The following requirements apply to all counties or vendors who contract with the department of human services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256.9353 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee copayments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; and

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services~~; and~~

~~(9) shall submit to the commissioner claims in the format specified by the commissioner of human services for all hospital services provided to enrollees for the purpose of determining whether enrollees meet medical assistance spend-down requirements and shall provide to the enrollee, upon the enrollee's request, information on the cost of services provided to the enrollee by the managed care plan for the purpose of establishing whether the enrollee has met medical assistance spend-down requirements~~.

Sec. 48. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 9, is amended to read:

Subd. 9. [RATE SETTING.] Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

Sec. 49. Minnesota Statutes 1993 Supplement, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH MAINTENANCE ORGANIZATION; INTEGRATED SERVICE NETWORK SURCHARGE.] (a) Effective October 1, 1992, each health maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D and each integrated service network and community integrated service network licensed by the commissioner under ~~sections 62N.01 to 62N.22~~ chapter 62N shall pay to the commissioner of human services a surcharge equal to six-tenths of one percent of the total premium revenues of the health maintenance organization, ~~or~~ integrated service network, or community integrated service network as reported to the commissioner of health according to the schedule in subdivision 4.

(b) For purposes of this subdivision, total premium revenue means:

(1) premium revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time which is normally one month, excluding premiums paid to a health maintenance organization, integrated service network, or community integrated service network from the Federal Employees Health Benefit Program;

(2) premiums from Medicare wrap-around subscribers for health benefits which supplement Medicare coverage;

(3) Medicare revenue, as a result of an arrangement between a health maintenance organization, an integrated service network, or a community integrated service network and the health care financing administration of the federal Department of Health and Human Services, for services to a Medicare beneficiary; and

(4) medical assistance revenue, as a result of an arrangement between a health maintenance organization, integrated service network, or community integrated service network and a Medicaid state agency, for services to a medical assistance beneficiary.

If advance payments are made under clause (1) or (2) to the health maintenance organization, integrated service network, or community integrated service network for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

Sec. 50. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 4, is amended to read:

Subd. 4. [HEALTH CARE PROVIDER.] (a) "Health care provider" means:

(1) a person furnishing any or all of the following goods or services directly to a patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services, drugs, medical supplies, medical appliances, laboratory, diagnostic or therapeutic services, or any goods and services not listed above that qualifies for reimbursement under the medical assistance program provided under chapter 256B;

(2) a staff model health ~~carrier~~ plan company; or

(3) a licensed ambulance service.

(b) Health care provider does not include hospitals, nursing homes licensed under chapter 144A, pharmacies, and surgical centers.

Sec. 51. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 12b, is amended to read:

Subd. 12b. [STAFF MODEL HEALTH ~~CARRIER~~ PLAN COMPANY.] "Staff model health ~~carrier~~ plan company" means a health ~~carrier~~ plan company as defined in section ~~62L.02, subdivision 16~~ 62Q.01, subdivision 4, which employs one or more types of health care provider to deliver health care services to the health ~~carrier's~~ plan company's enrollees.

Sec. 52. [317A.022] [ELECTION BY CERTAIN CHAPTER 318 ASSOCIATIONS.]

Subdivision 1. [GENERAL.] An association described in section 318.02, subdivision 5, may elect to cease to be an association subject to and governed by chapter 318 and to become subject to and governed by this chapter in the same manner and to the extent provided in this chapter as though it were a nonprofit corporation by complying with this section.

Subd. 2. [AMENDED TITLE AND OTHER CONFORMING AMENDMENTS.] The declaration of trust, as defined in section 318.02, subdivision 1, of the association must be amended to identify it as the "articles of an association electing to be treated as a nonprofit corporation." All references in this chapter to "articles" or "articles of incorporation" include the declaration of trust of an electing association. If the declaration of trust includes a provision prohibited by this chapter for inclusion in articles of incorporation, omits a provision required by this chapter to be included in articles of incorporation, or is inconsistent with this chapter, the electing association shall amend its declaration of trust to conform to the requirements of this chapter. The appropriate provisions of the association's declaration of trust or bylaws or chapter 318 control the manner of adoption of the amendments required by this subdivision.

Subd. 3. [METHOD OF ELECTION.] An election by an association under subdivision 2 must be made by resolution approved by the affirmative vote of the trustees of the association and by the affirmative vote of the members or other persons with voting rights in the association. The affirmative vote of both the trustees of the association and of the members or other persons with voting rights, if any, in the association must be of the same proportion that is required for an amendment of the declaration of trust of the association before the election, in each case upon proper notice that a purpose of the meeting is to consider an election by the association to cease to be an association subject to and governed by chapter 318 and to become and be a nonprofit corporation subject to and governed by this chapter. The resolution and the articles of the amendment of the declaration of trust must be filed with the secretary of state and are effective upon filing, or a later date as may be set forth in the filed resolution. Upon the effective date, without any other action or filing by or on behalf of the association, the association automatically is subject to this chapter in the same manner and to the same extent as though it had been formed as a nonprofit corporation pursuant to this chapter. Upon the effective date of the election, the association is not considered to be a new entity, but is considered to be a continuation of the same entity.

Subd. 4. [EFFECTS OF ELECTION.] Upon the effective date of an association's election under subdivision 3, and consistent with the continuation of the association under this chapter:

(1) the organization has the rights, privileges, immunities, powers, and is subject to the duties and liabilities, of a corporation formed under this chapter;

(2) all real or personal property, debts, including debts arising from a subscription for membership and interests belonging to the association, continue to be the real and personal property, and debts of the organization without further action;

(3) an interest in real estate possessed by the association does not revert to the grantor, or otherwise, nor is it in any way impaired by reason of the election, and the personal property of the association does not revert by reason of the election;

(4) except where the will or other instrument provides otherwise, a devise, bequest, gift, or grant contained in a will or other instrument, in a trust or otherwise, made before or after the election has become effective, to or for the association, inures to the organization;

(5) the debts, liabilities, and obligations of the association continue to be the debts, liabilities, and obligations of the organization, just as if the debts, liabilities, and obligations had been incurred or contracted by the organization after the election;

(6) existing claims or a pending action or proceeding by or against the association may be prosecuted to judgment as though the election had not been affected;

(7) the liabilities of the trustees, members, officers, directors, or similar groups or persons, however denominated, of the association, are not affected by the election;

(8) the rights of creditors or liens upon the property of the association are not impaired by the election;

(9) an electing association may merge with one or more nonprofit corporations in accordance with the applicable provisions of this chapter, and either the association or a nonprofit corporation may be the surviving entity in the merger; and

(10) the provisions of the bylaws of the association that are consistent with this chapter remain or become effective and provisions of the bylaws that are inconsistent with this chapter are not effective.

Sec. 53. Minnesota Statutes 1992, section 318.02, is amended by adding a subdivision to read:

Subd. 5. [ELECTION TO BE GOVERNED BY CHAPTER 317A.] An association may cease to be subject to or governed by this chapter by filing an election in the manner described in section 317A.022, to be subject to and governed by chapter 317A in the same manner and to the same extent provided in chapter 317A as though it were a nonprofit corporation if:

(1) it is not formed for a purpose involving pecuniary gain to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government; and

(2) it does not pay dividends or other pecuniary remuneration, directly or indirectly, to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government.

Sec. 54. [APPROPRIATION.]

(a) $..... is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1995, to establish and implement the physician substitute program under section 34.

(b) $..... is appropriated from the general fund to the regents of the University of Minnesota for the fiscal year ending June 30, 1995, for costs incurred by the University of Minnesota Health System in credentialing physician substitutes and employing physician substitutes as temporary clinical faculty under section 34.

(c) $..... is appropriated from the general fund to the commissioner of employee relations for the fiscal year ending June 30, 1995, to administer salary ratio limitations under section 1.

Sec. 55. [REPEALER.]

Minnesota Statutes 1992, section 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16, are repealed.

Sec. 56. [EFFECTIVE DATE.]

Sections 2 to 4, 6 to 18, 21 to 33, 37, 40 to 42, 52, and 53 are effective the day following final enactment. Sections 1, 20, 35, 36, 38, 44, and 54 are effective July 1, 1994. Section 5 is effective January 1, 1995.

ARTICLE 9

ADMINISTRATIVE SIMPLIFICATION

Section 1. [62J.50] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] Sections 62J.50 to 62J.61 may be cited as the Minnesota health care administrative simplification act of 1994.

Subd. 2. [PURPOSE.] The legislature finds that significant savings throughout the health care industry can be accomplished by implementing a set of administrative standards and simplified procedures and by setting forward a plan toward the use of electronic methods of data interchange. The legislature finds that initial steps have been taken at the national level by the federal health care financing administration in its implementation of nationally accepted electronic transaction sets for its medicare program. The legislature further recognizes the work done by the workgroup for electronic data interchange and the American national standards institute and its accredited standards committee X12, at the national level, and the Minnesota administrative uniformity committee, a statewide, voluntary, public-private group representing payers, hospitals, state programs, physicians, and other health care providers in their work toward administrative simplification in the health care industry.

Sec. 2. [62J.51] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 62J.50 to 62J.61, the following definitions apply.

Subd. 2. [ANSI.] "ANSI" means the American national standards institute.

Subd. 3. [ASCX12] "ASC X12" means the American national standards institute committee X12.

Subd. 4. [CATEGORY I INDUSTRY PARTICIPANTS.] "Category I industry participants" means the following group purchasers, providers, and other health care organizations doing business in Minnesota including public and private payers: hospitals; self-insured plans and employers with more than 100 employees; clinic laboratories; durable medical equipment suppliers with a volume of at least 50,000 claims or encounters per year; and group practices with 20 or more physicians.

Subd. 5. [CATEGORY II INDUSTRY PARTICIPANTS.] "Category II industry participants" means all group purchasers and providers doing business in Minnesota not classified as category I industry participants.

Subd. 6. [CLAIM PAYMENT/ADVICE TRANSACTION SET (ANSI ASC X12 835).] "Claim payment/advice transaction set (ANSI ASC X12 835)" means the electronic transaction format developed and approved for implementation in October 1991, and used for electronic remittance advice and electronic funds transfer.

Subd. 7. [CLAIM SUBMISSION TRANSACTION SET (ANSI ASC X12 837).] "Claim submission transaction set (ANSI ASC X12 837)" means the electronic transaction format developed and approved for implementation in October 1992, and used to submit all health care claims information.

Subd. 8. [EDI.] "EDI" or "electronic data interchange" means the computer application to computer application exchange of information using nationally accepted standard formats.

Subd. 9. [ELIGIBILITY TRANSACTION SET (ANSI ASC X12 270/271).] "Eligibility transaction set (ANSI ASC X12 270/271)" means the transaction format developed and approved for implementation in February 1993, and used by providers to request and receive coverage information on the member or insured.

Subd. 10. [ENROLLMENT TRANSACTION SET (ANSI ASC X12 834).] "Enrollment transaction set (ANSI ASC X12 834)" means the electronic transaction format developed and approved for implementation in February 1992, and used to transmit enrollment and benefit information from the employer to the payer for the purpose of enrolling in a benefit plan.

Subd. 11. [GROUP PURCHASER.] "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

Subd. 12. [ISO.] "ISO" means the international standardization organization.

Subd. 13. [NCPDP.] "NCPDP" means the national council for prescription drug programs, inc.

Subd. 14. [NCPDP TELECOMMUNICATION STANDARD FORMAT 3.2.] "NCPDP telecommunication standard format 3.2" means the recommended transaction sets for claims transactions adopted by the membership of NCPDP in 1992.

Subd. 15. [NCPDP TAPE BILLING AND PAYMENT FORMAT 2.0.] "NCPDP tape billing and payment format 2.0" means the recommended transaction standards for batch processing claims adopted by the membership of the NCPDP in 1993.

Subd. 16. [PROVIDER.] "Provider" or "health care provider" has the meaning given in section 62J.03, subdivision 8.

Subd. 17. [UNIFORM BILLING FORM HCFA 1450.] "Uniform billing form HCFA 1450" means the uniform billing form known as the HCFA 1450 or UB92, developed by the national uniform billing committee in 1992 and approved for implementation in October 1993.

Subd. 18. [UNIFORM BILLING FORM HCFA 1500.] "Uniform billing form HCFA 1500" means the 1990 version of the health insurance claim form, HCFA 1500, developed by the uniform claims form task force of the federal health care financing administration.

Subd. 19. [UNIFORM DENTAL BILLING FORM.] "Uniform dental billing form" means the 1990 uniform dental claim form developed by the American dental association.

Subd. 20. [UNIFORM PHARMACY BILLING FORM.] "Uniform pharmacy billing form" means the national council for prescription drug programs/universal claim form (NCPDP/UCF).

Subd. 21. [WEDI.] "WEDI" means the national workgroup for electronic data interchange report issued in October, 1993.

Sec. 3. [62J.52] [ESTABLISHMENT OF UNIFORM BILLING FORMS.]

Subdivision 1. [UNIFORM BILLING FORM HCFA 1450.] (a) On and after January 1, 1996, all institutional inpatient hospital services, ancillary services, and institutionally owned or operated outpatient services rendered by providers in Minnesota, that are not being billed using an equivalent electronic billing format, must be billed using the uniform billing form HCFA 1450, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1450 shall be in accordance with the uniform billing form manual specified by the commissioner. In promulgating these instructions, the commissioner may utilize the manual developed by the national uniform billing committee, as adopted and finalized by the Minnesota uniform billing committee.

(c) Services to be billed using the uniform billing form HCFA 1450 include: institutional inpatient hospital services and distinct units in the hospital such as psychiatric unit services, physical therapy unit services, swing bed (SNF) services, inpatient state psychiatric hospital services, inpatient skilled nursing facility services, home health services (Medicare part A), and hospice services; ancillary services, where benefits are exhausted or patient has no Medicare part A, from hospitals, state psychiatric hospitals, skilled nursing facilities, and home health (Medicare part B); and institutional owned or operated outpatient services such as hospital outpatient services, including ambulatory surgical center services, hospital referred laboratory services, hospital-based ambulance services, and other hospital outpatient services, skilled nursing facilities, home health, including infusion therapy, freestanding renal dialysis centers, comprehensive outpatient rehabilitation facilities (CORF), outpatient rehabilitation facilities (ORF), rural health clinics, community mental health centers, and any other health care provider certified by the Medicare program to use this form.

(d) On and after January 1, 1996, a mother and newborn child must be billed separately, and must not be combined on one claim form.

Subd. 2. [UNIFORM BILLING FORM HCFA 1500.] (a) On and after January 1, 1996, all noninstitutional health care services rendered by providers in Minnesota except dental or pharmacy providers, that are not currently being billed using an equivalent electronic billing format, must be billed using the health insurance claim form HCFA 1500, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1500 shall be in accordance with the manual developed by the administrative uniformity committee entitled standards for the use of the HCFA 1500 form, dated February 1994, as further defined by the commissioner.

(c) Services to be billed using the uniform billing form HCFA 1500 include physician services and supplies, durable medical equipment, noninstitutional ambulance services, independent ancillary services including occupational therapy, physical therapy, speech therapy and audiology, podiatry services, optometry services, mental health licensed professional services, substance abuse licensed professional services, nursing practitioner professional services, certified registered nurse anesthetists, chiropractors, physician assistants, laboratories, medical suppliers, and other health care providers such as home health intravenous therapy providers, personal care attendants, day activity centers, waivered services, hospice, and other home health services, and freestanding ambulatory surgical centers.

Subd. 3. [UNIFORM DENTAL BILLING FORM.] (a) On and after January 1, 1996, all dental services provided by dental care providers in Minnesota, that are not currently being billed using an equivalent electronic billing format, shall be billed using the American dental association uniform dental billing form.

(b) The instructions and definitions for the use of the uniform dental billing form shall be in accordance with the manual developed by the administrative uniformity committee dated February 1994, and as amended or further defined by the commissioner.

Subd. 4. [UNIFORM PHARMACY BILLING FORM.] On and after January 1, 1996, all pharmacy services provided by pharmacists in Minnesota that are not currently being billed using an equivalent electronic billing format shall be billed using the NCPDP/universal claim form, except as provided in subdivision 5.

Subd. 5. [STATE AND FEDERAL HEALTH CARE PROGRAMS.] (a) Skilled nursing facilities and ICF-MR services billed to state and federal health care programs administered by the department of human services shall use the form designated by the department of human services.

(b) On and after July 1, 1996, state and federal health care programs administered by the department of human services shall accept the HCFA 1450 for community mental health center services and shall accept the HCFA 1500 for freestanding ambulatory surgical center services.

(c) State and federal health care programs administered by the department of human services shall be authorized to use the forms designated by the department of human services for pharmacy services and for child and teen checkup services.

(d) State and federal health care programs administered by the department of human services shall accept the form designated by the department of human services, and the HCFA 1500 for supplies, medical supplies or durable medical equipment. Health care providers may choose which form to submit.

Sec. 4. [62J.53] [ACCEPTANCE OF UNIFORM BILLING FORMS BY GROUP PURCHASERS.]

On and after January 1, 1996, all category I and II group purchasers in Minnesota shall accept the uniform billing forms prescribed under section 62J.52 as the only nonelectronic billing forms used for payment processing purposes.

Sec. 5. [62J.54] [IDENTIFICATION AND IMPLEMENTATION OF UNIQUE IDENTIFIERS.]

Subdivision 1. [UNIQUE IDENTIFICATION NUMBER FOR HEALTH CARE PROVIDER ORGANIZATIONS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify health care provider organizations, except as provided in paragraph (d).

(b) Following the recommendation of the workgroup for electronic data interchange, the federal tax identification number assigned to each health care provider organization by the internal revenue service of the department of the treasury shall be used as the unique identification number for health care provider organizations.

(c) The unique health care provider organization identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the medicaid management information system or the unique physician identification number (UPIN) assigned by the health care financing administration.

Subd. 2. [UNIQUE IDENTIFICATION NUMBER FOR INDIVIDUAL HEALTH CARE PROVIDERS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify an individual health care provider, except as provided in paragraph (d).

(b) The Unique Identification Number (UPIN) assigned by the health care financing administration shall be used as the unique identification number for individual health care providers. Providers who do not currently have a UPIN number shall request one from the health care financing administration.

(c) The unique individual health care provider identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the medicaid management information system or the unique physician identification number (UPIN) assigned by the health care financing administration.

Subd. 3. [UNIQUE IDENTIFICATION NUMBER FOR GROUP PURCHASERS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify group purchasers.

(b) The federal tax identification number assigned to each group purchaser by the internal revenue service of the department of the treasury shall be used as the unique identification number for group purchasers. This paragraph applies until the codes described in paragraph (c) are available and feasible to use, as determined by the commissioner.

(c) A two-part code, consisting of 11 characters and modeled after the national association of insurance commissioners company code shall be assigned to each group purchaser and used as the unique identification number for group purchasers. The first six characters, or prefix, shall contain the numeric code, or company code, assigned by the national association of insurance commissioners. The last five characters, or suffix, which is optional, shall contain further codes that will enable group purchasers to further route electronic transaction in their internal systems.

(d) The unique group purchaser identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

Subd. 4. [UNIQUE PATIENT IDENTIFICATION NUMBER.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify each patient who receives health care services in Minnesota, except as provided in paragraph (e).

(b) Following the recommendation of the workgroup for electronic data interchange, the social security number of the patient shall be used as the unique patient identification number.

(c) The unique patient identification number shall be used by group purchasers and health care providers for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The commissioner shall develop an alternate numbering system for patients who do not have or refuse to provide a social security number. This provision does not require that patients provide their social security numbers and does not require group purchasers or providers to demand that patients provide their social security numbers.

(e) The state and federal health care programs administered by the department of human services shall use the unique person master index (PMI) identification number assigned to clients participating in programs administered by the department of human services.

Sec. 6. [62J.55] [PRIVACY OF UNIQUE IDENTIFIERS.]

(a) When the unique identifiers specified in section 62J.54 are used for data collection purposes, the identifiers must be encrypted, as required in section 62J.30, subdivision 6. Encryption must follow encryption standards set by the national bureau of standards and approved by the American national standards institute as ANSIX3. 92-1982/R 1987 to protect the confidentiality of the data. Social security numbers must not be maintained in unencrypted form in the database, and the data must never be released in a form that would allow for the identification of individuals. The encryption algorithm and hardware used must not use clipper chip technology.

(b) Providers and group purchasers shall treat the social security number as confidential, private data and shall maintain strict confidentiality of medical records and data files. Social security numbers must not be used to link with non-health-related data under any circumstances.

Sec. 7. [62J.56] [IMPLEMENTATION OF ELECTRONIC DATA INTERCHANGE STANDARDS.]

Subdivision 1. [GENERAL PROVISIONS.] (a) The legislature finds that there is a need to advance the use of electronic methods of data interchange among all health care participants in the state in order to achieve significant administrative cost savings. The legislature also finds that in order to advance the use of health care electronic data interchange in a cost-effective manner, the state needs to implement electronic data interchange standards that are nationally accepted, widely recognized, and available for immediate use. The legislature intends to set forth a plan for a systematic phase-in of uniform health care electronic data interchange standards in all segments of the health care industry.

(b) The commissioner of health, with the advice of the Minnesota health data institute and the Minnesota administrative uniformity committee, shall administer the implementation of and monitor compliance with, electronic data interchange standards of health care participants, according to the plan provided in this section.

(c) The commissioner may grant exemptions to category I and II industry participants from the requirements to implement some or all of the provisions in this section if the commissioner determines that the cost of compliance would place the organization in financial distress, or if the commissioner determines that appropriate technology is not available to the organization.

Subd. 2. [IDENTIFICATION OF CORE TRANSACTION SETS.] (a) All category I and II industry participants in Minnesota shall comply with the standards developed by the ANSI ASC X12 for the following core transaction sets, according to the implementation plan outlined for each transaction set.

(1) ANSI ASC X12 835 health care claim payment/advice transaction set.

(2) ANSI ASC X12 837 health care claim transaction set.

(3) ANSI ASC X12 834 health care enrollment transaction set.

(4) ANSI ASC X12 270/271 health care eligibility transaction set

(b) The commissioner, with the advice of the Minnesota health data institute and the Minnesota administrative uniformity committee, and in coordination with federal efforts, may approve the use of new ASC X12 standards as they become available, or other nationally recognized standards, where appropriate ASC X12 standards are not available for use. These alternative standards may be used during a transition period while ASC X12 standards are developed.

Subd. 3. [IMPLEMENTATION GUIDES.] (a) The commissioner, with the advice of the Minnesota administrative uniformity committee, and the Minnesota Center for Health Care Electronic Data Interchange shall review and recommend the use of guides to implement the core transaction sets. Implementation guides must contain the background and technical information required to allow health care participants to implement the transaction set in the most cost-effective way.

(b) The commissioner shall promote the development of implementation guides among health care participants for those business transaction types for which implementation guides are not available, to allow providers and group purchasers to implement electronic data interchange. In promoting the development of these implementation guides, the commissioner shall review the work done by the American hospital association through the national uniform billing committee and its state representative organization; the american medical association through the uniform claim task force; the american dental association; the national council of prescription drug programs; and the workgroup for electronic data interchange.

Sec. 8. [62J.57] [MINNESOTA CENTER FOR HEALTH CARE ELECTRONIC DATA INTERCHANGE.]

(a) It is the intention of the legislature to support, to the extent of funds appropriated for that purpose, the creation of the Minnesota center for health care electronic data interchange as a broad-based effort of public and private organizations representing group purchasers, health care providers, and government programs to advance the use of health care electronic data interchange in the state. The center shall attempt to obtain private sector funding to supplement legislative appropriations, and shall become self-supporting by the end of the second year.

(b) The Minnesota center for health care electronic data interchange shall facilitate the statewide implementation of electronic data interchange standards in the health care industry by:

(1) Coordinating and ensuring the availability of quality electronic data interchange education and training in the state;

(2) Developing an extensive, cohesive health care electronic data interchange education curriculum;

(3) Developing a communications and marketing plan to publicize electronic data interchange education activities, and the products and services available to support the implementation of electronic data interchange in the state;

(4) Administering a resource center that will serve as a clearinghouse for information relative to electronic data interchange, including the development and maintenance of a health care constituents data base, health care directory and resource library, and a health care communications network through the use of electronic bulletin board services and other network communications applications; and

(5) Providing technical assistance in the development of implementation guides, and in other issues including legislative, legal, and confidentiality requirements.

Sec. 9. [62J.58] [IMPLEMENTATION OF STANDARD TRANSACTION SETS.]

Subdivision 1. [CLAIMS PAYMENT.] (a) By July 1, 1995, all category I industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic transfer of payment information.

(b) By July 1, 1996, all category II industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic submission of payment information to health care providers.

Subd. 2. [CLAIMS SUBMISSION.] Beginning July 1, 1995 , all category I industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 837 health care claim transaction set (draft standard for trial use version 3030) for the electronic transfer of health care claim information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning July 1, 1996.

Subd. 3. [ENROLLMENT INFORMATION.] Beginning January 1, 1996, all category I industry participants, excluding pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 834 health care enrollment transaction set (draft standard for trial use version 3030) for the electronic transfer of enrollment and health benefit information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.

Subd. 4. [ELIGIBILITY INFORMATION.] By January 1, 1996, all category I industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 270/271 health care eligibility transaction set (draft standard for trial use version 3030) for the electronic transfer of health benefit eligibility information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.

Subd. 5. [APPLICABILITY.] This section does not require a group purchaser, health care provider, or employer to use electronic data interchange or to have the capability to do so. This section applies only to the extent that a group purchaser, health care provider, or employer chooses to use electronic data interchange.

Sec. 10. [62J.59] [IMPLEMENTATION OF NCPDP TELECOMMUNICATIONS STANDARD FOR PHARMACY CLAIMS.]

(a) Beginning January 1996, all category I and II pharmacists licensed in this state shall accept the NCPDP telecommunication standard format 3.2 or the NCPDP tape billing and payment format 2.0 for the electronic submission of claims as appropriate.

(b) Beginning January 1996, all category I and category II group purchasers in this state shall use the NCPDP telecommunication standard format 3.2 or NCPDP tape billing and payment format 2.0 for electronic submission of payment information to pharmacists.

Sec. 11. [62J.60] [STANDARDS FOR THE MINNESOTA UNIFORM HEALTH CARE IDENTIFICATION CARD.]

Subdivision 1. [MINNESOTA HEALTH CARE IDENTIFICATION CARD.] All individuals with health care coverage shall be issued health care identification cards by group purchasers as of January 1, 1998. The health care identification cards shall comply with the standards prescribed in this section.

Subd. 2. [GENERAL CHARACTERISTICS.] (a) The Minnesota health care identification card must be a preprinted card constructed of plastic, paper, or any other medium that conforms with ANSI and ISO 7810 physical characteristics standards. The card dimensions must also conform to ANSI and ISO 7810 physical characteristics standard. The use of a signature panel is optional.

(b) The Minnesota health care identification card must have an essential information window in the front side with the following data elements left justified in the following top to bottom sequence: issuer name, issuer number, identification number, identification name. No optional data may be interspersed between these data elements. The window must be left justified.

(c) Standardized labels are required next to human readable data elements. The card issuer may decide the location of the standardized label relative to the data element.

Subd. 3. [HUMAN READABLE DATA ELEMENTS.] (a) The following are the minimum human readable data elements that must be present on the front side of the Minnesota health care identification card:

(1) Issuer name or logo, which is the name or logo that identifies the card issuer. The issuer name or logo may be the card's front background. No standard label is required for this data element;

(2) Issuer number, which is the unique card issuer number consisting of a base number assigned by a registry process followed by a suffix number assigned by the card issuer. The use of this element is mandatory within one year of the establishment of a process for this identifier. The standardized label for this element is "Issuer";

(3) Identification number, which is the unique identification number of the individual card holder established and defined under this section. The standardized label for the data element is "ID";

(4) Identification name, which is the name of the individual card holder. The identification name must be formatted as follows: first name, space, optional middle initial, space, last name, optional space and name suffix. The standardized label for this data element is "Name";

(5) Account number(s), which is any other number, such as a group number, if required for part of the identification or claims process. The standardized label for this data element is "Account";

(6) Care type, which is the description of the group purchaser's plan product under which the beneficiary is covered. The standardized label for this data element is "Care Type";

(7) Service type, which is the description of coverage provided such as hospital, dental, vision, prescription, or mental health. The standard label for this data element is "Svc Type";

(8) Employer name, which is the name of the employer of the primary beneficiary; and

(9) Union local name and number.

(b) The following human readable data elements shall be present on the back side of the Minnesota health identification card. These elements must be left justified, and no optional data elements may be interspersed between them:

(1) Claims submission name(s) and address(es), which are the name(s) and address(es) of the entity or entities to which claims should be submitted. If different destinations are required for different types of claims, this must be labeled;

(2) Telephone number(s) and name(s); which are the telephone number(s) and name(s) of the following contact(s) with a standardized label describing the service function as applicable:

(i) eligibility information;

(ii) utilization review;

(iii) precertification; and

(iv) customer services.

(c) All human readable data elements not required under paragraph (a) or (b) are optional and may be used at the issuer's discretion.

Subd. 4. [MACHINE READABLE DATA CONTENT.] The Minnesota health care identification card may be machine readable or nonmachine readable. If the card is machine readable, the card must contain a magnetic stripe that conforms to ANSI and ISO standards for Tracks 1. The machine readable record format must conform to the following record length and format standards.

Sec. 12. [62J.61] [RULEMAKING; IMPLEMENTATION.]

The commissioner of health is exempt from rulemaking in implementing sections 62J.50 to 62J.54, subdivision 3, and 62J.56 to 62J.59. The commissioner shall publish proposed rules in the State Register. Interested parties have 30 days to comment on the proposed rules. After the commissioner has considered all comments, the commissioner shall publish the final rules in the State Register 30 days before they are to take effect. The commissioner may use emergency and permanent rulemaking to implement the remainder of this article. The commissioner shall not adopt any rules requiring patients to provide their social security numbers unless and until federal laws are modified to allow or require such action, nor shall the commissioner adopt rules which allow medical records, claims, or other treatment or clinical data to be included on the health care identification card, except as specifically provided in this chapter.

Sec. 13. [COMMISSIONER; CONTINUED SIMPLIFICATION.] The commissioner of health shall continue to develop additional standard billing and administrative procedure simplification. These may include reduction or elimination of payer-required attachments to claims, standard formularies, standard format for direct patient billing, and increasing standardization of claims forms and EDI formats.

Sec. 14. [EVALUATIONS.]

Subdivision 1. [UNIQUE EMPLOYER IDENTIFICATION NUMBER.] The commissioner of health shall evaluate the need for the development and implementation of unique employer identification numbers to identify employers or entities that provide health care coverage.

Subd. 2. [UNIQUE "ISSUER" IDENTIFICATION NUMBER.] The commissioner of health shall evaluate the need for the development and implementation of unique identification numbers to identify issuers of health care identification cards.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment.

ARTICLE 10

INSURANCE REFORM

Section 1. Minnesota Statutes 1993 Supplement, section 43A.317, is amended by adding a subdivision to read:

Subd. 12. [STATUS OF AGENTS.] Notwithstanding section 60K.03, subdivision 5, and 72A.07, the program may use, and pay referral fees, commissions, or other compensation to, agents licensed as life and health agents under chapter 60K or licensed under section 62C.17, regardless of whether the agents are appointed to represent the particular health carriers, integrated service networks, or community integrated service networks that provide the coverage available through the program. When acting under this subdivision, an agent is not an agent of the health carrier, integrated service network, or community integrated service network, with respect to that transaction.

Sec. 2. Minnesota Statutes 1993 Supplement, section 60K.14, subdivision 7, is amended to read:

Subd. 7. [DISCLOSURE OF COMMISSIONS.] Before selling~~, or offering to sell,~~ any ~~health insurance or a~~ health plan as defined in section 62A.011, subdivision 3, an agent shall disclose in writing to the prospective purchaser the amount of any commission or other compensation the agent will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62A.011, subdivision 3, is amended to read:

Subd. 3. [HEALTH PLAN.] "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified. Health plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;

(5) credit accident and health insurance as defined in section 62B.02;

(6) designed solely to provide dental or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident-only coverage;

(9) a long-term care policy as defined in section 62A.46;

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended ~~through December 31, 1991~~;

(11) workers' compensation insurance; or

(12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health plan.

Sec. 4. Minnesota Statutes 1992, section 62A.303, is amended to read:

62A.303 [PROHIBITION; SEVERING OF GROUPS.]

Section 62L.12, subdivisions ~~1, 2,~~ 3, and 4, apply to all employer group health plans, as defined in section 62A.011, regardless of the size of the group.

Sec. 5. [62A.305] [USE OF GENDER PROHIBITED.]

Subdivision 1. [APPLICABILITY.] This section applies to all health plans as defined in section 62A.011 offered, sold, issued, or renewed, by a health carrier on or after January 1, 1995.

Subd. 2. [PROHIBITION ON USE OF GENDER.] No health plan described in subdivision 1 shall determine the premium rate or any other underwriting decision, including initial issuance, through a method that is in any way based upon the gender of any person covered or to be covered under the health plan. This subdivision prohibits use of marital status or generalized differences in expected costs between employees and spouses or between principal insureds and their spouses.

Sec. 6. Minnesota Statutes 1993 Supplement, section 62A.31, subdivision 1h, is amended to read:

Subd. 1h. [LIMITATIONS ON DENIALS, CONDITIONS, AND PRICING OF COVERAGE.] No issuer of Medicare supplement policies, including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B. This paragraph applies regardless of whether the individual has attained the age of 65 years. If an individual who is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss of disability status, the individual is eligible for the six-month enrollment period provided under this subdivision if the individual later becomes eligible for and enrolls again in Medicare Part B.

Sec. 7. Minnesota Statutes 1993 Supplement, section 62A.36, subdivision 1, is amended to read:

Subdivision 1. [LOSS RATIO STANDARDS.] (a) For purposes of this section, "Medicare supplement policy or certificate" has the meaning given in section 62A.31, subdivision 3, but also includes a policy, contract, or certificate issued under a contract under section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq. A Medicare supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificate holders in the form of aggregate benefits, not including anticipated refunds or credits, provided under the policy form or certificate form:

(1) at least 75 percent of the aggregate amount of premiums earned in the case of group policies, and

(2) at least 65 percent of the aggregate amount of premiums earned in the case of individual policies, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. An insurer shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage. The applicable percentage for group policies or contracts shall increase by one percentage point on July 1 of each year, beginning on July 1, 1994, until an 82 percent loss ratio is reached on July 1, 2000. The applicable percentage for individual policies or contracts shall increase by one percentage point on July 1 of each year, beginning on July 1, 1994, until a 72 percent loss ratio is reached on July 1, 2000.

All filings of rates and rating schedules shall demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy or certificate shall equal or exceed the appropriate loss ratio standards.

(b) An issuer shall collect and file with the commissioner by May 31 of each year the data contained in the National Association of Insurance Commissioners Medicare Supplement Refund Calculating form, for each type of Medicare supplement benefit plan.

If, on the basis of the experience as reported, the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation must be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the secretary of health and human

services, but in no event shall it be less than the average rate of interest for 13-week treasury bills. A refund or credit against premiums due shall be made by September 30 following the experience year on which the refund or credit is based.

(c) An issuer of Medicare supplement policies and certificates in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy or certificate duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three years.

As soon as practicable, but before the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the commissioner, in accordance with the applicable filing procedures of this state:

(1) a premium adjustment that is necessary to produce an expected loss ratio under the policy or certificate that will conform with minimum loss ratio standards for Medicare supplement policies or certificates. No premium adjustment that would modify the loss ratio experience under the policy or certificate other than the adjustments described herein shall be made with respect to a policy or certificate at any time other than on its renewal date or anniversary date;

(2) if an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds, or premium credits considered necessary to achieve the loss ratio required by this section;

(3) any appropriate riders, endorsements, or policy or certificate forms needed to accomplish the Medicare supplement insurance policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy or certificate forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

(d) The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of a refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner considered appropriate by the commissioner.

(e) An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule, and supporting documentation have been filed with, and approved by, the commissioner according to the filing requirements and procedures prescribed by the commissioner.

Sec. 8. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 2, is amended to read:

Subd. 2. [GUARANTEED RENEWAL.] No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier must not refuse to renew an individual health plan ~~may be subject to refusal to renew only under the conditions provided in chapter 62L for health benefit plans~~ prior to enrollment in Medicare Parts A and B, except for nonpayment of premiums, fraud, or misrepresentation.

Sec. 9. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 3, is amended to read:

Subd. 3. [PREMIUM RATE RESTRICTIONS.] No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the ~~rating and premium restrictions provided under chapter 62L, except that the minimum loss ratio applicable to an individual health plan is as provided in section 62A.021. All rating and premium restrictions of chapter 62L apply to the individual market, unless clearly inapplicable to the individual market.~~ following requirements:

(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.

(b) Premium rates may vary based upon the ages of covered persons only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

(c) A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) for each geographic region that is rural, the index rate for that region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area; and

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.

(e) In developing its index rates and premiums for a health plan, a health carrier shall take into account only the following factors:

(1) actuarially valid differences in rating factors permitted under paragraphs (a) and (b); and

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph (c).

(f) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

(g) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

(h) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risks associated with the enrollee populations, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

Sec. 10. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 4, is amended to read:

Subd. 4. [GENDER RATING PROHIBITED.] No individual health plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, ~~or~~ through a method that is in any way based upon the gender of any person covered or to be covered under the health plan. This subdivision prohibits the use of marital status or generalized differences in expected costs between principal insureds and their spouses.

Sec. 11. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 5, is amended to read:

Subd. 5. [PORTABILITY OF COVERAGE.] (a) No individual health plan may be offered, sold, issued, or with respect to children age 18 or under renewed, to a Minnesota resident that contains a preexisting condition limitation or exclusion or exclusionary rider, unless the limitation or exclusion ~~would be~~ is permitted under ~~chapter 62L~~ this subdivision, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993. The individual may be ~~treated as a late entrant, as defined in chapter 62L~~ subjected to an 18-month preexisting condition limitation, unless the individual has maintained continuous coverage as defined in ~~chapter 62L~~ section 62L.02. The individual must not be subjected to an exclusionary rider. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation ~~as permitted under chapter 62L for persons who are not late entrants,~~ of up to 12 months, with credit for time covered under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier. The individual must not be subjected to an exclusionary rider. Thereafter, the individual must not be subject to any preexisting condition limitation or exclusion or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health ~~benefit~~ plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in ~~chapter 62L~~ section 62L.02. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan and must not contain any preexisting condition limitation or exclusion or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed 90 percent of the premium charged for comparable individual coverage by the Minnesota comprehensive health association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person. Section 72A.20, subdivision 28, applies to this paragraph.

Sec. 12. Minnesota Statutes 1993 Supplement, section 62A.65, is amended by adding a subdivision to read:

Subd. 7. [SHORT TERM COVERAGE.] (a) For purposes of this section, "short term coverage" means an individual health plan that:

(1) is issued to provide coverage for a period of 185 days or less, except that the health plan may permit coverage to continue until the end of a period of hospitalization for a condition for which the covered person was hospitalized on the day that coverage would otherwise have ended;

(2) is nonrenewable, provided that the health carrier may provide coverage for one or more subsequent periods that satisfy clause (1), if the total of the periods of coverage do not exceed a total of 185 days out of any 365 day period, plus any additional days covered as a result of hospitalization on the day that a period of coverage would otherwise have ended;

(3) does not cover any preexisting conditions, including ones that originated during a previous identical policy or contract with the same health carrier where coverage was continuous between the previous and the current policy or contract; and

(4) is available with an immediate effective date without underwriting upon receipt of a completed application indicating eligibility under the health carrier's eligibility requirements, provided that coverage that includes optional benefits may be offered on a basis that does not meet this requirement.

(b) Short term coverage is not subject to subdivisions 2 and 5. Short term coverage may exclude as a preexisting condition any injury, illness, or condition for which the covered person had medical treatment, symptoms, or any manifestations before the effective date of the coverage, but dependent children born or placed for adoption during the policy period must not be subject to this provision.

(c) Notwithstanding subdivision 3, and section 62A.021, a health carrier may combine short term coverage with its most commonly sold individual qualified plan as defined in section 62E.02, other than short term coverage, for purposes of complying with the loss ratio requirement.

(d) The 185 day coverage limitation provided in paragraph (a), applies to the total number of days of short term coverage that covers a person, regardless of the number of policies, contracts, or health carriers that provide the coverage. A written application for short term coverage must ask the applicant whether the applicant has been covered by short term coverage by any health carrier within the 365 days immediately preceding the effective date of the coverage being applied for. Short term coverage issued in violation of the 185 day limitation is valid until the end of its term, and does not lose its status as short term coverage, in spite of the violation. A health carrier that knowingly issues short term coverage in violation of the 185 day limitation is subject to the administrative penalties otherwise available to the commissioner of commerce or the commissioner of health, as appropriate.

(e) Time spent under short term coverage counts as time spent under a preexisting condition limitation for purposes of group or individual health plans, other than short term coverage, subsequently issued to that person, or to cover that person, by any health carrier, if the person maintains continuous coverage as defined in section 62L.02. Short term coverage is a health plan and is qualifying coverage as defined in section 62L.02. Notwithstanding any other law to the contrary, a health carrier is not required under any circumstances to provide a person covered by short-term coverage the right to obtain coverage on a guaranteed issue basis under another health plan offered by the health carrier, as a result of the person's enrollment in short-term coverage.

Sec. 13. Minnesota Statutes 1993 Supplement, section 62A.65, is amended by adding a subdivision to read:

Subd. 8. [CESSATION OF INDIVIDUAL BUSINESS.] Notwithstanding the provisions of subdivisions 1 to 7, a health carrier may elect to cease doing business in the individual market if it complies with the requirements of this subdivision. A health carrier electing to cease doing business in the individual market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the failure of a health carrier to offer or issue new business in the individual market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current individual business or other product lines. A health carrier electing to cease doing business in the individual market shall provide 120 days' written notice to each policyholder covered by a health benefit plan issued by the health carrier. A health carrier that ceases to write new business in the individual market shall continue to be governed by this section with respect to continuing individual business conducted by the carrier. A health carrier that ceases to do business in the individual market after July 1, 1994, is prohibited from writing new business in the individual market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the individual market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the individual market in that same service area.

Sec. 14. Minnesota Statutes 1993 Supplement, section 62D.12, subdivision 17, is amended to read:

Subd. 17. [DISCLOSURE OF COMMISSIONS.] Any person receiving commissions for the sale of coverage or enrollment in a health plan, as defined in section 62A.011, offered by a health maintenance organization shall, before selling ~~or offering to sell~~ coverage or enrollment, disclose in writing to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 15. Minnesota Statutes 1992, section 62E.141, is amended to read:

62E.141 [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

No employee, or dependent of an employee, of an employer ~~who~~ that offers a health ~~benefit~~ plan, under which the employee or dependent is eligible ~~to enroll under chapter 62L~~ for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation or exclusion or exclusionary rider under the employer's health ~~benefit~~ plan. This section does not apply to persons enrolled in the comprehensive health association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the comprehensive health association as of December 31, 1994.

Sec. 16. Minnesota Statutes 1992, section 62E.16, is amended to read:

62E.16 [POLICY CONVERSION RIGHTS.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group or if an employer member of a group ceases to remit payment so as to terminate coverage for its employees, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group or of the employer member of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group or of the employer member of the group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10. An individual health plan offered under section 62A.65, subdivision 5, paragraph (b), to a person satisfies the health carrier's obligation to offer conversion coverage under this section with respect to that person.

Sec. 17. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 8, is amended to read:

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for health carriers subject to the jurisdiction of the department of commerce or the commissioner of health for health carriers subject to the jurisdiction of the department of health, or the relevant commissioner's designated representative. For purposes of sections 62L.13 to 62L.22, "commissioner" means the commissioner of commerce or that commissioner's designated representative.

Sec. 18. Minnesota Statutes 1992, section 62L.02, subdivision 9, is amended to read:

Subd. 9. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted qualifying ~~prior~~ coverage ~~by an eligible employee or dependent~~. An ~~eligible employee or dependent~~ individual is considered to have maintained continuous coverage if the individual requests enrollment in ~~a health benefit plan~~ qualifying coverage within 30 days of termination of ~~the~~ qualifying ~~prior~~ coverage.

Sec. 19. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 9a. [CURRENT EMPLOYEE.] "Current employee" means an employee, as defined in this section, other than a retiree or handicapped former employee.

Sec. 20. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 11, is amended to read:

Subd. 11. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, unmarried child under the age of 25 years who is a full-time student as defined in section 62A.301 ~~and financially dependent upon the eligible employee, or~~, dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans. For the purpose of this definition, a child may include a child for whom the employee or the employee's spouse has been appointed legal guardian.

Sec. 21. Minnesota Statutes 1992, section 62L.02, subdivision 13, is amended to read:

Subd. 13. [ELIGIBLE EMPLOYEE.] "Eligible employee" means an ~~individual employed by a small employer for at least 20 hours per week and~~ employee who has satisfied all employer participation and eligibility requirements~~, including, but not limited to, the satisfactory completion of a probationary period of not less than 30 days but no more than 90 days. The term includes A sole proprietor, a partner of a partnership, or an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include employees who work on a temporary, seasonal, or substitute basis~~.

Sec. 22. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 13a. [EMPLOYEE.] "Employee" means an individual employed for at least 20 hours per week and includes a sole proprietor or a partner of a partnership, if the sole proprietor or partner is included under a health benefit plan of the employer, but does not include individuals who work on a temporary, seasonal, or substitute basis. "Employee" also includes a retiree or a handicapped former employee required to be covered under sections 62A.147 and 62A.148.

Sec. 23. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 14a. [GUARANTEED ISSUE.] "Guaranteed issue" means that a health carrier shall not decline an application by a small employer for any health benefit plan offered by that health carrier and shall not decline to cover under a health benefit plan any eligible employee or eligible dependent, including persons who become eligible employees or eligible dependents after initial issuance of the health benefit plan, subject to the health carrier's right to impose preexisting condition limitations permitted under this chapter.

Sec. 24. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 15, is amended to read:

Subd. 15. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or certificate offered, sold, issued, or renewed by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:

(1) limited to disability or income protection coverage;

(2) automobile medical payment coverage;

(3) supplemental to liability insurance;

(4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;

(5) credit accident and health insurance as defined in section 62B.02;

(6) designed solely to provide dental or vision care;

(7) blanket accident and sickness insurance as defined in section 62A.11;

(8) accident-only coverage;

(9) a long-term care policy as defined in section 62A.46;

(10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended ~~through December 31, 1991~~;

(11) workers' compensation insurance; or

(12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health benefit plan.

For the purpose of this chapter, a health benefit plan issued to eligible employees of a small employer who meets the participation requirements of section 62L.03, subdivision 3, is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.

Sec. 25. Minnesota Statutes 1992, section 62L.02, subdivision 16, is amended to read:

Subd. 16. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended ~~through December 31, 1991~~. For purposes of sections 62L.01 to 62L.12, but not for purposes of sections 62L.13 to 62L.22, "health carrier" includes a community integrated service network or integrated service network licensed under chapter 62N. Any use of this definition in another chapter by reference does not include a community integrated service network or integrated service network, unless otherwise specified. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one health carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate health carrier.

Sec. 26. Minnesota Statutes 1992, section 62L.02, subdivision 17, is amended to read:

Subd. 17. [HEALTH PLAN.] "Health plan" means a health ~~benefit~~ plan ~~issued by a health carrier, except that it may be issued:~~

~~(1) to a small employer;~~

~~(2) to an employer who does not satisfy the definition of a small employer as defined under subdivision 26; or~~

~~(3) to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier~~ as defined in section 62A.011 and includes individual and group coverage regardless of the size of the group, unless otherwise specified.

Sec. 27. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 19, is amended to read:

Subd. 19. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period applicable to the employee or dependent under the terms of the health benefit plan, provided that the initial enrollment period must be a period of at least 30 days. However, an eligible employee or dependent must not be considered a late entrant if:

(1) the individual was covered under qualifying ~~existing~~ coverage at the time the individual was eligible to enroll in the health benefit plan, declined enrollment on that basis, and presents to the health carrier a certificate of termination of the qualifying ~~prior~~ coverage, due to loss of eligibility for that coverage, provided that the individual maintains continuous coverage. For purposes of this clause, ~~eligibility for prior coverage does not include eligibility for~~ an individual is not a late entrant if the individual elects coverage under the health benefit plan rather than accepting continuation coverage ~~required~~ for which the individual is eligible under state or federal law with respect to the individual's previous qualifying coverage;

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of becoming legally married;

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of becoming a dependent;

(5) the individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or

(6) a court has ordered that coverage be provided for a former spouse or dependent child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Sec. 28. Minnesota Statutes 1992, section 62L.02, subdivision 24, is amended to read:

Subd. 24. [QUALIFYING ~~PRIOR~~ COVERAGE ~~OR QUALIFYING EXISTING COVERAGE~~.] "Qualifying ~~prior~~ coverage" ~~or "qualifying existing coverage"~~ means health benefits or health coverage provided under:

(1) a health plan, as defined in this section;

(2) Medicare;

(3) medical assistance under chapter 256B;

(4) general assistance medical care under chapter 256D;

(5) MCHA;

(6) a self-insured health plan;

(7) the ~~health right~~ MinnesotaCare plan established under section 256.9352, when the plan includes inpatient hospital services as provided in section 256.9353;

(8) a plan provided under section 43A.316, 43A.317, or 471.617; or

(9) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Sec. 29. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 26, is amended to read:

Subd. 26. [SMALL EMPLOYER.] (a) "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business ~~who~~, including a political subdivision of the state, that, on at least 50 percent of its working days during the preceding ~~calendar year~~ 12 months, employed no fewer than two nor more than 29 ~~eligible~~, or after June 30, 1995, more than 49, current employees, the majority of whom were employed in this state. A political subdivision of the state is not a small employer and is not subject to this chapter when it provides health coverage to its employees, officers, and retirees, and their dependents, by participation in group purchasing of health plan coverage by or through an association of political subdivisions or by or through an educational cooperative service unit created under section 123.58 or by participating in a joint self-insurance pool authorized under section 471.617, subdivision 2. If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota domiciled employer and have paid social security or self-employment tax on behalf of both eligible employees. If an employer has only one eligible employee who has not waived coverage, the sale of a health plan to or for that eligible employee is not a sale to a small employer and is not subject to this chapter and may be treated as the sale of an individual health plan. A small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two current employees. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of ~~eligible~~ current employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

(b) Where an association, described in section 62A.10, subdivision 1, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association shall be considered to be a small employer, with respect to those employers in the association that employ no fewer than two nor more than 29 ~~eligible~~, or after June 30, 1995, more than 49, current employees, even though the association provides coverage to its members that do not qualify as small employers. An association in existence prior to July 1, 1993, is exempt from this chapter with respect to small employers that are members as of that date. However, in providing coverage to new ~~groups~~ employers after July 1, 1993, the existing association must comply with all requirements of this chapter. Existing associations must register with the commissioner of commerce prior to July 1, 1993. With respect to small employers having not fewer than 30 nor more than 49 current employees, the July 1, 1993 date in this paragraph becomes July 1, 1995, and the reference to "after" that date becomes "on or after."

(c) If an employer has employees covered under a trust ~~established~~ specified in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq., as amended, or employees whose health coverage is determined by a collective bargaining agreement and, as a result of the collective bargaining agreement, is purchased separately from the health plan provided to other employees, those employees are excluded in determining whether the employer qualifies as a small employer. Those employees are considered to be a separate small employer if they constitute a group that would qualify as a small employer in the absence of the employees who are not subject to the collective bargaining agreement.

Sec. 30. Minnesota Statutes 1992, section 62L.03, subdivision 1, is amended to read:

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans, on a guaranteed issue basis, to any small employer that meets the participation and contribution requirements of subdivision 3, as provided in this chapter. This requirement does not apply to a health benefit plan designed for a small employer to comply with a collective bargaining agreement, provided that the health benefit plan otherwise complies with this chapter and is not offered to other small employers, except for other small employers that need it for the same reason. Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers. A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

Sec. 31. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 3, is amended to read:

Subd. 3. [MINIMUM PARTICIPATION AND CONTRIBUTION.] (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of eligible employees must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier ~~may~~ must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) coverage under Medicare parts A and B; or (3) coverage under MCHA permitted under section 62E.141.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual ~~coverage~~ health plans, or a health benefit plan which~~, except for guaranteed issue,~~ must fully comply with this chapter. A health carrier that provides ~~group coverage~~ a health benefit plan to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual ~~coverage~~ health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers ~~coverage~~ the individual health plan, on a guaranteed issue basis, to all other employees of the same employer.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer.

Sec. 32. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 4, is amended to read:

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. For purposes of this ~~subdivision~~ section, "underwriting restrictions" means any refusal of the health carrier to issue or renew coverage, any premium rate higher than the lowest rate charged by the health carrier for the same coverage, ~~or~~ any preexisting condition limitation or exclusion, or any exclusionary rider. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees, and dependents of employees, of small employers. Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee or dependent, but exclusionary riders must not be used. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying prior coverage, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation

not to exceed 18 months from the effective date of coverage of the late entrant, but must not be subject to any exclusionary rider or exclusion. ~~Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation must not exceed 18 months.~~ A health carrier shall, at the time of first issuance or renewal of a health benefit plan on or after July 1, 1993, credit against any preexisting condition limitation or exclusion permitted under this section, the time period prior to July 1, 1993, during which an eligible employee or dependent was covered by qualifying ~~existing~~ coverage ~~or qualifying prior coverage~~, if the person has maintained continuous coverage.

Sec. 33. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 5, is amended to read:

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] (a) No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the persons covered or to be covered by the health benefit plan. A health carrier may cancel or fail to renew a health benefit plan:

(1) for nonpayment of the required premium;

(2) for fraud or misrepresentation by the small employer, or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent, with respect to eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;

(4) if the employer fails to comply with the minimum contribution percentage ~~legally~~ required ~~by the health carrier~~ under subdivision 3;

(5) if the health carrier ceases to do business in the small employer market under section 62L.09; ~~or~~

(6) if a failure to renew is based upon the health carrier's decision to discontinue the health benefit plan form previously issued to the small employer, but only if the health carrier permits each small employer covered under the prior form to switch to its choice of any other health benefit plan offered by the health carrier, without any underwriting restrictions that would not have been permitted for renewal purposes; or

(7) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.

(b) A health carrier need not renew a health benefit plan, and shall not renew a small employer plan, if an employer ceases to qualify as a small employer as defined in section 62L.02. If a health benefit plan, other than a small employer plan, provides terms of renewal that do not exclude an employer that is no longer a small employer, the health benefit plan may be renewed according to its own terms. If a health carrier issues or renews a health plan to an employer that is no longer a small employer, without interruption of coverage, the health plan is subject to section 60A.082.

Sec. 34. Minnesota Statutes 1993 Supplement, section 62L.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] (a) Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available on a guaranteed issue basis any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers ~~who~~ that satisfy the small employer participation and contribution requirements specified in this chapter. Compliance with these requirements is required as of the first renewal date of any small employer group occurring after July 1, 1993. For new small employer business, compliance is required as of the first date of offering occurring after July 1, 1993.

(b) Compliance with these requirements is required as of the first renewal date occurring after July 1, 1994, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall offer to terminate any individual coverage for employees of small employers who satisfy the small employer participation

and contribution requirements specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents the option of maintaining their current coverage, administered on an individual basis, or replacement individual coverage. Small employer and replacement individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

(c) With respect to small employers having no fewer than 30 nor more than 49 current employees, all dates in this subdivision become July 1, 1995, and any reference to "after" a date becomes "on or after" July 1, 1995.

Sec. 35. Minnesota Statutes 1992, section 62L.05, subdivision 1, is amended to read:

Subdivision 1. [TWO SMALL EMPLOYER PLANS.] Each health carrier in the small employer market must make available, on a guaranteed issue basis, to any small employer that satisfies the contribution and participation requirements of section 62L.03, subdivision 3, both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be $3,000 per individual and $6,000 per family per year. The maximum lifetime benefit must be $500,000. ~~The out-of-pocket cost limits and the deductible amounts provided in subdivision 2 must be adjusted on July 1 every two years, based upon changes in the consumer price index, as of the end of the previous calendar year, as determined by the commissioner of commerce. Adjustments must be in increments of $50 and must not be made unless at least that amount of adjustment is required.~~

Sec. 36. Minnesota Statutes 1992, section 62L.05, subdivision 5, is amended to read:

Subd. 5. [PLAN VARIATIONS.] (a) No health carrier shall offer to a small employer a health benefit plan that differs from the two small employer plans described in subdivisions 1 to 4, unless the health benefit plan complies with all provisions of chapters 62A, 62C, 62D, 62E, 62H, 62N, and 64B that otherwise apply to the health carrier, except as expressly permitted by paragraph (b).

(b) As an exception to paragraph (a), a health benefit plan is deemed to be a small employer plan and to be in compliance with paragraph (a) if it differs from one of the two small employer plans described in subdivisions 1 to 4 only by providing benefits in addition to those described in subdivision 4, provided that the health ~~care~~ benefit plan has an actuarial value that exceeds the actuarial value of the benefits described in subdivision 4 by no more than two percent. "Benefits in addition" means additional units of a benefit listed in subdivision 4 or one or more benefits not listed in subdivision 4.

Sec. 37. Minnesota Statutes 1992, section 62L.05, subdivision 8, is amended to read:

Subd. 8. [CONTINUATION COVERAGE.] Small employer plans must include the continuation of coverage provisions required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law Number 99-272, as amended ~~through December 31, 1991~~, and by state law.

Sec. 38. Minnesota Statutes 1992, section 62L.08, subdivision 2, is amended to read:

Subd. 2. [GENERAL PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner. Variations permitted under this subdivision must not be based upon age or applied differently at different ages. This subdivision does not prohibit use of a constant percentage adjustment for factors permitted to be used under this subdivision.

Sec. 39. Minnesota Statutes 1993 Supplement, section 62L.08, subdivision 4, is amended to read:

Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business

in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. A health carrier may also request approval to establish one or more additional geographic ~~region~~ regions and ~~a~~ one or more separate index ~~rate~~ rates for premiums for employees working and residing outside of Minnesota~~, and that index rate must not be more than 30 percent higher than the next highest index rate~~. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) if one geographic region is rural, the index rate for the rural region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area;

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

Sec. 40. Minnesota Statutes 1992, section 62L.08, subdivision 5, is amended to read:

Subd. 5. [GENDER-BASED RATES PROHIBITED.] Beginning July 1, 1993, no health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents. Rates must not in any way reflect marital status or generalized differences in expected costs between employees and spouses.

Sec. 41. Minnesota Statutes 1992, section 62L.08, subdivision 6, is amended to read:

Subd. 6. [RATE CELLS PERMITTED.] Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect marital status or differences in expected costs between employees and spouses.

Sec. 42. Minnesota Statutes 1992, section 62L.08, subdivision 7, is amended to read:

Subd. 7. [INDEX AND PREMIUM RATE DEVELOPMENT.] (a) In developing its index rates and premiums, a health carrier may take into account only the following factors:

(1) actuarially valid differences in benefit designs of health benefit plans;

(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;

(3) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

(b) All premium variations permitted under this section must be based upon actuarially valid differences in expected cost to the health carrier of providing coverage. The variation must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All premium variations are subject to approval by the commissioner.

Sec. 43. Minnesota Statutes 1993 Supplement, section 62L.08, subdivision 8, is amended to read:

Subd. 8. [FILING REQUIREMENT.] No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates. The rates shall not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risk associated with the enrollee population, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549. For premium rates proposed to go into effect between July 1, 1993 and December 31, 1993, the pertinent growth rate

is the growth rate applied under section 62J.04, subdivision 1, paragraph (b), to calendar year 1994. ~~As provided in section 62A.65, subdivision 3, this subdivision applies to the individual market, as well as to the small employer market.~~

Sec. 44. Minnesota Statutes 1992, section 62L.12, is amended to read:

62L.12 [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] A health carrier operating in the small employer market shall not knowingly offer, issue, or renew an individual ~~policy, subscriber contract, or certificate~~ health plan to an eligible employee ~~or dependent~~ of a small employer that meets the minimum participation and contribution requirements ~~defined in~~ under section 62L.03, subdivision 3, except as authorized under subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees and dependents.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees and dependents as required.

(e) A health carrier may sell, issue, or renew individual ~~coverage~~ health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group ~~coverage~~ health plan or due to the person's need for health care services not covered under the employer's ~~group policy~~ group health plan.

(f) A health carrier may sell, issue, or renew an individual ~~policy, with the prior consent of the commissioner,~~ health plan, if the individual has elected to buy the individual ~~coverage~~ health plan not as part of a general plan to substitute individual ~~coverage~~ health plans for a group ~~coverage~~ health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.31 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et. seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

Subd. 3. [AGENT'S LICENSURE.] An agent licensed under chapter ~~60A~~ 60K or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual ~~policies~~ health plans to eligible employees and dependents of a small employer that meets the participation and contribution requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to disciplinary action, including the revocation or suspension of license, under section ~~60A.17, subdivision 6e,~~ 60K.11 or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section ~~60A.17, subdivision 6d~~ 60K.11. The action of the commissioner is subject to judicial review as provided under chapter 14.

Subd. 4. [EMPLOYER PROHIBITION.] A small employer shall not encourage or direct an employee or applicant to:

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another health carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the health status or claims experience of that person or the person's dependents.

Subd. 5. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including, but not limited to, life, disability, property, and general liability insurance. This prohibition does not apply to insurance products offered as a supplement to a health maintenance organization plan, including, but not limited to, supplemental benefit plans under section 62D.05, subdivision 6.

Sec. 45. Minnesota Statutes 1992, section 62L.21, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT OF PREMIUM RATES.] The board of directors shall establish operating rules to allocate adjustments to the reinsurance premium charge of no more than minus 25 percent of the monthly reinsurance premium for health carriers that can demonstrate administrative efficiencies and cost-effective handling of equivalent risks. The adjustment must be made ~~annually on a retrospective basis~~ monthly, unless the board provides for a different interval in its operating rules. The operating rules must establish objective and measurable criteria which must be met by a health carrier in order to be eligible for an adjustment. These criteria must include consideration of efficiency attributable to case management, but not consideration of such factors as provider discounts.

Sec. 46. [REPEALER.]

(a) Minnesota Statutes 1992, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55 are repealed.

(b) Minnesota Statutes 1992, section 62A.02, subdivision 5, is repealed.

Sec. 47. [REVISOR INSTRUCTIONS.]

(a) The revisor of statutes shall change the name of the private employers insurance program established in Minnesota Statutes, section 43A.317 to the Minnesota employees insurance program, and the private employers insurance trust fund to the Minnesota employees insurance trust fund, wherever either term occurs in Minnesota Statutes or Minnesota Rules.

(b) The revisor of statutes shall renumber Minnesota Statutes 1992, section 62L.23, as section 62L.08, subdivision 11 and shall change all references to that section in Minnesota Statutes or Minnesota Rules accordingly.

Sec. 48. [EFFECTIVE DATES.]

Sections 1, 3 to 5, 8, 10, 12, 17 to 28, 30, 31, 33 to 42, and 44 to 47 are effective the day following final enactment. Sections 2 and 14 are effective July 1, 1994. Sections 9, 11, 15, 16, 23, 32, and 43 are effective January 1, 1995.

ARTICLE 11

HEALTH CARE COOPERATIVES

Section 1. Minnesota Statutes 1993 Supplement, section 62N.06, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED ENTITIES.] (a) An integrated service network may be organized as a separate nonprofit corporation under chapter 317A or as a cooperative under chapter 308A or 308B.

(b) A nonprofit health carrier, as defined in section 62A.011, may establish and operate one or more integrated service networks without forming a separate corporation or cooperative, but only if all of the following conditions are met:

(i) a contract between the health carrier and a health care provider, for a term of less than seven years, that was executed before June 1, 1993, does not bind the health carrier or provider as applied to integrated service network services, except with the mutual consent of the health carrier and provider entered into on or after June 1, 1993. This clause does not apply to contracts between a health carrier and its salaried employees;

(ii) the health carrier shall not apply toward the net worth, working capital, or deposit requirements of this chapter any assets used to satisfy net worth, working capital, deposit, or other financial requirements under any other chapter of Minnesota law;

(iii) the health carrier shall not include in its premiums for health coverage provided under any other chapter of Minnesota law, an assessment or surcharge relating to net worth, working capital, or deposit requirements imposed upon the integrated service network under this chapter; and

(iv) the health carrier shall not include in its premiums for integrated service network coverage under this chapter an assessment or surcharge relating to net worth working capital or deposit requirements imposed upon health coverage offered under any other chapter of Minnesota law.

Sec. 2. Minnesota Statutes 1993 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission

or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales of securities made by the issuer within the six-month period next preceding the date of filing; and (vii) a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative association organized under chapter 308A or 308B, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in such association, or when such securities are issued as patronage dividends.

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 3. Minnesota Statutes 1992, section 290.092, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] Corporations subject to tax under sections 290.05, subdivision 3; or 60A.15, subdivision 1, and 290.35; real estate investment trusts; regulated investment companies as defined in section 851(a) of the Internal Revenue Code of 1986 or funds of regulated investment companies as defined in section 851(h) of the Internal

Revenue Code of 1986, as amended through December 31, 1991; cooperatives taxable under subchapter T of the Internal Revenue Code of 1986 or organized under chapter 308A or 308B or a similar law of another state; and entities having a valid election in effect under section 1362 or 860D(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, are not subject to the tax imposed in subdivision 1 or 5.

Sec. 4. [308B.01] [STATEMENT OF LEGISLATIVE PURPOSE AND INTENT.]

The legislature finds that the goals of containing health care costs, improving the quality of health care, and increasing the access of Minnesota citizens to health care services reflected under chapters 62J and 62N may be further enhanced through the promotion of health care cooperatives. The legislature further finds that locally based and controlled efforts among health care providers, local businesses, units of local government, and health care consumers, can promote the attainment of the legislature's goals of health care reform, and takes notice of the long history of successful operations of cooperative organizations in this state. Therefore, in order to encourage cooperative efforts which are consistent with the goals of health care reform, including efforts among health care providers as sellers of health care services and efforts of consumers as buyers of health care services and health plan coverage, and to encourage the formation of and increase the competition among health plans in Minnesota, the legislature enacts the Minnesota health care cooperative act.

Sec. 5. [308B.02] [CITATION.]

This chapter may be cited as the "Minnesota health care cooperative act."

Sec. 6. [308B.03] [APPLICABILITY OF OTHER LAWS.]

Subdivision 1. [MINNESOTA COOPERATIVE LAW.] A health care cooperative organizing under this chapter is subject to chapter 308A unless otherwise provided in this chapter. After incorporation, a health care cooperative shall enjoy the powers and privileges and shall be subject to the duties and liabilities of other cooperatives organized under chapter 308A, to the extent applicable and except as limited or enlarged by this chapter. If any provision of this chapter conflicts with a provision of chapter 308A, the provision of this chapter takes precedence.

Subd. 2. [HEALTH PLAN LICENSURE AND OPERATION.] A health care network cooperative organized under this chapter must be licensed as a health maintenance organization licensed under chapter 62D, a nonprofit health service plan corporation licensed under chapter 62C, or a community integrated service network or an integrated service network licensed under chapter 62N, at the election of the health care network cooperative. The health care network cooperative shall be subject to the duties and liabilities of health plans licensed pursuant to the chapter under which the cooperative elects to be licensed, to the extent applicable and except as limited or enlarged by this chapter. If any provision of any chapter under which the cooperative elects to be licensed conflicts with the provisions of this chapter, the provisions of this chapter take precedence.

Subd. 3. [HEALTH PROVIDER COOPERATIVES.] A health provider cooperative organized under this chapter shall not be considered a mutual insurance company under chapter 60A, a health maintenance organization under chapter 62D, a nonprofit health services corporation under chapter 62C, or a community integrated service network or an integrated service network under chapter 62N. A health provider network shall not be considered to violate any limitations on the corporate practice of medicine. Health care service contracts under section 308B.06 shall not be considered to violate section 62J.23.

Sec. 7. [308B.04] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [HEALTH CARE COOPERATIVE.] "Health care cooperative" means a health care network cooperative or a health provider cooperative.

Subd. 3. [HEALTH CARE NETWORK COOPERATIVE.] "Health care network cooperative" means a corporation organized under this chapter and licensed in accordance with section 308B.03, subdivision 2. A health care network cooperative shall not have more than 50,000 enrollees, unless exceeding the enrollment limit is necessary to comply with guaranteed issue or guaranteed renewal requirements of chapter 62L or section 62A.65.

Subd. 4. [HEALTH PROVIDER COOPERATIVE.] "Health provider cooperative" means a corporation organized under this chapter and operated on a cooperative plan to market health care services to purchasers of those services.

Subd. 5. [MEMBER.] "Member" means:

(1) in the case of a health care network cooperative, the policyholder; if the policyholder is an individual enrollee, the individual enrollee is the member; if the policyholder is an employer or other group type, entity, or association, the group policyholder is the member;

(2) in the case of a health provider cooperative, the licensed health care provider, professional corporation, partnership, hospital, or other licensed institution, as provided in the cooperative's articles or bylaws.

Subd. 6. [COMMISSIONER.] Unless otherwise specified, "commissioner" means the commissioner of health for a health care network cooperative licensed under chapter 62D or 62N and the commissioner of commerce for a health care network cooperative licensed under chapter 62C.

Subd. 7. [HEALTH CARRIER.] "Health carrier" has the meaning provided in section 62A.011.

Subd. 8. [HEALTH CARE PROVIDING ENTITY.] "Health care providing entity" means a participating entity that provides health care to enrollees of a health care cooperative.

Sec. 8. [308B.05] [POWERS.]

In addition to the powers enumerated under section 308A.201, a health care cooperative shall have all of the powers granted a nonprofit corporation under section 317A.161, except to the extent expressly inconsistent with the provisions of chapter 308A.

Sec. 9. [308B.06] [HEALTH CARE SERVICE CONTRACTS.]

Subdivision 1. [PROVIDER CONTRACTS.] A health provider cooperative and its licensed members may execute marketing and service contracts requiring the provider members to provide some or all of their health care services through the provider cooperative to the enrollees, members, subscribers, or insureds, of a health care network cooperative, community integrated service network, integrated service network, nonprofit health service plan, health maintenance organization, accident and health insurance company, or any other purchaser, including the state of Minnesota and its agencies, instruments, or units of local government. Each purchasing entity is authorized to execute contracts for the purchase of health care services from a health provider cooperative in accordance with this section. Any contract between a provider cooperative and a purchaser must provide for payment by the purchaser to the health provider cooperative on a substantially capitated or similar risk-sharing basis. Each contract between a provider cooperative and a purchaser shall be filed by the provider network cooperative with the commissioner of health and is subject to the provisions of section 62D.19.

Subd. 2. [NO NETWORK LIMITATION.] A health care network cooperative may contract with any health provider cooperative and may contract with any other licensed health care provider to provide health care services for its enrollees.

Sec. 10. [308B.07] [AMENDMENT OF ARTICLES.]

The articles of a health care cooperative incorporated under this chapter shall be amended as provided in section 317A.131.

Sec. 11. [308B.08] [AMENDMENT OF BYLAWS.]

The bylaws of a health care cooperative incorporated under this chapter shall be amended as provided in section 317A.181.

Sec. 12. [308B.09] [VOTING.]

Subdivision 1. [ELECTION OF DIRECTORS.] Directors of health care cooperatives shall be elected in the manner provided in section 308A.311 with the exception of subdivision 4 of that section. Any requirements applicable to directors under chapters 60A and 62A, 62C, 62D, or 62N do not apply.

Subd. 2. [VOTE BY MAIL.] (a) A member may vote by mail for a director unless mail voting is prohibited for election of directors by the articles or bylaws.

(b) The ballot must be in a form prescribed by the board.

(c) The member shall mark the ballot for the candidate chosen and mail the ballot to the cooperative in a sealed plain envelope inside another envelope bearing the member's name.

(d) If the ballot of the member is received by the cooperative on or before the date of the regular members' meeting, the ballot must be accepted and counted as the vote of the absent member.

Subd. 3. [VOTING GENERALLY.] The requirements and procedures for membership voting for each health care cooperative shall be as provided in the bylaws.

Sec. 13. [308B.10] [GOVERNMENTAL PARTICIPATION.]

The state of Minnesota, or any agency, instrumentality, or unit of local government, may be a member of a health care cooperative. Any governmental hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, or 471.50, or under any special law authorizing or establishing a hospital or hospital district, may be a member of a health care provider cooperative.

Sec. 14. [308B.11] [RELICENSURE.]

(a) A health care network cooperative licensed under chapter 62C or 62D may relinquish that license and be granted a new license as a community integrated service network or an integrated service network under chapter 62N in accordance with this section, provided that the cooperative meets all requirements for licensure as a network under chapter 62N, to the extent not expressly inconsistent with the provisions of chapters 308A and 308B.

(b) The relicensure shall be effective at the time specified in the plan of relicensure, which must not be earlier than the date upon which the previous license is surrendered.

(c) Upon the relicensure of the cooperative as a community integrated service network or an integrated service network:

(1) all existing group and individual enrollee benefit contracts in force on the effective date of the relicensure shall continue in effect and with the same terms and conditions, notwithstanding the cooperative's new licensure as a network, until the date of each contract's next renewal or amendment, but no later than one year from the date of the relicensure. At this time, each benefit contract then in force must be amended to comply with all statutory and regulatory requirements for network benefit contracts as of that date; and

(2) all contracts between the cooperative and any health care providing entity, including a health care provider cooperative, in force on the effective date of relicensure shall remain in effect under the cooperative's new licensure as a network until the date of the next renewal or amendment of that contract, but no later than one year from the date of relicensure.

(d) Except as otherwise provided in this section, nothing in the relicensure of a health care network cooperative shall in any way affect its corporate existence or any of its contracts, rights, privileges, immunities, powers or franchises, debts, duties or other obligations or liabilities.

ARTICLE 12

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1993 Supplement, section 62N.23, is amended to read:

62N.23 [TECHNICAL ASSISTANCE; LOANS.]

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating a community integrated service network or an integrated service network. This shall be known as the integrated service network technical assistance program (ISNTAP).

The technical assistance program shall offer seminars on the establishment and operation of integrated service networks in all regions of Minnesota. The commissioner shall advertise these seminars in local and regional newspapers, and attendance at these seminars shall be free.

The commissioner shall write a guide to establishing and operating an integrated service network. The guide must provide basic instructions for parties wishing to establish an integrated service network. The guide must be provided free of charge to interested parties. The commissioner shall update this guide when appropriate.

The commissioner shall establish a toll-free telephone line that interested parties may call to obtain assistance in establishing or operating an integrated service network.

(b) The commissioner~~, in consultation with the commission, shall provide recommendations for the creation of a loan program that would provide loans or grants to entities forming integrated service networks or to networks less than one year old. The commissioner shall propose criteria for the loan program.~~ shall grant loans for organizational and start-up expenses to entities forming community integrated service networks or integrated service networks, or to networks less than one year old, to the extent of any appropriation for that purpose. The commissioner shall allocate the available funds among applicants based upon the following criteria, as evaluated by the commissioner within the commissioner's discretion:

(1) the applicant's need for the loan;

(2) the likelihood that the loan will foster the formation or growth of a network; and

(3) the likelihood of repayment.

The commissioner shall determine any necessary application deadlines and forms and is exempt from rulemaking in doing so.

Sec. 2. Minnesota Statutes 1993 Supplement, section 144.1464, is amended to read:

144.1464 [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of health, through a contract with a nonprofit organization as required by subdivision 4, shall award grants to hospitals and clinics to establish a secondary and post-secondary summer health care intern program. The purpose of the program is to expose interested ~~high school~~ secondary and post-secondary pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] (a) The commissioner, through the organization under contract, shall award grants to hospitals and clinics that agree to:

(1) provide secondary and post-secondary summer health care interns with formal exposure to the health care profession;

(2) provide an orientation for the secondary and post-secondary summer health care interns;

(3) pay one-half the costs of employing a the secondary and post-secondary summer health care intern, based on an overall hourly wage that is at least the minimum wage but does not exceed $6 an hour; and

(4) interview and hire secondary and post-secondary pupils for a minimum of six weeks and a maximum of 12 weeks.

(b) In order to be eligible to be hired as a secondary summer health intern by a hospital or clinic, a pupil must:

(1) intend to complete high school graduation requirements and be between the junior and senior year of high school;

(2) be from a school district in proximity to the facility; and

(3) provide the facility with a letter of recommendation from a health occupations or science educator.

(c) In order to be eligible to be hired as a post-secondary summer health care intern by a hospital or clinic, a pupil must:

(1) intend to complete a two-year or four-year degree program and be planning on enrolling in or be enrolled in that degree program;

(2) be from a school district or attend an educational institution in proximity to the facility; and

(3) provide the facility with a letter of recommendation from a health occupations or science educator.

(d) Hospitals and clinics awarded grants may employ pupils as secondary and post-secondary summer health care interns beginning on or after June 15, 1993, if they agree to pay the intern, during the period before disbursement of state grant money, with money designated as the facility's 50 percent contribution towards internship costs.

Subd. 3. [GRANTS.] The commissioner, through the organization under contract, shall award separate grants to hospitals and clinics meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing ~~a pupil~~ secondary and post-secondary pupils in a hospital or clinic during the course of the program. No more than five pupils may be selected from any ~~one high school~~ secondary or post-secondary institution to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Subd. 4. [CONTRACT.] The commissioner shall contract with a statewide, nonprofit organization representing facilities at which secondary and post-secondary summer health care interns will serve, to administer the grant program established by this section. The organization awarded the grant shall provide the commissioner with any information needed by the commissioner to evaluate the program, in the form and at the times specified by the commissioner.

Sec. 3. [144.1471] [EMERGENCY ROOM COVERAGE GRANT PROGRAM.]

Subdivision 1. [GRANT AWARDS.] The commissioner shall establish a grant program to improve access to quality and efficient emergency medical care. The commissioner shall award grants to small, rural hospitals that:

(1) agree to utilize the grant to maintain and keep open an emergency room, 24 hours a day, seven days a week; and

(2) meet the criteria in subdivision 2.

Subd. 2. [CRITERIA.] In order to be eligible for a grant, a hospital must:

(1) be a licensed acute-care hospital operating in the state;

(2) not be financially able to keep its emergency room open 24 hours a day, seven days a week;

(3) have fewer than three medical doctors on staff; and

(4) have fewer than 50 licensed hospital beds.

Sec. 4. [RURAL MEDICAL SCHOOL PLANNING GRANT.]

The higher education coordinating board shall award a planning grant to a post-secondary institution located in St. Louis county to expand its currently existing two-year medical school program to a four-year medical school program. The newly established four-year medical school program must focus on the training of primary care physicians who are likely to practice in rural areas of the state. If the board of regents of the University of Minnesota accepts the funding appropriated for the planning grant, it shall comply with the duties for which the appropriation is made.

Sec. 5. [PHYSICAL THERAPIST DEGREE PROGRAM.]

The higher education coordinating board shall study the need for the expansion of certified physical therapists degree programs at post-secondary institutions located in the northwestern and southwestern parts of the state of Minnesota. The higher education coordinating board shall also explore the option of telecommunications to provide greater access to physical therapist programs. The higher education coordinating board shall present recommendations to the legislature by January 15, 1995.

ARTICLE 13

FINANCING

Section 1. Minnesota Statutes 1993 Supplement, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] The commissioner shall manage spending for the ~~health right plan~~ MinnesotaCare program in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the covered services for the remainder of the current fiscal year and for the following two fiscal years. The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. Based on this comparison, and after consulting with the chairs of the house ways and means committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the ~~health right plan~~ MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the ~~health right plan~~ MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.

The reserve referred to in this subdivision is appropriated to the commissioner but may only be used upon approval of the commissioner of finance, if estimated costs will exceed the forecasted amount of available revenues after all adjustments authorized under this subdivision have been made.

By February 1, 1994, the department of human services and the department of health shall develop a plan to adjust benefit levels, eligibility guidelines, or other steps necessary to ensure that expenditures for the MinnesotaCare program are contained within the two percent ~~provider tax~~ taxes imposed under section 295.52 and the ~~one percent HMO~~ gross premiums tax imposed under section 60A.15, subdivision 1, paragraph (e), for the 1996-1997 biennium. Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the departments shall take place after June 1, 1994, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1994 legislature.

Sec. 2. Minnesota Statutes 1993 Supplement, section 256.9356, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATION AND COMMISSIONER'S DUTIES.] Premiums are dedicated to the commissioner for MinnesotaCare. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon changes in enrollee income; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or annual basis, with the first payment due upon notice from the commissioner of the premium amount required. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. ~~Nonpayment~~ Payment of the premium later than 30 days after the premium due date will result in disenrollment from the plan ~~within one calendar month after the due date~~. Persons disenrolled for nonpayment may not reenroll until four calendar months have elapsed.

Sec. 3. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 2a. [DELIVERED OUTSIDE OF MINNESOTA.] "Delivered outside of Minnesota" means property which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not later returned to a point within Minnesota, except in the course of interstate commerce.

Sec. 4. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 3, is amended to read:

Subd. 3. [GROSS REVENUES.] "Gross revenues" are total amounts received in money or otherwise by:

(1) a resident hospital for patient services;

(2) a resident surgical center for patient services;

(3) a nonresident hospital for patient services provided to patients domiciled in Minnesota;

(4) a nonresident surgical center for patient services provided to patients domiciled in Minnesota;

(5) a resident health care provider, other than a staff model health carrier, for patient services;

(6) a nonresident health care provider for patient services provided to an individual domiciled in Minnesota;

(7) a wholesale drug distributor for sale or distribution of ~~prescription~~ legend drugs that are delivered: (i) to a Minnesota resident by a wholesale drug distributor who is a nonresident pharmacy directly, by common carrier, or by mail; or (ii) in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the ~~prescription~~ legend drugs are delivered to another wholesale drug distributor who sells legend drugs exclusively at wholesale. ~~Prescription~~ Legend drugs do not include nutritional products as defined in Minnesota Rules, part 9505.0325;

(8) a staff model health ~~carrier~~ plan company as gross premiums for enrollees, copayments, deductibles, coinsurance, and fees for patient services covered under its contracts with groups and enrollees;

(9) a resident pharmacy for medical supplies, appliances, and equipment; and

(10) a nonresident pharmacy for medical supplies, appliances, and equipment.

Sec. 5. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 6a. [HOSPICE CARE SERVICES.] "Hospice care services" are services:

(1) as defined in Minnesota Rules, part 9505.0297; and

(2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility as defined in section 62A.46, subdivision 3, or intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d).

Sec. 6. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 15. [LEGEND DRUG.] "Legend drug" means a legend drug as defined in section 151.01, subdivision 17.

Sec. 7. Minnesota Statutes 1993 Supplement, section 295.52, subdivision 5, is amended to read:

Subd. 5. [VOLUNTEER AMBULANCE SERVICES.] ~~Licensed~~ Volunteer ambulance services ~~for which all the ambulance attendants are "volunteer ambulance attendants" as defined in section 144.8091, subdivision 2,~~ are not subject to the tax under this section. For purposes of this requirement, "volunteer ambulance service" means an ambulance service in which all of the individuals whose primary responsibility is direct patient care meet the

definition of volunteer under section 144.8091, subdivision 2. The ambulance service may employ administrative and support staff, and remain eligible for this exemption, if the primary responsibility of these staff is not direct patient care.

Sec. 8. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTIONS.] The following payments are excluded from the gross revenues subject to the hospital, surgical center, or health care provider taxes under sections 295.50 to 295.57:

(1) payments received for services provided under the Medicare program, including payments received from the government, and organizations governed by sections 1833 and 1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section 1395, and enrollee deductibles, coinsurance, and copayments, whether paid by the individual or by insurer or other third party. Payments for services not covered by Medicare are taxable;

(2) medical assistance payments including payments received directly from the government or from a prepaid plan;

(3) payments received for home health care services;

(4) payments received from hospitals or surgical centers for goods and services on which liability for tax is imposed under section 295.52 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(5) payments received from health care providers for goods and services on which liability for tax is imposed under sections 295.52 to 295.57 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(6) amounts paid for ~~prescription~~ legend drugs, other than nutritional products, to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program including payments received directly from the government or from a prepaid plan;

(8) payments received for providing services under the MinnesotaCare program including payments received directly from the government or from a prepaid plan and enrollee deductibles, coinsurance, and copayments;

(9) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for care provided outside Minnesota to a patient who is not domiciled in Minnesota;

(10) payments received from the chemical dependency fund under chapter 254B;

(11) payments received in the nature of charitable donations that are not designated for providing patient services to a specific individual or group;

(12) payments received for providing patient services if the services are incidental to conducting medical research;

(13) payments received from any governmental agency for services benefiting the public, not including payments made by the government in its capacity as an employer or insurer;

(14) payments received for services provided by community residential mental health facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, community support programs and family community support programs approved under Minnesota Rules, parts 9535.1700 to 9535.1760, and community mental health centers as defined in section 245.62, subdivision 2; ~~and~~

(15) government payments received by a regional treatment center;

(16) payments received for hospice care services;

(17) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for medical supplies, appliances and equipment delivered outside of Minnesota; and

(18) payments from student fees received by a university or college student health service.

Sec. 9. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 2, is amended to read:

Subd. 2. [DEDUCTIONS FOR STAFF MODEL HEALTH ~~CARRIERS~~ PLAN COMPANY.] In addition to the exemptions allowed under subdivision 1, a staff model health ~~carrier~~ plan company may deduct from its gross revenues for the year:

(1) amounts paid to hospitals, surgical centers, and health care providers that are not employees of the staff model health ~~carrier~~ plan company for services on which liability for the tax is imposed under section 295.52;

(2) amounts added to reserves, if total reserves do not exceed 200 percent of the statutory net worth requirement, the calculation of which may be determined on a consolidated basis, taking into account the amounts held in reserve by affiliated staff model health ~~carriers~~ plan companies;

(3) assessments for the comprehensive health insurance plan under section 62E.11; and

(4) amounts spent for administration as reported as total administration to the department of health in the statement of revenues, expenses, and net worth pursuant to section 62D.08, subdivision 3, clause (a).

Sec. 10. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 5, is amended to read:

Subd. 5. [DEDUCTIONS FOR PHARMACIES.] (a) Pharmacies may deduct from their gross revenues subject to tax payments for medical supplies, appliances, and devices that are exempt under subdivision 1, except payments under subdivision 1, clauses (3), (6), (9), (11), and (14).

(b) Resident pharmacies may deduct from their gross revenues subject to tax payments received for medical supplies, appliances, and equipment delivered outside of Minnesota.

Sec. 11. Minnesota Statutes 1993 Supplement, section 295.54, is amended to read:

295.54 [CREDIT FOR TAXES PAID ~~TO ANOTHER STATE~~.]

Subdivision 1. [TAXES PAID TO ANOTHER STATE.] A resident hospital, resident surgical center, pharmacy, or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Subd. 2. [PHARMACY CREDIT.] A resident pharmacy may claim a quarterly credit against the total amount of tax the pharmacy owes during that quarter under section 295.52, subdivision 1b, as provided in this subdivision. The credit shall equal two percent of the amount paid by the pharmacy to a wholesale drug distributor subject to tax under section 295.52, subdivision 3, for legend drugs delivered by the pharmacy outside of Minnesota. If the amount of the credit exceeds the tax liability of the pharmacy under section 295.52, subdivision 1b, the commissioner shall provide the pharmacy with a refund equal to the excess amount.

Sec. 12. Minnesota Statutes 1993 Supplement, section 295.58, is amended to read:

295.58 [DEPOSIT OF REVENUES AND PAYMENT OF REFUNDS.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 and from the insurance premiums tax on health maintenance organizations, community integrated service networks, integrated service networks, and nonprofit health service plan corporations in the health care access fund in the state treasury. Refunds of overpayments must be paid from the health care access fund in the state treasury. There is annually appropriated from the health care access fund to the commissioner of revenue the amount necessary to make any refunds required under section 295.54.

Sec. 13. Minnesota Statutes 1993 Supplement, section 295.582, is amended to read:

295.582 [AUTHORITY.]

(a) A hospital, surgical center, pharmacy, or health care provider that is subject to a tax under section 295.52, or a pharmacy that has paid additional expense transferred under this section by a wholesale drug distributor, may transfer additional expense generated by section 295.52 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The expense must not exceed two percent of the gross revenues received under the third-party contract, ~~including~~ plus two percent of copayments and deductibles paid by the individual patient or consumer. The expense must not be generated on revenues derived from payments that are excluded from the tax under section 295.53. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, ~~or 62H,~~ 65A, 65B, 79, or 79A, or under section 471.61 or 471.617, must pay the transferred expense in addition to any payments due under existing ~~or future~~ contracts with the hospital, surgical center, pharmacy, or health care provider, to the extent allowed under federal law. A third-party purchaser of health care services includes, but is not limited to, a health carrier, integrated service network, or community integrated service network that pays for health care services on behalf of patients or that reimburses, indemnifies, compensates, or otherwise insures patients for health care services. A third-party purchaser shall comply with this section regardless of whether the third-party purchaser is a for-profit, not-for-profit, or nonprofit entity. A wholesale drug distributor may transfer additional expense generated by section 295.52 obligations to entities that purchase from the wholesaler. Nothing in this ~~subdivision~~ section limits the ability of a hospital, surgical center, pharmacy, wholesale drug distributor, or health care provider to recover all or part of the section 295.52 obligation by other methods, including increasing fees or charges.

(b) Each third-party purchaser regulated under any chapter cited in paragraph (a) shall include with its annual renewal for certification of authority or licensure documentation indicating compliance with paragraph (a). If the commissioner responsible for regulating the third-party purchaser finds at any time that the third-party purchaser has not complied with paragraph (a) the commissioner may by order fine or censure the third-party purchaser or revoke or suspend the certificate of authority or license of the third-party purchaser to do business in this state. The third-party purchaser may appeal the commissioner's order through a contested case hearing in accordance with chapter 14.

Sec. 14. [EFFECTIVE DATES.]

Sections 1, 8, and 11 are effective the day following final enactment. Sections 3 to 7, 9, and 10 are effective July 1, 1994.

ARTICLE 14

APPROPRIATIONS

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to the appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 345, or another named law.

SUMMARY BY FUND

	APPROPRIATIONS 1994	1995
HCAF Fund	($10,810,000)	($18,527,000)
State Government Special Revenue	-0-	1,403,000
Subdivision 1. Department of Human Services		
(a) Rate Reduction - Health Care Access Fund	-0-	(145,000)
This reduction is to the appropriation in Laws 1993, chapter 345, article 14, section 2, due to the imposition of a five percent rate reduction for hospitals not providing preadmission certification of MinnesotaCare enrollees receiving inpatient services.		
(b) Delayed Enrollment of Single Adults Health Care Access Fund	(8,974,000)	(14,576,000)
Subd. 2. Department of Employee Relations		
Health Care Access Fund	(1,854,000)	(6,125,000)
This reduction is to the appropriation in Laws 1993, chapter 345, article 14, section 9, due to a negotiation of a third-party carrier contract for Minnesota employers insurance program.		
Subd. 3. Department of Health		
Health Care Access Fund	-0-	1,740,000
State Government Special Revenue	-0-	1,403,000
Money appropriated before fiscal year 1995 to the commissioner of health for the administrative functions in connection with the data institute may be used by the data institute for the administration of the patient satisfaction survey to the extent that there are matching financial contributions from the private sector.		
Subd. 4. Higher Education Coordinating Board		
Health Care Access Fund	-0-	200,000
Of this appropriation, $200,000 in fiscal year 1995 is to provide a medical school planning grant and to study physical therapist degree programs, as required under article 12.		

	APPROPRIATIONS 1994	1995
Subd. 5. Department of Commerce		
Health Care Access Fund	18,000	379,000

Sec. 2. REVENUES	1994	1995
Health Care Access Fund	-0-	(225,000)
State Government Special Revenue	-0-	167,000
Subdivision 1. Department of Commerce Health Care Access Fund	-0-	175,000
Subd. 2. Department of Revenue		
Health Care Access Fund	-0-	(400,000)
Subd. 3. Department of Health		
Health Care Access Fund	-0-	-0-
State Government Special Revenue Fund	-0-	167,000

Sec. 3. TRANSFERS

The commissioner of finance shall transfer $3,963,000 in fiscal year 1994 and $11,101,000 in fiscal year 1995 from the health care access fund to the general fund."

Amend the title accordingly

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2624, A bill for an act relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch; amending Minnesota Statutes 1992, sections 3.855, subdivisions 2, 3, and by adding a subdivision; 15A.081, subdivisions 7 and 7b; 43A.05, subdivision 5; 43A.08, subdivisions 1 and 1a; 43A.18, subdivisions 2, 3, and 5; 179A.18, subdivision 1; and 179A.22, subdivision 4; Minnesota Statutes 1993 Supplement, sections 15A.081, subdivision 1; 15A.083, subdivision 4; and 43A.18, subdivision 4.

Reported the same back with the following amendments:

Page 3, after line 5, insert:

"Subd. 13. [CORRECTIONAL GUARDS.] The arbitration award and memorandum of understanding for unit 8, the correctional guards unit, approved by the legislative commission on employee relations on April 6, 1994, are approved."

Page 17, after line 19, insert:

"Sec. 15. Minnesota Statutes 1992, section 179A.10, subdivision 3, is amended to read:

Subd. 3. [STATE EMPLOYEE SEVERANCE.] Each of the following groups of employees has the right, as specified in this subdivision, to separate from the general professional, health treatment, or general supervisory units provided for in subdivision 2: attorneys, physicians, professional employees of the higher education coordinating board who are compensated under section 43A.18, subdivision 4, state patrol-supervisors, ~~regional~~ enforcement ~~officers~~ supervisors employed by the department of natural resources, and criminal apprehension investigative-supervisors. This right must be exercised by petition during the 60-day period commencing 270 days prior to the termination of a contract covering the units. If one of these groups of employees exercises the right to separate from the units they have no right to meet and negotiate, but retain the right to meet and confer with the commissioner of employee relations and with the appropriate appointing authority on any matter of concern to them. The right to separate must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their units may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support for the petitioner from the employees, the commissioner shall hold an election to ascertain the wishes of the majority with respect to the issue of remaining within or severing from the units provided in subdivision 2. This election must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from the unit in favor of separate meet and confer status for any one of these groups of employees, the commissioner shall certify that result. This election, where not inconsistent with other provisions of this section, is governed by section 179A.12. If a group of employees elects to sever, the group may rejoin that unit by following the same procedures specified above for severance, but may only do so during the periods provided for severance."

Page 19, line 34, delete "17" and insert "18"

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "modifying duties of the commissioner of employee relations;"

Page 1, line 11, after the first semicolon, insert "179A.10, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2775, A bill for an act relating to motor vehicles; exempting vehicles in the first five years of vehicle life from emissions inspection requirement; requiring a study of motor vehicle registration at emissions inspection stations; authorizing issuance of youth charter carrier permits; appropriating money; amending Minnesota Statutes 1992, sections 116.61, subdivision 2; 221.011, by adding a subdivision; and 221.121, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 221.111.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 4, delete section 6

Page 4, line 14, delete "Section 1 is effective January 1, 1995." and delete "2 to 6" and insert "1 to 4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "inspection requirement;"

Page 1, line 7, delete "appropriating money;"

Page 1, line 8, delete "116.61, subdivision 2;"

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

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 2815, A bill for an act relating to transportation; requiring metropolitan council and department of transportation to conduct a study on road pricing finance options; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUNITY DEVELOPMENT

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to appropriations for the fiscal years ending June 30, 1994 and June 30, 1995, in Laws 1993, chapter 369, or another named law.

SUMMARY BY FUND

	1994	1995
General Fund	$ 656,000	$ 1,752,000
Special Revenue Fund	-0-	4,000
Workers' Compensation Fund	-0-	50,000
TOTAL	$656,000	$1,806,000

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT	$ 500,000	$ 1,164,000
SUMMARY BY FUND		
General Fund	$ 500,000	$ 1,160,000
Special Revenue Fund	-0-	4,000
(a) Minnesota Film Board		40,000

This appropriation is added to the appropriation in Laws 1993, chapter 369, section 2, subdivision 4, for the Minnesota film board. This appropriation is available only upon receipt by the board of $1 in matching money or in-kind contributions from nonstate sources for every $3 provided by this appropriation.

(b) Community Development

The $6,000,000 to be transferred under the appropriation in Laws 1993, chapter 369, section 2, subdivision 2, in fiscal year 1994 to the regional revolving loan fund account in the special revenue fund is to be transferred instead to the rural rehabilitation account in the special revenue fund.

(c) Job Skills Partnership	500,000	500,000

These appropriations are added to the appropriations made in Laws 1993, chapter 369, section 2, subdivision 5. The additions are to be added to the $1,088,000 each year for the job skills partnership grants and the purpose for both the original $1,088,000 each year and the additional $500,000 each year is for the job skills partnership program under Minnesota Statutes, chapter 116L.

(d) Study of Women-owned Businesses		35,000

This appropriation is for a study, to be conducted in consultation with the commissioner of commerce, of the status of women-owned business in Minnesota. The commissioner shall:

(1) identify and compile information on trends in women business ownership and trends in the size of women-owned businesses;

(2) identify the distribution of women-owned businesses by industry and the demographic profile of women business owners;

(3) identify the current and prospective needs of women-owned businesses for all types of credit and capital, including start-up capital, expansion capital, and working capital, considering the number and type of women-owned businesses and the rate of formation of women-owned businesses;

(4) identify and document the availability of all types of credit and financing for women-owned businesses;

(5) describe any barriers that exist that limit access to capital and credit by women-owned businesses;

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995

(6) examine and document the use of publicly funded capital subsidy programs by women-owned businesses, including business loan and grant programs, interest subsidy programs, and loan insurance and loan guarantee programs;

(7) evaluate the effectiveness of the Community Reinvestment Act in Minnesota as one method of addressing the credit needs of women-owned businesses;

(8) compare the relative access to credit of women-owned businesses in Minnesota and women-owned businesses in other states or regions;

(9) provide recommendations to improve, as necessary, access to credit by, and the availability of credit for, women-owned businesses;

(10) identify the level of participation by women-owned businesses in state procurement programs; and

(11) identify methods of assisting women-owned business in other states.

The commissioner shall use the most current and reliable information available, including information the commissioner obtains through a survey of Minnesota's women-owned corporations, partnerships, limited liability companies, and sole proprietorships. Any state agency with information or expertise required for the study shall cooperate by supplying data or assistance as requested by the commissioner. The commissioner shall prepare a report summarizing the findings and recommendations including preliminary recommendations for addressing the barriers based on the study and the identification of assistance provided in other states and present it to the legislature by January 30, 1995.

(e) North Metro Business Retention and Development Commission	-0-	50,000

This appropriation is added to the grant authorized in Laws 1993, chapter 369, section 2, subdivision 5, for the North Metro Business Retention and Development Commission, and is for the purpose of including the cities of New Brighton and Mounds View in the pilot project. This grant is available only on a demonstration of a dollar-for-dollar cash match from the commission.

(f) Capital Access Program	-0-	500,000

This appropriation is for use in the department's capital access program. The commissioner shall place this appropriation in a separate account to be known as the agricultural product processing account. The commissioner shall transfer money in this account as needed to fund separate reserve fund accounts established with lenders to cover any losses sustained by those lenders who (1) enroll in the capital access program, and (2) make loans to farmers to

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
finance the purchase of stock in a cooperative that proposes to construct and operate an agricultural product processing facility that is located in Minnesota and costs over $1,000,000. Money in the agricultural product processing account reverts to the general fund on July 1, 1997, if not needed by the commissioner to fund separate reserve accounts established with lenders.		
(g) International Protocol		35,000
This appropriation is for the international protocol function.		
Sec. 3. LABOR INTERPRETIVE CENTER	45,000	190,000
These general fund appropriations for operational expenditures are in addition to the appropriations transferred in Laws 1993, chapter 369, section 26.		
Any unencumbered balance remaining in the first year does not cancel but is available for the second year.		
The commissioner of administration shall manage and control the land acquired pursuant to Laws 1987, chapter 400, section 61, until funds are appropriated and construction is authorized by the legislature to begin on the labor interpretive center.		
Sec. 4. MINNESOTA TECHNOLOGY INCORPORATED	-0-	250,000
This appropriation is added to the appropriation for transfer from the general fund to the Minnesota Technology, Inc. fund in Laws 1993, chapter 369, section 3, and is for state match for the first year of a federal grant for a defense conversion consortium.		
Sec. 5. WORLD TRADE CENTER CORPORATION	111,000	-0-
This appropriation is for the purpose of retiring the debt of the world trade center corporation, and is available until spent.		
Sec. 6. LABOR AND INDUSTRY	-0-	74,000
SUMMARY BY FUND		
General Fund	$ -0-	$ 24,000
Workers' Compensation Special fund	-0-	50,000
(a) OSHA supplement fund		50,000
This appropriation is from the special compensation fund and is added to the appropriation in Laws 1993, chapter 369, section 9, subdivision 3.		
(b) Enforcement of Record Review		24,000
This appropriation is from the general fund, and is for enforcement of employee rights to review personnel records.		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 7. COMMERCE	-0-	8,000
This appropriation is for a study, in consultation with the attorney general, of the pawnbroker industry in Minnesota. The commissioner shall study:		
(1) current licensing and regulation of pawnbrokers by political subdivisions, the effectiveness of that licensing, and the need, if any, for licensing and regulation by the state; and		
(2) rates of interest or fees charged on pawnbroker loans in Minnesota and other states, and whether the state should establish a maximum rate of interest or fee for such loans.		
The commissioner shall report findings, conclusions, and recommendations of the study to the legislature by December 1, 1994.		
Sec. 8. PUBLIC SERVICE	-0-	(220,000)
This reduction is to the appropriation in Laws 1993, chapter 369, section 11, subdivision 5, for transfer to the energy and conservation account under Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential LP gas heating equipment in low-income households, and when necessary, to provide weatherization services to the homes.		
Sec. 9. MINNESOTA HISTORICAL SOCIETY	-0-	175,000
(a) Archaeology		75,000
This appropriation is for the state archaeology function and purpose.		
(b) Museum of the National Guard		25,000
This appropriation is for a contribution from the state to the Museum of the National Guard in Washington D.C.		
(c) Grand Meadow Chert Quarry		35,000
This appropriation is for a grant to the Mower county historical society for acquisition of the historic Grand Meadow chert quarry.		
(d) Minnesota Transportation Museum		10,000
This appropriation is for restoration of a president's conference committee street car, and must be matched on a one-for-one basis from private sources, including in-kind contributions.		
(e) St. Anthony Falls Heritage Board		60,000
Of this appropriation, $35,000 is for a grant to the St. Anthony Falls heritage board, to be used by the board as a grant to further develop the great river road project in the central Mississippi		

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riverfront park. A grant made by the board from this appropriation is not subject to the matching requirements of Minnesota Statutes, section 138.766. Of this appropriation, $25,000 is for board operating costs.		
(f) Hinckley Fire Museum		10,000
This appropriation is for a grant to the Pine county historical society for renovation of the Hinckley fire museum.		
(g) Kee Theatre		10,000
This appropriation is for a grant for the restoration of the Kee theatre in Keister.		
(h) Cloquet-Moose Lake Forest Fire Center		(50,000)
The appropriation in Laws 1993, chapter 369, section 12, subdivision 6, paragraph (g), is canceled.		
Sec. 10. BOARD OF THE ARTS	-0-	125,000
This appropriation is for a grant to the city of Minneapolis for capital improvements to the Hennepin center for the arts. The city may give this money as a grant to the governing body of the Hennepin center for the arts.		
Sec. 11. COUNCIL ON AFFAIRS OF SPANISH SPEAKING PEOPLE	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		
Sec. 12. COUNCIL ON BLACK MINNESOTANS	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		
Sec. 13. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		
Sec. 14. INDIAN AFFAIRS COUNCIL	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		

Sec. 15. [MICRO BUSINESS LOANS.]

The commissioner of trade and economic development shall evaluate ways to encourage micro business loans for small start-up businesses. The commissioner shall report to the legislature as part of the biennial budget process on ways to meet the capital needs of small start-up businesses, including proposed measures of the effectiveness of these loans.

Sec. 16. [REQUIRED ENVIRONMENTAL IMPACT STATEMENT; METAL PROCESSING IN CRITICAL AREA.]

Until completion of an environmental impact statement that is found adequate under Minnesota Statutes, chapter 116D, a state or local agency may not issue a permit for construction or operation of a metal materials processing project that:

(1) would be located in or adjacent to the Mississippi river critical area, as described in Minnesota Statutes 1992, section 116G.15; and

(2) would have a processing capacity in excess of 20,000 tons per month.

The pollution control agency is the responsible government unit for preparation of an environmental impact statement required under this section.

Sec. 17. Minnesota Statutes 1993 Supplement, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) merchandise for resale at state park refectories or facility operations;

(2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;

(3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and

(4) products and services from the Minnesota correctional facilities.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

(d) Supplies, materials, equipment, and utility services to be used or purchased by the iron range resources and rehabilitation board are subject to the competitive bidding requirements of this chapter only as described in section 298.2211, subdivision 3a.

Sec. 18. Minnesota Statutes 1993 Supplement, section 44A.025, is amended to read:

44A.025 [DUTIES.]

The board shall:

(1) promote and market the Minnesota world trade center corporation;

(2) sponsor conferences or other promotional events in the conference and service center;

(3) adopt bylaws governing operation of the corporation by November 1, 1987;

(4) conduct public relations, marketing, and liaison activities between the corporation, the Minnesota trade office, and the international business community;

(5) establish and maintain an office in the Minnesota world trade center; ~~and~~

(6) not duplicate programs or services provided by the ~~commissioner of trade and economic development, the Minnesota trade division, or the~~ commissioner of agriculture; and

(7) enter into administrative, programming, and service partnerships with the commissioner of trade and economic development.

Sec. 19. Minnesota Statutes 1992, 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. 20. Minnesota Statutes 1992, 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 fraternals 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, $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)~~ (5) 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, $30 per license, for issuing an initial agent's license to a partnership or corporation, $100, and for issuing an amendment (variable annuity) to a license, $50, and for renewal of amendment, $25;~~

~~(8)~~ (6) 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, $30 per year per license, and for renewing a license issued to a corporation or partnership, $60 per year;~~

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

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

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

~~(13)~~ (7) for filing forms and rates, $50 per filing;

~~(14)~~ (8) for annual renewal of surplus lines insurer license, $300.

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

Sec. 21. Minnesota Statutes 1992, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [~~FEES~~ SERVICE OF PROCESS.] ~~The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same.~~ The service of process authorized by this section shall be made in compliance with section 45.028, subdivision 2.

Sec. 22. Minnesota Statutes 1993 Supplement, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining an agent's license in this state;

(c) delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) $5,000; or

(2) the largest semiannual surplus lines premium tax liability incurred by the applicant in the immediately preceding five years; ~~and~~

(d) agreeing to file with the commissioner of revenue no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six-month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner a tax on premiums equal to three percent of the total written premiums less cancellations;

(e) ~~annually~~ paying a fee as prescribed by section ~~60A.14~~ 60K.06, subdivision ~~1~~ 2, paragraph ~~(e)~~ (a), clause ~~(10)~~ (7); and

(f) paying penalties imposed under section 289A.60, subdivision 1, as it relates to withholding and sales or use taxes, if the tax due under clause (d) is not timely paid.

Sec. 23. Minnesota Statutes 1992, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made in compliance with section 45.028, subdivision 2 ~~and the payment of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (e), clause (4)~~.

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 24. Minnesota Statutes 1992, section 60K.03, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause ~~(9)~~ (6), at the time the agent becomes licensed. The application and appointment must be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

Sec. 25. Minnesota Statutes 1992, section 60K.03, subdivision 5, is amended to read:

Subd. 5. [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause ~~(9)~~ (6). The notice of appointment must be on a form prescribed by the commissioner.

Sec. 26. Minnesota Statutes 1992, section 60K.03, subdivision 6, is amended to read:

Subd. 6. [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section ~~60A.14~~ 60K.06, subdivision ~~1~~ 2, paragraph ~~(c)~~ (a).

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Sec. 27. Minnesota Statutes 1992, section 60K.06, is amended to read:

60K.06 [~~RENEWAL FEE~~ FEES.]

Subdivision 1. [RENEWAL FEES.] (a) Each agent licensed pursuant to section 60K.03 shall ~~annually~~ pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by ~~section 60A.14,~~ subdivision ~~1, paragraph (c), clause (10)~~ 2.

(b) Every agent, corporation, limited liability company, and partnership renewal license ~~expires on October 31 of the year for which period a license is issued~~ is valid for a period of 24 months. The commissioner may stagger the implementation of the 24-month licensing program so that approximately one-half of the licenses will expire on October 31 of each even-numbered year and the other half on October 31 of each odd-numbered year. Those licensees who will receive a 12-month license on November 1, 1994, because of the staggered implementation schedule, will pay for the license a fee reduced by an amount equal to one-half the fee for renewal of the license.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

~~(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.~~

Subd. 2. [LICENSING FEES.] (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

(1) a fee of $60 per license for an initial license issued to an individual agent, and a fee of $60 for each renewal;

(2) a fee of $160 for an initial license issued to a partnership, limited liability company, or corporation, and a fee of $120 for each renewal;

(3) a fee of $75 for an initial amendment (variable annuity) to a license, and a fee of $50 for each renewal;

(4) a fee of $500 for an initial surplus lines agent's license, and a fee of $500 for each renewal;

(5) for issuing a duplicate license, $10; and

(6) for issuing licensing histories, $20.

(b) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1 of the renewal year. Applications for renewal of a license are timely filed if received by the commissioner on or before the 15th day preceding the license renewal date of the applicant on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked on or before the 15th day preceding the licensing renewal date of the applicant.

(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(d) All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of any fee must be refunded upon proper application.

Subd. 3. [INITIAL LICENSE EXPIRATION; FEE REDUCTION.] If an initial license issued under subdivision 2, paragraph (a), expires less than 12 months after issuance, the license fee must be reduced by an amount equal to one-half the fee for a renewal of the license.

Sec. 28. Minnesota Statutes 1992, section 60K.19, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete ~~annually~~ a minimum of ~~15~~ 30 credit hours of courses accredited by the commissioner during each 24-month licensing period after the expiration of his or her initial licensing period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Any person whose initial licensing period extends more than six months shall complete 15 hours of courses accredited by the commissioner during the initial license period. Any person teaching or lecturing at an accredited course qualifies for 1-1/2 times the number of credit hours that would be granted to a person completing the accredited course. No more than ~~7 1/2~~ 15 credit hours per ~~year~~ licensing period may be credited to a person for courses sponsored by, offered by, or affiliated with an insurance company or its agents. Continuing education must be earned no later than September 30 of the renewal year. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.

Sec. 29. Minnesota Statutes 1992, section 82.20, subdivision 7, is amended to read:

Subd. 7. [EFFECTIVE DATE OF LICENSE.] ~~Every license issued~~ Licenses renewed pursuant to this chapter ~~shall expire on the June 30 next following the issuance of said license.~~ are valid for a period of 24 months. New licenses issued during a 24-month licensing period will expire on June 30 of the expiration year assigned to the license. Implementation of the 24-month licensing program must be staggered so that approximately one-half of the licenses will expire on June 30 of each even-numbered year and the other one-half on June 30 of each odd-numbered year. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule will pay for the license a fee reduced by an amount equal to one-half the fee for renewal of the license.

Sec. 30. Minnesota Statutes 1992, section 82.20, subdivision 8, is amended to read:

Subd. 8. [RENEWALS.] (a) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are deemed to have been approved for renewal and may continue to transact business either as a real estate broker, salesperson, or closing agent whether or not the renewed license has been received on or before July 1 of the renewal year. Application for renewal of a license shall be deemed to have been timely filed if received by the commissioner by, or mailed with proper postage and postmarked by, June 15 ~~in each~~ of the renewal year. Applications for renewal shall be deemed properly filed if made upon forms duly executed and sworn to, accompanied by fees prescribed by this chapter and contain any information which the commissioner may require.

(b) Persons who have failed to make a timely application for renewal of a license and who have not received the renewal license as of July 1 of the renewal year, shall be unlicensed until such time as the license has been issued by the commissioner and is received.

Sec. 31. Minnesota Statutes 1993 Supplement, 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 ~~$100 per year~~ $150 for each initial individual broker's license, and a fee of ~~$50 per year~~ $100 for each renewal thereof;

(b) A fee of ~~$50 per year~~ $70 for each initial salesperson's license, and a fee of ~~$20 per year~~ $40 for each renewal thereof;

(c) A fee of ~~$55 per year~~ $85 for each initial real estate closing agent license, and a fee of ~~$30 per year~~ $60 for each renewal thereof;

(d) A fee of ~~$100 per year~~ $150 for each initial corporate, limited liability company, or partnership license, and a fee of ~~$50 per year~~ $100 for each renewal thereof;

(e) A fee ~~of $40 per year~~ for payment to the education, research and recovery fund in accordance with section 82.34;

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

(g) A fee of $50 for a corporation, limited liability company, or partnership name change;

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

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

(j) A fee of $10 for a duplicate license;

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

(l) A fee of $20 for reactivating a corporate, limited liability company, or partnership license without land;

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

(n) A fee of $20 for each hour or fraction of one hour of course approval sought.

Sec. 32. Minnesota Statutes 1992, section 82.21, is amended by adding a subdivision to read:

Subd. 4. [INITIAL LICENSE EXPIRATION; FEE REDUCTION.] If an initial license issued under subdivision 1, paragraph (a), (b), (c), or (d) expires less than 12 months after issuance, the license fee shall be reduced by an amount equal to one-half the fee for a renewal of the license.

Sec. 33. Minnesota Statutes 1993 Supplement, section 82.22, subdivision 6, is amended to read:

Subd. 6. [INSTRUCTION; NEW LICENSES.] (a) Every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. Every applicant for a salesperson's license

shall be required to successfully complete an additional course of study in the real estate field consisting of 60 hours of instruction approved by the commissioner, of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules, and of which two hours must consist of training in laws and regulations on agency representation and disclosure, before filing an application for the license. Every salesperson shall, within one year of licensure, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(b) The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the national association of realtors, its affiliates, or private real estate schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company licensed to engage in the real estate business. The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

(c) An applicant for a broker's license must successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner, of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules. The course must have been completed within six months prior to the date of application for the broker's license.

(d) An applicant for a real estate closing agent's license must successfully complete a course of study relating to closing services consisting of eight hours of instruction approved by the commissioner.

Sec. 34. Minnesota Statutes 1993 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After their first renewal date, all real estate salespersons and all real estate brokers shall be required to successfully complete ~~15~~ 30 hours of real estate continuing education, either as a student or a lecturer, in courses of study approved by the commissioner, ~~each year after their initial annual renewal date or after the expiration of their currently assigned three year continuing education due date~~ during each 24-month license period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Salespersons and brokers whose initial license period extends more than 12 months are required to complete 15 hours of real estate continuing education during the initial license period. All ~~salespersons and brokers shall report~~ continuing education ~~on an annual basis~~ must be earned no later than May 31 of the renewal year. ~~Hours in excess of 15 earned in any one year may be carried forward to the following year.~~ Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule must complete 15 hours of real estate continuing education as a requirement for renewal on July 1, 1996.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive:

(1) at least two hours of training ~~every year~~ during each license period in courses in laws or regulations on agency representation and disclosure; and

(2) at least two hours of training ~~every even-numbered year~~ during each license period in courses in state and federal fair housing laws, regulations, and rules, or other antidiscrimination laws.

Clause (1) does not apply to real estate salespersons and real estate brokers engaged solely in the commercial real estate business who file with the commissioner a verification of this status ~~on an annual basis no later than May 31 as part of the annual report~~ along with the continuing education report required under paragraph (a).

Sec. 35. Minnesota Statutes 1993 Supplement, section 82.34, subdivision 3, is amended to read:

Subd. 3. [FEE FOR REAL ESTATE FUND.] Each real estate broker, real estate salesperson, and real estate closing agent entitled under this chapter to renew a license shall pay in addition to the appropriate renewal fee a further fee of ~~$25 per year~~ $50 per licensing period which shall be credited to the real estate education, research, and recovery

fund. Any person who receives an initial license shall pay ~~the fee of $50~~, in addition to all other fees payable, a fee of $75 if the license expires more than 12 months after issuance, $50 if the license expires less than 12 months after issuance.

Sec. 36. Minnesota Statutes 1992, section 82B.08, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF LICENSE.] ~~A license~~ Initial licenses issued under this chapter ~~expires on the August 31 next following the issuance of the license~~ are valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on August 31 of the expiration year assigned by the commissioner.

Sec. 37. Minnesota Statutes 1992, section 82B.08, subdivision 5, is amended to read:

Subd. 5. [RENEWALS.] (a) Licenses renewed under this chapter are valid for a period of 24 months. Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are considered to have been approved for renewal and may continue to transact business as a real estate appraiser whether or not the renewed license has been received on or before September 1 of the renewal year. Application for renewal of a license is considered to have been timely filed if received by the commissioner by, or mailed with proper postage and postmarked by, August 1 ~~in each~~ of the renewal year. Applications for renewal are considered properly filed if made upon forms duly executed and sworn to, accompanied by fees prescribed by this chapter and containing information the commissioner requires.

(b) Persons who have failed to make a timely application for renewal of a license and who have not received the renewal license as of September 1 of the renewal year are unlicensed until the time the license has been issued by the commissioner and is received.

Sec. 38. Minnesota Statutes 1992, 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 $100~~ for each initial individual real estate appraiser's license: $150 if the license expires more than 12 months after issuance, $100 if the license expires less than 12 months after issuance; and a fee of ~~$50~~ $100 for each ~~annual~~ renewal;

(2) a fee of $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;

(4) a fee of $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. 39. Minnesota Statutes 1992, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. [LICENSE RENEWALS.] A licensed real estate appraiser shall present evidence satisfactory to the commissioner of having met the continuing education requirements of this chapter before the commissioner renews a license.

The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least ~~15~~ 30 classroom hours ~~per year,~~ of instruction in courses or seminars that have received the approval of the commissioner. If the applicant's immediately preceding term of licensing consisted of 12 or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. If the immediately preceding term of licensing consisted of fewer than 12 months, no continuing education need be reported.

Sec. 40. Minnesota Statutes 1992, section 83.25, is amended to read:

83.25 [LICENSE REQUIRED.]

Subdivision 1. No person shall offer or sell in this state any interest in subdivided lands without having obtained:

(1) a license under chapter 82; and

(2) an additional license to offer or dispose of subdivided lands. This license may be obtained by submitting an application in writing to the commissioner upon forms prepared and furnished by the commissioner. Each application shall be signed and sworn to by the applicant and accompanied by a license fee of $10 per year. The commissioner may also require an additional examination for this license.

Subd. 2. Every license issued pursuant to this section ~~expires on June 30 following the date of issuance. It may~~ must be renewed, transferred, suspended, revoked or denied in the same manner as provided in chapter 82 for licenses issued pursuant to that chapter.

Subd. 3. This section does not apply to persons offering or disposing of interests in subdivided lands which are registered as securities pursuant to chapter 80A.

Sec. 41. Minnesota Statutes 1993 Supplement, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE COSTS.] (a) The board shall provide partial reimbursement to eligible responsible persons for reimbursable costs incurred after June 4, 1987.

(b) The following costs are reimbursable for purposes of this section:

(1) corrective action costs incurred by the responsible person and documented in a form prescribed by the board, except the costs related to the physical removal of a tank;

(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury ~~or~~, property damage, or corrective action costs incurred by a third party caused by a release ~~if~~ where the responsible person's liability for the costs has been established by a court order ~~or a~~, consent decree, or a court-approved stipulation of settlement approved before the effective date of this section for which the responsible party has assigned its rights to reimbursement under this section to a third-party claimant; and

(3) up to 180 days worth of interest costs, incurred after May 25, 1991, associated with the financing of corrective action. Interest costs are not eligible for reimbursement to the extent they exceed two percentage points above the adjusted prime rate charged by banks, as defined in section 270.75, subdivision 5, at the time the financing contract was executed.

(c) A cost for liability to a third party is incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

Sec. 42. Minnesota Statutes 1993 Supplement, section 116J.966, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

(1) locate, develop, and promote international markets for Minnesota products and services;

(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;

(3) promote Minnesota products and services at domestic and international trade shows;

(4) organize, promote, and present domestic and international trade shows featuring Minnesota products and services;

(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;

(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;

(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;

(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;

(9) locate, attract, and promote foreign direct investment and business development in Minnesota to enhance employment opportunities in Minnesota;

(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services; ~~and~~

(11) enter into contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries, to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to sections 16B.07 and 16B.09;

(12) enter into administrative, programming, and service partnerships with the Minnesota world trade center; and

(13) market trade-related materials to businesses and organizations, and the proceeds of which must be placed in a special revolving account and are appropriated to the commissioner to prepare and distribute trade-related materials.

(b) The programs and activities of the commissioner of trade and economic development and the Minnesota trade division may not duplicate programs and activities of the commissioner of agriculture or the Minnesota world trade center corporation.

(c) The commissioner shall notify the chairs of the senate finance and house appropriations committees of each agreement under this subdivision to establish and maintain an office or other type of representation in a foreign country.

Sec. 43. Minnesota Statutes 1992, section 138.01, subdivision 1, is amended to read:

Subdivision 1. ~~For the purposes of Laws 1925, chapter 426, the Minnesota state historical society shall be construed to be an agency of the state government.~~ All appropriations made to the Minnesota historical society shall be subject to the charter of the Minnesota historical society of 1849 and as amended in 1856.

Sec. 44. Minnesota Statutes 1992, section 138.34, is amended to read:

138.34 [ADMINISTRATION OF THE ACT.]

The ~~Minnesota historical society~~ state archaeologist shall act as the ~~agency~~ agent of the state to administer and enforce the provisions of sections 138.31 to 138.42. Some enforcement provisions are shared with the ~~state archaeologist~~ society.

Sec. 45. Minnesota Statutes 1992, section 138.35, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The state archaeologist shall be a professional archaeologist who ~~is~~ meets the United States secretary of the interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A. The state archaeologist shall be paid a salary comparable to salaries paid to state employees in the classified service. The state archaeologist may not be employed by the Minnesota historical society ~~and~~. The state archaeologist shall be appointed by the board of the Minnesota historical society in consultation with the Indian affairs council for a four-year term.

Sec. 46. Minnesota Statutes 1992, section 138.38, is amended to read:

138.38 [REPORTS OF STATE ARCHAEOLOGIST.]

The state archaeologist shall consult with and keep the Indian affairs council and the director of the historical society informed as to significant field archaeology, projected or in progress, and as to significant discoveries made. Annually, and also upon leaving office, the state archaeologist shall file with the Indian affairs council and the director of the historical society a full report of the office's activities including a summary of the activities of licensees, from the effective date hereof or from the date of the last full report of the state archaeologist.

Sec. 47. Minnesota Statutes 1992, section 138.40, subdivision 3, is amended to read:

Subd. 3. When significant archaeological or historic sites are known or suspected to exist on public lands or waters, the agency or department controlling said lands or waters shall submit construction or development plans to the state archaeologist and the director of the society for review prior to the time bids are advertised. The state archaeologist and the society shall promptly review such plans and make recommendations for the preservation of archaeological or historic sites which may be endangered by construction or development activities. When archaeological or historic sites are related to Indian history or religion, the state archaeologist shall submit the plans to the Indian affairs council ~~must be afforded the opportunity to~~ for the council's review and recommend action.

Sec. 48. Minnesota Statutes 1993 Supplement, section 138.763, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of ~~17~~ 19 members with the director of the Minnesota historical society as chair. The members include the mayor, the chair of the Hennepin county board of commissioners or the chair's designee, the president of the Minneapolis park and recreation board or the president's designee, the superintendent of the park board, two members each from the house of representatives appointed by the speaker, the senate appointed by the rules committee, the city council, the Hennepin county board, and the park board, and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Sec. 49. Minnesota Statutes 1992, section 138.94, is amended by adding a subdivision to read:

Subd. 3. [CONTRACTUAL SERVICES.] The society may contract with existing state departments and agencies or other entities for materials and services as may be necessary for the history center.

Sec. 50. Minnesota Statutes 1992, section 154.11, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION OF NONRESIDENTS.] A person who meets all of the requirements for licensure in this chapter and either has a license, certificate of registration, or an equivalent as a practicing barber or instructor of barbering from another state or country which in the discretion of the board has substantially the same requirements for licensing or registering barbers and instructors of barbering as required by this chapter or can prove by sworn affidavits practice as a barber or instructor of barbering in another state or country for at least five years immediately prior to making application in this state, shall, upon payment of the required fee, be ~~called by the board for~~ issued a certificate of registration without examination ~~to determine fitness to receive a certificate of registration to practice barbering or to instruct in barbering~~, provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.

Sec. 51. Minnesota Statutes 1992, section 154.12, is amended to read:

154.12 [EXAMINATION OF NONRESIDENT APPRENTICES.]

A person who meets all of the requirements for licensure in this chapter who has a license, a certificate of registration, or their equivalent as an apprentice in a state or country which in the discretion of the board has substantially the same requirements for registration as an apprentice as is provided by this chapter shall, upon payment of the required fee, be ~~called by the board for~~ issued a certificate of registration without examination ~~to determine fitness to receive a certificate of registration as an apprentice. A person failing to pass the required examination must conform to the requirements of section 154.06 before being permitted to take another examination~~, provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.

Sec. 52. [154.161] [REGISTRATION; ISSUANCE, REVOCATION, SUSPENSION, DENIAL.]

Subdivision 1. [PROCEEDINGS.] If the board, or a complaint committee if authorized by the board, has a reasonable basis for believing that a person has engaged in or is about to engage in a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board or complaint committee may proceed as provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings must be conducted in accordance with the administrative procedure act.

Subd. 2. [LEGAL ACTIONS.] (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board, or a complaint committee if authorized by the board, may bring an action in the name of the state in the district court of Ramsey county in which jurisdiction is proper to enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a showing that a person has engaged in or is about to engage in an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the court shall grant a permanent or temporary injunction, restraining order, or other appropriate relief.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person has engaged in or is about to engage in an act or practice that constitutes violation of a statute, rule or order that the board has adopted or issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person from criminal prosecution by a competent authority, or from action by the board under subdivision 3, 4, 5, or 6 with respect to the persons' license, certificate, or application for examination, license, or renewal.

Subd. 3. [CEASE AND DESIST ORDERS.] (a) The board, or compliance committee if authorized by the board, may issue and have served upon an unlicensed person, or a holder of a certificate of registration or a shop registration card, an order requiring the person to cease and desist from an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must (1) give reasonable notice of the rights of the person named in the order to request a hearing, and (2) state the reasons for the entry of the order. No order may be issued under this subdivision until an investigation of the facts has been conducted under section 214.10.

(b) Service of the order under this subdivision is effective when the order is personally served on the person or counsel of record, or served by certified mail to the most recent address provided to the board for the person or counsel of record.

(c) The board must hold a hearing under this subdivision not later than 30 days after the board receives the request for the hearing, unless otherwise agreed between the board, or compliance committee if authorized by the board, and the person requesting the hearing.

(d) Notwithstanding any rule to the contrary, the administrative law judge must issue a report within 30 days of the close of the contested case hearing. Within 30 days after receiving the report and subsequent exceptions and argument, the board shall issue a further order vacating, modifying, or making permanent the cease and desist order. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the board.

Subd. 4. [LICENSE ACTIONS.] (a) With respect to a person who is a holder of or applicant for a licensee or shop registration card under this chapter, the board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the application, certificate of registration, or shop registration card, censure or reprimand the person, refuse to permit the person to sit for examination, or refuse to release the person's examination grades, if the board finds that such an order is in the public interest and that, based on a preponderance of the evidence presented, the person has:

(1) violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce;

(2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether or not the conduct or acts relate to the practice of barbering, if the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of barbering;

(3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate incompetence, or are otherwise in violation of the standards in the rules of the board, where the conduct or acts relate to the practice of barbering;

(4) employed fraud or deception in obtaining a certificate of registration, shop registration card, renewal, or reinstatement, or in passing all or a portion of the examination;

(5) had a certificate of registration or shop registration card, right to examine, or other similar authority revoked in another jurisdiction;

(6) failed to meet any requirement for issuance or renewal of the person's certificate of registration or shop registration card;

(7) practiced as a barber while having an infectious or contagious disease;

(8) advertised by means of false or deceptive statements;

(9) demonstrated intoxication or indulgence in the use of drugs, including but not limited to narcotics as defined in section 152.01 or in United States Code, title 26, section 4731, barbiturates, amphetamines, benzedrine, dexedrine, or other sedatives, depressants, stimulants, or tranquilizers;

(10) demonstrated unprofessional conduct or practice, or conduct or practice that violates any provision of chapter 186;

(11) permitted an employee or other person under the person's supervision or control to practice as a registered barber, registered apprentice, or registered instructor of barbering unless that person has (i) a current certificate of registration as a registered barber, registered apprentice, or registered instructor of barbering, (ii) a temporary apprentice permit, or (iii) a temporary permit as an instructor of barbering;

(12) practices, offered to practice, or attempted to practice by misrepresentation;

(13) failed to display a certificate of registration as required by section 154.14;

(14) used any room or place of barbering that is also used for any other purpose, or used any room or place of barbering that violates the board's rules governing sanitation;

(15) in the case of a barber, apprentice, or other person working in or in charge of any barber shop, or any person in a barber school engaging in the practice of barbering, failed to use separate and clean towels for each customer or patron, or to discard and launder each towel after being used once;

(16) in the case of a barber or other person in charge of any barber shop or barber school, (i) failed to supply in a sanitary manner clean hot and cold water in quantities necessary to conduct the shop or barbering service for the school, (ii) failed to have water and sewer connections from the shop or barber school with municipal water and sewer systems where they are available for use, or (iii) failed or refused to maintain a receptacle for hot water of a capacity of at least five gallons;

(17) failed to respond to a communication from the board or the attorney general on behalf of the board, refused to permit the board to make an inspection permitted or required by this chapter, or failed to provide the board or the attorney general on behalf of the board with any documents or records they request;

(18) failed promptly to renew a certificate of registration or shop registration card when remaining in practice, pay the required fee, or issue a worthless check;

(19) failed to supervise a registered apprentice or temporary apprentice, or permitted the practice of barbering by a person not registered with the board or not holding a temporary permit;

(20) refused to serve a customer because of race, color, creed, religion, disability, national origin, or sex;

(21) failed to comply with a provision of chapter 141 or a provision of another chapter that relates to barber schools;

(22) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that the board, or complaint committee if authorized by the board, has determined may result or may have resulted in an immediate threat to the public; or

(23) used or displayed a barber pole for the purpose of offering barber services to the public without a shop registration card as required by section 154.01, paragraph (c). For purposes of this chapter "barber pole" means a cylinder or pole with alternating stripes of any combination color, including but not limited to red and white or red, white, and blue, that run diagonally along its length.

(b) In lieu of or in addition to any remedy under paragraph (a), the board may as a condition of continued registration, termination of suspension, reinstatement of registration, examination, or release of examination results, require that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in a manner and by a person or entity that the board determines; or

(2) complete to the board's satisfaction continuing education as the board requires.

(c) Service of an order under this subdivision is effective if the order is served personally on, or is served by certified mail to the most recent address provided to the board by, the licensee, certificate holder, applicant, or counsel of record. The order must state the reason for the entry of the order.

(d) Except as provided in subdivision 5, paragraph (c), all hearings under this subdivision must be conducted in accordance with the administrative procedure act.

Subd. 5. [TEMPORARY SUSPENSION.] (a) When the board, or complaint committee if authorized by the board, issues a temporary suspension order, the suspension provided for in the order is effective on service of a written copy of the order on the licensee, certificate holder, or counsel of record. The order must specify the statute, rule, or order violated by the licensee or certificate holder. The order remains in effect until the board issues a final order in the matter after a hearing, or on agreement between the board and the licensee or certificate holder.

(b) An order under this subdivision may (1) prohibit the licensee or certificate holder from engaging in the practice of barbering in whole or in part, as the facts require, and (2) condition the termination of the suspension on compliance with a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must state the reasons for entering the order and must set forth the right to a hearing as provided in this subdivision.

(c) Within ten days after service of an order under this subdivision the licensee or certificate holder may request a hearing in writing. The board must hold a hearing before its own members within five working days of the request for a hearing. The sole issue at such a hearing must be whether there is a reasonable basis to continue, modify, or terminate the temporary suspension. The hearing is not subject to the administrative procedure act. Evidence presented to the board or the licensee or certificate holder may be in affidavit form only. The licensee, certificate holder, or counsel of record may appear for oral argument.

(d) Within five working days after the hearing, the board shall issue its order and, if the order continues the suspension, shall schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding any rule to the contrary, the administrative law judge shall issue a report within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days of receiving the report.

Subd. 6. [VIOLATIONS; PENALTIES; COSTS.] (a) The board may impose a civil penalty of up to $2,000 per violation on a person who violates a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(b) In addition to any penalty under paragraph (a), the board may impose a fee to reimburse the board for all or part of the cost of (1) the proceedings resulting in disciplinary action authorized under this section, (2) the imposition of a civil penalty under paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a fee under this paragraph when the board shows that the position of the person who has violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce is not substantially justified unless special circumstances make such a fee unjust, notwithstanding any rule to the contrary. Costs under this paragraph include, but are not limited to, the amount paid by the board for services from the office of administrative hearings, attorneys' fees, court reporter costs, witness costs, reproduction of records, board members' compensation, board staff time, and expense incurred by board members and staff.

(c) All hearings under this subdivision must be conducted in accordance with the administrative procedure act.

Subd. 7. [REINSTATEMENT.] The board may reinstate a suspended, revoked, or surrendered certificate of registration or shop registration card, on petition of the former or suspended registrant. The board may in its sole discretion place any conditions on reinstatement of a suspended, revoked, or surrendered certificate of registration or shop registration card that it finds appropriate and necessary to ensure that the purposes of this chapter are met. No certificate of registration or shop registration card may be reinstated until the former registrant has completed at least one-half of the suspension period.

Sec. 53. Minnesota Statutes 1992, section 154.19, is amended to read:

154.19 [VIOLATIONS.]

Subdivision 1. [PROHIBITED ACTS.] Each of the following constitutes a misdemeanor:

(1) The violation of any of the provisions of section 154.01;

(2) Permitting any person in one's employ, supervision, or control to practice as a registered barber or registered apprentice unless that person has a certificate of registration as a registered barber or registered apprentice;

(3) Obtaining or attempting to obtain a certificate of registration for money other than the required fee, or any other thing of value, or by fraudulent misrepresentation;

(4) Practicing or attempting to practice by fraudulent misrepresentation;

(5) The willful failure to display a certificate of registration as required by section 154.14;

(6) The use of any room or place for barbering which is also used for residential or business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles, cigars, tobacco, candies in original package, and such commodities as are used and sold in barber shops, and except that shoe-shining and an agency for the reception and delivery of laundry, or either, may be conducted in a barber shop without the same being construed as a violation of this section, unless a substantial partition of ceiling height separates the portion used for residential or business purposes, and where a barber shop is situated in a residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store, hardware store, or soft drink parlor, there must be an outside entrance leading into the barber shop independent of any entrance leading into such business establishment, except that this provision as to an outside entrance shall not apply to barber shops in operation at the time of the passage of this chapter and except that a barber shop and beauty parlor may be operated in conjunction, without the same being separated by partition of ceiling height;

(7) The failure or refusal of any barber or other person in charge of any barber shop, or any person in barber schools or colleges doing barber service work, to use separate and clean towels for each customer or patron, or to discard and launder each towel after once being used;

(8) The failure or refusal by any barber or other person in charge of any barber shop or barber school or barber college to supply clean hot and cold water in such quantities as may be necessary to conduct such shop, or the barbering service of such school or college, in a sanitary manner, or the failure or refusal of any such person to have water and sewer connections from such shop, or barber school or college, with municipal water and sewer systems where the latter are available for use, or the failure or refusal of any such person to maintain a receptacle for hot water of a capacity of not less than five gallons;

(9) Use or display of a barber pole for the purpose of offering barber services to the public without a shop registration card where such a card is required under section 154.01, paragraph (c).

Subd. 2. [PERSONS RESPONSIBLE; PENALTIES.] For the purposes of this chapter, barbers, students, apprentices, or the proprietor or manager of a barber shop, or barber school or barber college, shall be responsible for all violations of the sanitary provisions of this chapter~~, and~~. If any barber shop, or barber school or barber college, upon inspection, shall be found to be in an unsanitary condition, the person making such inspection shall immediately issue an order to place the barber shop, or barber school, or barber college, in a sanitary condition, in a manner and within a time satisfactory to the board of barber examiners~~, and~~. For the failure to comply with such order, the board shall immediately file a complaint for the arrest of the persons upon whom the order was issued~~, and~~. Any licensed barber who shall fail to comply with the rules adopted by the board of barber examiners, with the approval of the state commissioner of health, or ~~the~~ who commits a violation or ~~commission of~~ any of the offenses described in

section 154.16, clauses (1), (2), (3), (4), (5), (6), (7), (8), (9), ~~and~~ or of ~~clauses (1), (2), (3), (4), (5), (6), (7), (8), and (9)~~ any provision of this section, shall be fined not less than $10 or imprisoned for ten days and not more than $100 or imprisoned for 90 days.

Sec. 54. Minnesota Statutes 1992, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to $1,000 per violation, payable to the special compensation fund, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.

Sec. 55. Minnesota Statutes 1992, section 176.102, subdivision 14, is amended to read:

Subd. 14. [FEES.] The commissioner shall impose fees under section ~~16A.128~~ 16A.1285 sufficient to cover the cost of approving and monitoring qualified rehabilitation consultants, consultant firms, and vendors of rehabilitation services. These fees shall be payable to the special compensation fund.

Sec. 56. [181.9641] [ENFORCEMENT.]

The department of labor and industry shall enforce sections 181.960 to 181.964. The department may assess a fine of up to $5,000 for a violation of sections 181.960 to 181.964.

The fine, together with costs and attorney fees, may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or where the commissioner has an office.

The fine provided by this section is in addition to any other remedy provided by law.

Sec. 57. Minnesota Statutes 1993 Supplement, section 239.785, subdivision 2, is amended to read:

Subd. 2. [DUE DATES FOR FILING OF RETURNS AND PAYMENT.] The fee must be remitted monthly on a form prescribed by the commissioner of revenue for deposit in the ~~general fund~~ liquefied petroleum gas account established in subdivision 6. The fee must be paid and the return filed on or before the 23rd day of each month following the month in which the liquefied petroleum gas was delivered or received.

Sec. 58. Minnesota Statutes 1993 Supplement, section 239.785, is amended by adding a subdivision to read:

Subd. 6. [LIQUEFIED PETROLEUM GAS ACCOUNT.] A liquefied petroleum gas account in the special revenue fund is established in the state treasury. Fees and penalties collected under this section must be deposited in the state treasury and credited to the liquefied petroleum gas account. Money in that account, including interest earned, is appropriated to the commissioner of jobs and training for programs to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

Sec. 59. Minnesota Statutes 1993 Supplement, section 257.0755, is amended to read:

257.0755 [~~OFFICE OF~~ OMBUDSPERSON; CREATION; QUALIFICATIONS; FUNCTION.]

~~An ombudsperson for families~~ Subdivision 1. [CREATION.] One ombudsperson shall ~~be appointed to~~ operate independently from but ~~under the auspices of~~ in collaboration with each of the following groups: the Indian Affairs Council, the Spanish-Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans. ~~Each of these groups shall select its own ombudsperson subject to final approval by the advisory board established under section 257.0768.~~

Subd. 2. [SELECTION; QUALIFICATIONS.] The ombudsperson for each community shall be selected by the applicable community-specific board established in section 257.0768. Each ombudsperson ~~shall serve~~ serves in the unclassified service at the pleasure of the ~~advisory~~ community-specific board~~, shall be in the unclassified service, shall~~ and may be removed only for just cause. Each ombudsperson must be selected without regard to political affiliation, and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy regarding the protection and placement of children from families of color. In addition, the ombudsperson must be experienced in dealing with communities of color and knowledgeable about the needs of those communities. No individual may serve as ombudsperson while holding any other public office. ~~The ombudsperson shall have the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color.~~

Subd. 3. [APPROPRIATION.] Money appropriated for each ombudsperson from the general fund or the special fund authorized by section 256.01, subdivision 2, clause (15), is under the control of ~~the office of~~ each ombudsperson for which it is appropriated.

Sec. 60. Minnesota Statutes 1992, section 257.0762, subdivision 2, is amended to read:

Subd. 2. [POWERS.] Each ombudsperson has the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color. In carrying out this authority and the duties in subdivision 1, each ombudsperson has the power to:

(1) prescribe the methods by which complaints are to be made, reviewed, and acted upon;

(2) determine the scope and manner of investigations to be made;

(3) investigate, upon a complaint or upon personal initiative, any action of any agency;

(4) request and be given access to any information in the possession of any agency deemed necessary for the discharge of responsibilities. The ombudsperson is authorized to set reasonable deadlines within which an agency must respond to requests for information. Data obtained from any agency under this clause shall retain the classification which it had under section 13.02 and shall be maintained and disseminated by the ombudsperson according to chapter 13;

(5) examine the records and documents of an agency;

(6) enter and inspect, during normal business hours, premises within the control of an agency; and

(7) subpoena any agency personnel to appear, testify, or produce documentary or other evidence which the ombudsperson deems relevant to a matter under inquiry, and may petition the appropriate state court to seek enforcement with the subpoena; provided, however, that any witness at a hearing or before an investigation as herein provided, shall possess the same privileges reserved to such a witness in the courts or under the laws of this state. The ombudsperson may compel nonagency individuals to testify or produce evidence according to procedures developed by the advisory board.

Sec. 61. Minnesota Statutes 1992, section 257.0768, is amended to read:

257.0768 [~~OMBUDSPERSON'S ADVISORY COMMITTEE~~ COMMUNITY-SPECIFIC BOARDS.]

Subdivision 1. [MEMBERSHIP.] ~~The appointment of each ombudsperson is subject to approval by an advisory committee consisting of no more than 17 members. Members of the advisory committee shall be appointed by~~ Four community-specific boards are created. Each board consists of five members. The chair of each of the following groups shall appoint the board for the community represented by the group: the Indian Affairs Council; the Spanish-Speaking Affairs Council; the Council on Black Minnesotans; and the Council on Asian-Pacific Minnesotans. ~~The committee shall provide advice and counsel to each ombudsperson.~~ In making appointments, the chair must consult with other members of the council.

Subd. 2. [COMPENSATION; CHAIR.] Members do not receive compensation but are entitled to receive reimbursement for reasonable and necessary expenses incurred. ~~The members shall designate four rotating chairs to serve annually at the pleasure of the members.~~

Subd. 3. [MEETINGS.] ~~The committee~~ Each board shall meet ~~at least four times a year~~ regularly at the request of ~~its~~ the appointing chair or the ~~ombudspersons~~ ombudsperson.

Subd. 4. [DUTIES.] ~~The committee~~ Each board shall appoint the ombudsperson for its community. Each board shall advise and assist the ~~ombudspersons~~ ombudsperson for its community in selecting matters for attention; developing policies, plans, and programs to carry out the ombudspersons' functions and powers; establishing protocols for working with the communities of color; developing procedures for the ombudspersons' use of the subpoena power to compel testimony and evidence from nonagency individuals; and making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights. ~~The committee shall function as an advisory body.~~

Subd. 5. [TERMS, COMPENSATION, REMOVAL, AND EXPIRATION.] The membership terms, compensation, and removal of members of ~~the committee~~ each board and the filling of membership vacancies are governed by section 15.0575.

Subd. 6. [JOINT MEETINGS.] The members of the four community-specific boards shall meet jointly at least four times each year to advise the ombudspersons on overall policies, plans, protocols, and programs for the office.

Sec. 62. Minnesota Statutes 1992, section 298.2211, is amended by adding a subdivision to read:

Subd. 3a. [CONTRACTS AND PURCHASES.] Contracts entered into and purchases made by the board are subject to the competitive bidding requirements of chapter 16B, except that bids must be first advertised within the tax relief areas as defined in section 273.134. If the commissioner finds that an acceptable bidder or contractor cannot be found in the tax relief area, the commissioner may ask the board for permission to advertise for bids as otherwise provided in chapter 16B. This subdivision is effective for contracts entered into and purchases made after the effective date of this subdivision.

Sec. 63. Minnesota Statutes 1992, section 345.47, subdivision 4, is amended to read:

Subd. 4. [TITLE TO PROPERTY.] The purchaser at any sale conducted by the commissioner pursuant to sections 345.31 to 345.60 and the Minnesota historical society under subdivision 5 shall receive title to the property purchased or selected, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The commissioner shall execute all documents necessary to complete the transfer of title.

Sec. 64. [TRANSITION.]

(a) Any member of the advisory committee existing under Minnesota Statutes, section 257.0768, before the effective date of section 61 who attended at least one-half of the committee's meetings during calendar year 1993 must be appointed a member of the applicable community-specific board created under section 61.

(b) The appointing authority for each community-specific board shall designate an initial term length for each appointee, including appointees required under paragraph (a), to achieve staggered terms to the greatest extent possible.

Sec. 65. [REPEALER.]

Minnesota Statutes 1992, sections 154.16 and 154.165, are repealed.

Sec. 66. [EFFECTIVE DATE.]

Section 41 is effective the day following final enactment and applies to claims brought after June 4, 1987. Sections 20 to 28 are effective September 1, 1994, and apply to licenses that become effective on or after November 1, 1994. Sections 29 to 35 are effective May 1, 1995, and apply to licenses that become effective on or after July 1, 1995. Sections 36 to 39 are effective July 1, 1994, and apply to licenses that become effective on or after September 1, 1994. Section 40 is effective May 1, 1995, and applies to licenses that become effective on or after July 1, 1995. Section 16 is effective the day following final enactment and applies to any proposed project for which final permits have not been issued by that date.

Any provisions appropriating money for fiscal year 1994 are effective the day following final enactment.

ARTICLE 2

TRANSPORTATION

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 266, or another named law.

SUMMARY BY FUND

	1994	1995
General Fund	$ 15,000	$ 16,453,000
Special Revenue Fund	-0-	5,250,000
Highway User Tax Distribution Fund	-0-	200,000
Trunk Highway Fund	(408,000)	24,025,000
TOTAL	(393,000)	45,928,000

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 2. TRANSPORTATION	$ -0-	$ 27,450,000

SUMMARY BY FUND

General Fund	-0-	3,750,000
Trunk Highway Fund	-0-	23,500,000
Highway User Tax Distribution Fund	-0-	200,000

(a) Greater Minnesota Transit 2,970,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, clause (a), and is for greater Minnesota transit assistance. Of this appropriation $970,000 is for grants to transit systems for fleet replacement.

The unspent balance of the appropriation for fiscal year 1994 in Laws 1993, chapter 266, section 2, subdivision 3, paragraph (a), on June 30, 1994, is added to this appropriation.

The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.

(b) Transit Administration 100,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, clause (b), and is for transit administration.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.		
(c) High Speed Rail Corridor Master Plan		630,000
This appropriation is to develop a corridor master plan for high speed rail between Minneapolis-St. Paul and Milwaukee. Expenditure of this appropriation is contingent upon participation by the state of Wisconsin and the United States Department of Transportation.		
(d) Rochester Transportation Study		50,000
This appropriation is to provide funds to match, on a dollar-for-dollar basis, local or private funds for the following studies:		
(1) A study shall be conducted on the feasibility of developing an integrated manufacturing and just-in-time freight shipping facility at the Rochester airport. The commissioner of transportation shall contract with the city of Rochester to conduct the study. The study must be completed by February 1, 1995. The commissioner shall submit a copy of the study report to the legislature, the metropolitan council, and the metropolitan airports commission.		
(2) A study shall be conducted on the economic benefits to Rochester and southeast Minnesota from high-speed rail, in conjunction with phase II of the high-speed rail study. The commissioner shall report to the legislature on the study by February 1, 1995.		
(e) State Road Construction		15,000,000
This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 7, clause (a), and is for state road construction. This appropriation is from the trunk highway fund.		
(f) Road Operations and Program Delivery		8,500,000
This appropriation is for filling vacant positions in field service maintenance, inspection, support, and project design positions, to maximize project design work by department employees. This appropriation is from the trunk highway fund.		
(g) Highway Tax System Study		200,000
This appropriation is for (1) the study of a mileage-based highway user tax system, and (2) the road pricing study, and is available until spent. This appropriation is from the highway user tax distribution fund.		
Sec. 3. REGIONAL TRANSIT BOARD	-0-	12,540,000
(a) Regular Route Transit		7,450,000

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Of this appropriation $6,500,000 is for metropolitan transit commission regular route operations and $950,000 is for other regular route transit.		
(b) Metro Mobility		2,750,000
(c) Community-based, Rural, and Small-urban Transit Systems		1,250,000
(d) Fund Balance		1,090,000
This appropriation is for restoration of the regional transit board fund balance.		
The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.		
Sec. 4. PUBLIC SAFETY	(393,000)	5,938,000
SUMMARY BY FUND		
General Fund	15,000	163,000
Special Revenue Fund		5,250,000
Trunk Highway Fund	(408,000)	525,000
(a) Emergency Management	15,000	59,000
These appropriations are added to the appropriations in Laws 1993, chapter 266, section 5, subdivision 7, and are to pay 50 percent of the costs of three regional office support positions.		
(b) State Patrol	(408,000)	5,775,000
These appropriations are changes to the appropriations in Laws 1993, chapter 266, section 5, subdivision 3. A reduction of $408,000 the first year is for radio communication consolidation and an increase of $525,000 the second year is to maintain full staffing at the ten state patrol communication centers. These appropriations are from the trunk highway fund.		
Of this appropriation $5,250,000 is from the state patrol motor vehicle account in the transportation services fund for purchasing motor vehicles used by state troopers.		
(c) Driver and Vehicle Services		54,000
This appropriation is a one-time appropriation to implement a title registration fee change.		
(d) Parent self-help		50,000
The commissioner shall spend this appropriation as a grant to a nonprofit statewide child abuse prevention organization whose primary focus is parent self-help and support.		

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Sec. 5. FUND MIX; STATE ROAD CONSTRUCTION

After review and approval by the commissioner of finance, the commissioner of transportation shall report quarterly to the senate finance committee chair and the house ways and means committee chair on the estimated mix of state trunk highway funds and federal funds in the appropriation for state road construction.

Sec. 6. [COUNTY STATE-AID SYSTEM; ROUTES ADDED.]

Notwithstanding any other law, the commissioner of transportation shall add the following highways to the county state-aid highway system:

(1) United States forest road No. 2171, in Beltrami county from the south county line to its intersection with United States forest road No. 2167, and in Cass county from the north county line to its intersection with Cass county state-aid highway No. 10;

(2) United States forest road No. 2167, in Beltrami county from its junction with United States forest road No. 2171 to the east county line, and in Cass county from the west county line to a point eight miles northeast of its intersection with marked trunk highway No. 2;

(3) Aitkin county highway No. 69, from its intersection with marked trunk highway No. 169 to its intersection with Aitkin county state-aid highway No. 10 in Palisade;

(4) Morrison county highway No. 224, from its intersection with Morrison county state-aid highway No. 52 to its intersection with Morrison county state-aid highway No. 26.

Sec. 7. [COMMISSIONER OF TRANSPORTATION; STUDY; REPORT.]

Subdivision 1. [HIGHWAY USER REVENUE SYSTEM STUDY.] The commissioner of transportation shall conduct a study of the desirability and feasibility of replacing, by January 1, 2001, the present highway user taxes on motor fuel and motor vehicle licenses with a highway user revenue system based on a charge on each vehicle based on the number of miles traveled by that vehicle in each year, as recorded by the automatic mileage recorder required in section 1. The study must include:

(1) an analysis of the possible benefits of such a system, including ease of collection, tax fairness, reduction of tax evasion, and effects on vehicles powered by alternative fuels;

(2) an analysis of the possible costs of such a system, including costs of installing and maintaining a mileage monitoring system, cost of collection compared to costs of collection for existing highway user taxes, and costs to the various classes of vehicles;

(3) an analysis of the feasibility of extending this revenue-collection system to nonresident vehicles;

(4) an evaluation of the state of technology for on-vehicle automated mileage recorders and mileage-recorder sensors, and the probable state of that technology on January 1, 2000;

(5) an analysis of the impact on commercial vehicle users, including those operating in interstate commerce;

(6) an analysis of such a system from the standpoint of the motorist, including a discussion of ease of payment, freedom of travel, tax fairness, and issues of privacy and data confidentiality;

(7) an analysis of the feasibility and desirability of utilizing such a system in implementing a road pricing policy in the metropolitan area; and

(8) a recommendation as to (i) whether the requirement contained in section 1 should be allowed to go into effect on January 1, 2000, and (ii) whether legislation should be enacted to replace the existing highway user tax system with one based on recorded mileage.

If the report recommends that legislation described in clause (8), item (ii), should be enacted, the report must contain draft legislation to accomplish this purpose.

The commissioner shall submit to the governor and legislature a preliminary report covering the above subjects not later than January 15, 1996, and a final report not later than January 15, 1998.

Subd. 2. [ROAD PRICING STUDY.] The commissioner of transportation, in cooperation with other agencies and institutions, shall conduct a study to determine the scope of and to analyze the potential for implementation of road pricing options. This study will utilize the results of the road pricing conceptual planning study completed by the metropolitan council in March 1994, which identified road pricing objectives, options, and evaluation criteria.

The study will include, but is not limited to:

(1) an evaluation of public acceptance and understanding of alternative road pricing options;

(2) initiation of the public participation process, including focus group discussions with affected stakeholders;

(3) a detailed analysis, evaluation, and quantification of the impacts of various road pricing options;

(4) a financial analysis of each road pricing option, including the implementation costs, user costs, and revenue estimates;

(5) selection of specific road pricing options for future demonstration and testing in the metropolitan area or statewide; and

(6) a detailed study design, schedule, and cost estimate for a draft environmental impact statement meeting appropriate state and federal requirements.

The commissioner shall submit a written report of the results of the study to the legislature no later than January 15, 1996.

Sec. 8. [TOWN BRIDGE EXPENDITURE.]

Notwithstanding any law or rule to the contrary, the commissioner of transportation shall spend $50,000 from money appropriated to the commissioner and allocated to the town bridge account under Minnesota Statutes, section 161.082, subdivision 2a, for a grant to the town of Eden Lake in Stearns county for construction of a bridge or culvert on Cyrilla Beach road in the town.

Sec. 9. Minnesota Statutes 1992, section 161.14, is amended by adding a subdivision to read:

Subd. 29. [JERRY HAAF MEMORIAL DRIVE.] That portion of trunk highway marked No. 55 between its intersections with Lake street and 46th street in the city of Minneapolis is designated the "Jerry Haaf Memorial Drive." The commissioner of transportation shall adopt a suitable marking design to mark this highway and shall erect the appropriate signs.

Sec. 10. Minnesota Statutes 1992, section 162.02, subdivision 6, is amended to read:

Subd. 6. [SYSTEM TO INCLUDE CERTAIN ROADS.] The system shall include: (1) all roads and extensions thereof which were designated on June 30, 1957, as state-aid roads, and which were on June 30, 1957, under the jurisdiction of the counties, ~~and shall include~~ (2) all roads which were designated on June 30, 1957, as state-aid parkways~~; provided, that~~, and (3) all roads added to the system by law. With the consent and approval of the commissioner, any ~~roads~~ county road made a part of the county state-aid highway system by ~~the provision of~~ this subdivision may be abandoned, changed, or revoked by the county board having jurisdiction over ~~such roads~~ the road.

Sec. 11. Minnesota Statutes 1992, section 162.06, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year a sum of money ~~as is necessary to provide for the calendar year~~ equal to one percent of the remaining money in the county state-aid highway fund to provide for a disaster account ~~of $300,000~~; provided that the total amount of money in the disaster account shall never exceed one percent of the total sums to be apportioned to the counties. This sum shall be used to provide aid to any county encountering disasters or unforeseen events affecting its county state-aid highway system, and resulting in an undue and burdensome financial hardship. Any county desiring aid by reason of such disaster or unforeseen event shall request the aid in the form required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of ~~three county engineers and three county commissioners from counties~~ two representatives of the counties, who must be either a county engineer or member of a county board, from counties other than the requesting county, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the county from the disaster account shall be made by the commissioner. Upon determining to aid any such county the commissioner shall certify to the commissioner of finance the amount of the aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the county treasurer of the county. Money so paid shall be expended on the county state-aid highway system in accordance with the rules of the commissioner.

Sec. 12. Minnesota Statutes 1992, section 162.06, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.07, subdivision 5, may recommend to the commissioner a sum of money that the commissioner shall set aside from the county state-aid highway fund and credit to a research account. The amount so recommended and set aside shall not exceed ~~one-quarter~~ one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

~~(a)~~ (1) conducting research for improving the design, construction, maintenance and environmental compatibility of state-aid highways and appurtenances~~;~~;

~~(b)~~ (2) constructing research elements and reconstructing or replacing research elements that fail~~;~~; and

~~(c)~~ (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the county state-aid highway fund.

Sec. 13. Minnesota Statutes 1992, section 162.12, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year a sum of money equal to two percent of the remaining money in the municipal state-aid street fund to provide for a disaster account; provided, that the total amount of money in the disaster account shall never exceed five percent of the total sums to be apportioned to the statutory and home rule charter cities having a population of 5,000 or more. The disaster account shall be used to provide aid to any such city encountering disaster or unforeseen event affecting the municipal state-aid street system of the city, and resulting in an undue and burdensome financial hardship. Any such city desiring aid by reason of such disaster or unforeseen event shall request aid in the form required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of ~~three engineers and three members of the governing bodies~~ two representatives of the cities, who must be either a city engineer or member of the governing body of a city, from cities other than the requesting city, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the city from the disaster account shall be made by the commissioner. Upon determining to aid the city, the commissioner shall certify to the commissioner of finance the amount of aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the fiscal officer of the city. Money so paid shall be expended on the municipal state-aid street system in accordance with rules of the commissioner.

Sec. 14. Minnesota Statutes 1992, section 162.12, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.13, subdivision 3, may recommend to the commissioner a sum of money that the commissioner shall set aside from the municipal state-aid street fund and credit to a research account. The amount so recommended and set aside shall not exceed ~~one-quarter~~ one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

~~(a)~~ (1) conducting research for improving the design, construction, maintenance and environmental compatibility of municipal state-aid streets and appurtenances~~,~~;

~~(b)~~ (2) constructing research elements and reconstructing or replacing research elements that fail~~,~~; and

~~(c)~~ (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the municipal state-aid street fund.

Sec. 15. Minnesota Statutes 1992, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] (a) The department shall be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of $2;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of $2;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of $2;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of $1;

(5) for issuing a duplicate certificate of title, the sum of $4.

(b) In addition to each of the fees required under paragraph (a), the department shall be paid:

(1) from July 1, 1994, to June 30, 1997, $3.50; but then

(2) after June 30, 1997, $1.

The additional fee collected under this paragraph must be deposited in the transportation services fund and credited to the state patrol motor vehicle account established in section 299D.10.

Sec. 16. Minnesota Statutes 1992, section 169.06, is amended by adding a subdivision to read:

Subd. 5a. [TRAFFIC CONTROL SIGNALS; OVERRIDE SYSTEM.] All electronic traffic control signals installed by a road authority on and after January 1, 1995, must be prewired to facilitate a later addition of a system that allows the operator of an authorized emergency vehicle to activate a green traffic signal for the vehicle.

Sec. 17. [169.745] [MILEAGE RECORDING EQUIPMENT REQUIRED.]

(a) A motor vehicle that (1) is required to be registered in Minnesota, or is exempt from registration under section 168.012, and (2) is sold in Minnesota on or after January 1, 2000, must be equipped with an automatic mileage recorder that meets standards prescribed by the commissioner of transportation.

(b) The automatic mileage recorder must:

(1) accurately record all miles traveled by the vehicle;

(2) display the mileage traveled within the vehicle in a manner easily read by the driver of the vehicle; and

(3) be capable of being read by sensors that are maintained by the commissioner of transportation.

This section does not apply to a motor vehicle sold in Minnesota and permanently removed from the state within ten days of the sale.

Sec. 18. [299D.10] [STATE PATROL MOTOR VEHICLE ACCOUNT.]

The state patrol motor vehicle account is created in the transportation services fund, consisting of the fees collected under section 168A.29, subdivision 1, paragraph (b).

Sec. 19. Minnesota Statutes 1992, section 360.305, subdivision 4, is amended to read:

Subd. 4. (1) Except as otherwise provided in this subdivision, the commissioner of transportation shall require as a condition of assistance by the state that the political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation, these costs are referred to as project costs, in connection with which the assistance of the state is sought.

(2) For any airport, whether key, intermediate or landing strip, where only state and local funds are to be used, the contribution shall be not less than one-fifth of the sum of:

(a) the project costs,

(b) acquisition costs of the land and clear zones, "acquisition costs."

Where federal, state and local funds are to be used, the contribution shall not be less than one-tenth of the sum.

(3) The commissioner may pay the total cost of radio and navigational aids.

(4) Notwithstanding clause (2), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed $200,000.

(5) Notwithstanding clause (2), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this clause exceed five percent of the amount appropriated for construction grants.

(6) To receive aid under this section for acquisition costs the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public for a period of 20 years after the date that the state funds are received by the municipality. The agreement may contain other conditions as the commissioner deems reasonable.

(7) The commissioner shall establish a hangar construction revolving account which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this clause, the "construction" of hangars shall include their design. The commissioner may transfer up to $4,100,000 from the state airports fund to the hangar construction revolving account.

(8) The commissioner may pay a portion of the purchase price of any airport maintenance and safety equipment and of the actual airport snow removal costs incurred by any municipality. The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in clause (6).

(9) This subdivision shall apply only to project costs or acquisition costs of municipally owned airports which are incurred after June 1, 1971.

Sec. 20. [EFFECTIVE DATE.]

This article is effective July 1, 1994, except that any provisions appropriating money for fiscal year 1994 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; appropriating money for community development, transportation, and certain agencies of state government, and supplementing, reducing, and transferring earlier appropriations, with certain conditions; regulating certain activities and practices; providing for accounts, fees, and reports; amending Minnesota Statutes 1992, sections 44A.0311; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60K.03, subdivisions 1, 5, and 6; 60K.06; 60K.19, subdivision 8; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 138.01, subdivision 1; 138.34; 138.35, subdivision 1; 138.38; 138.40, subdivision 3; 138.94, by adding a subdivision; 154.11, subdivision 1; 154.12; 154.19; 161.14, by adding a subdivision; 162.02, subdivision 6; 162.06, subdivisions 3 and 4; 162.12, subdivisions 3 and 4; 168A.29, subdivision 1; 169.06, by adding a subdivision; 176.102, subdivisions 3a and 14; 257.0762, subdivision 2; 257.0768; 298.2211, by adding a subdivision; 345.47, subdivision 4; and 360.305, subdivision 4; Minnesota Statutes 1993 Supplement, sections 16B.08, subdivision 7; 44A.025; 60A.198, subdivision 3; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 115C.09, subdivision 1; 116J.966, subdivision 1; 138.763, subdivision 1; 239.785, subdivision 2, and by adding a subdivision; and 257.0755; proposing coding for new law in Minnesota Statutes, chapters 154; 169; 181; and 299D; repealing Minnesota Statutes 1992, sections 154.16; and 154.165."

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2985, A bill for an act relating to crime; driver license suspension; clarifying the conditions under which a juvenile who violates the underage drinking law may receive driver license suspension; amending Minnesota Statutes 1993 Supplement, section 340A.503, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 84.91, subdivision 5, is amended to read:

Subd. 5. [PENALTIES.] (a) A person who violates any prohibition contained in subdivision 1, or an ordinance in conformity with it, is guilty of a misdemeanor.

(b) A person is guilty of a gross misdemeanor who violates any prohibition contained in subdivision 1:

(1) within five years of a prior:

(i) conviction under ~~that subdivision or~~ subdivision 1, sections 86B.331, subdivision 1, 169.121, 169.129, or 609.21, subdivisions 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);

(ii) civil liability under section 84.911, subdivision 2, or section 86B.335, subdivision 2; or

(iii) conviction under an ordinance of this state or a statute or ordinance from another state in conformity with ~~either~~ any of them; or

(2) within ten years of the first of two or more prior:

(i) convictions under ~~that subdivision or~~ subdivision 1, sections 86B.331, subdivision 1, 169.121, 169.129, or 609.21, subdivision 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);

(ii) civil ~~liability~~ liabilities under section 84.911, subdivision 2, or ~~an ordinance~~ section 86B.335, subdivision 2;

(iii) convictions of ordinances in conformity with ~~either~~ any of them~~, is guilty of a gross misdemeanor~~; or

(iv) convictions or liabilities under any combination of items (i) to (iii).

(c) The attorney in the jurisdiction where the violation occurred who is responsible for prosecuting misdemeanor violations of this section is also responsible for prosecuting gross misdemeanor violations of this section. When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior convictions from a court, the court must furnish the information without charge.

(d) A person who operates a snowmobile or all-terrain vehicle during the period the person is prohibited from operating the vehicle under subdivision 6 is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1992, section 84.91, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward to the commissioner and the department of public safety copies of all convictions and criminal and civil penalties imposed under subdivision 5 and section 84.911, subdivision 2. The commissioner shall notify the convicted person of the period during which the person is prohibited from operating a snowmobile or all-terrain vehicle under subdivision 6 or section 84.911, subdivision 2. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from operating a snowmobile or all-terrain vehicle under subdivision 6 or section 84.911, subdivision 2.

Sec. 3. Minnesota Statutes 1992, section 84.911, is amended by adding a subdivision to read:

Subd. 7. [CORONER TO REPORT DEATH.] Every coroner or other official performing like functions shall report in writing to the department of natural resources the death of any person within the coroner's jurisdiction as the result of an accident involving a recreational motor vehicle, as defined in section 84.90, subdivision 1, and the circumstances of the accident. The report shall be made within 15 days after the death.

In the case of drivers killed in recreational motor vehicle accidents and of the death of passengers 14 years of age or older, who die within four hours after accident, the coroner or other official performing like functions shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information shall be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated by the department of natural resources. Periodically, the commissioner of natural resources must transmit a summary of the reports to the commissioner of public safety. This information may be used only for statistical purposes which do not reveal the identity of the deceased.

Sec. 4. Minnesota Statutes 1993 Supplement, section 84.924, subdivision 3, is amended to read:

Subd. 3. [ACCIDENT REPORT; REQUIREMENT AND FORM.] The operator and an officer investigating an accident of an all-terrain vehicle involved in an accident resulting in injury requiring medical attention or hospitalization to or death of a person or total damage to an extent of $500 or more shall within ten business days forward a written report of the accident to the commissioner of natural resources on a form prescribed by either the commissioner of natural resources or by the commissioner of public safety. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days. Periodically, the commissioner of natural resources must transmit a summary of the accident reports to the commissioner of public safety.

Sec. 5. Minnesota Statutes 1992, section 86B.331, subdivision 5, is amended to read:

Subd. 5. [PENALTIES.] (a) A person who violates a prohibition contained in subdivision 1, or an ordinance in conformity with it, is guilty of a misdemeanor.

(b) A person is guilty of a gross misdemeanor who violates a prohibition contained in subdivision 1:

(1) within five years of a prior:

(i) conviction under ~~that subdivision or~~ subdivision 1, sections 84.91, subdivision 1, 169.121, 169.129, or 609.21, subdivision 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);

(ii) civil liability under section 84.911, subdivision 2, or 86B.335, subdivision 2;; or

(iii) conviction under an ordinance of this state or a statute or ordinance from another state in conformity with ~~either~~ any of them;; or

(2) within ten years of the first of two or more prior:

(i) convictions under ~~that subdivision or~~ subdivision 1, sections 84.91, subdivision 1, 169.121, 169.129, or 609.21, subdivisions 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);

(ii) civil ~~liability~~ liabilities under section 84.911, subdivision 2, or 86B.335, subdivision 2~~, or an ordinance~~;

(iii) convictions of ordinances in conformity with ~~either~~ any of them~~, is guilty of a gross misdemeanor~~;; or

(iv) convictions or liabilities under any combination of items (i) to (iii).

(c) The attorney in the jurisdiction where the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section. When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior convictions from a court, the court must furnish the information without charge.

(d) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating any motorboat or after the person's watercraft operator's permit has been revoked, as provided under subdivision 6, is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1992, section 86B.331, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward copies of all convictions and criminal and civil penalties imposed under subdivision 5 and section 86B.335, subdivision 2, to the commissioner and the department of public safety. The commissioner shall notify the convicted person of the period when the person is prohibited from operating a motorboat as provided under subdivision 6 or section 86B.335, subdivision 2. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from operating any motorboat or have had their watercraft operator's permits revoked pursuant to subdivision 6 or section 86B.335, subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 86B.335, is amended by adding a subdivision to read:

Subd. 13. [CORONER TO REPORT DEATH.] Every coroner or other official performing like functions shall report in writing to the department of natural resources the death of any person within the coroner's jurisdiction as the result of an accident involving any watercraft or drowning and the circumstances of the accident. The report shall be made within 15 days after the death or recovery.

In the case of operators killed in watercraft accidents, or the death of passengers or drowning victims 14 years of age or older, who die within four hours after accident, the coroner or other official performing like functions shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information shall be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated by the department of natural resources. Periodically, the commissioner of natural resources must transmit a summary of the reports to the commissioner of public safety. This information may be used only for statistical purposes which do not reveal the identity of the deceased.

Sec. 8. Minnesota Statutes 1992, section 86B.341, subdivision 1, is amended to read:

Subdivision 1. [OPERATOR'S DUTY AT ACCIDENT OR INCIDENT.] (a) The operator of a watercraft involved in an accident or incident resulting in injury or death to a person or in damage to property shall, if possible without serious danger to the watercraft or the persons aboard, immediately stop at the scene of the accident or incident and render assistance as may be practicable and necessary.

(b) The operator must give the operator's name, address, and license number of the watercraft and the name and address of the owner of the watercraft to the person injured or the operator or occupants of the other watercraft or owner or occupant of the property involved. The operator must promptly report the accident or incident to the sheriff

of the county where the accident or incident occurred. Sheriffs are required to report all accidents and incidents to the commissioner of natural resources, who ~~shall~~ must periodically transmit a summary of the reports to the commissioner of public safety, and transmit statistics on boating accidents and incidents to the United States Coast Guard.

Sec. 9. Minnesota Statutes 1992, section 168.042, subdivision 8, is amended to read:

Subd. 8. [REISSUANCE OF REGISTRATION PLATES.] (a) The commissioner shall rescind the impoundment order if a person subject to an impoundment order under this section, other than the violator, files with the commissioner an acceptable sworn statement ~~that the person~~ containing the following information:

(1) that the person is the registered owner of the vehicle from which the plates have been impounded under this section;

(2) that the person is the current owner and possessor of the vehicle used in the violation;

(3) the date on which the violator obtained the vehicle from the registered owner;

(4) the residence addresses of the registered owner and the violator on the date the violator obtained the vehicle from the registered owner;

(5) that the person was not a passenger in the vehicle at the time of the violation; and

~~(4)~~ (6) that the person knows that the violator may not drive, operate, or be in physical control of a vehicle without a valid driver's license.

(b) The commissioner may not rescind the impoundment order nor reissue registration plates to a registered owner if the owner knew or had reason to know that the violator did not have a valid driver's license on the date the violator obtained the vehicle from the owner.

(c) If the order is rescinded, the owner shall receive new registration plates at no cost, if the plates were seized and destroyed.

Sec. 10. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 1c, is amended to read:

Subd. 1c. [CONDITIONAL RELEASE.] Unless maximum bail is imposed, a person charged with violating subdivision 1 within ten years of the first of three prior impaired driving convictions or within the person's lifetime after four or more prior impaired driving convictions may be released from detention only ~~upon~~ if the following conditions ~~unless maximum bail is imposed~~ are imposed in addition to the other conditions of release ordered by the court:

(1) the impoundment of the registration plates of the vehicle used to commit the violation ~~occurred~~, unless already impounded;

(2) a requirement that the alleged violator report weekly to a probation agent;

(3) a requirement that the alleged violator abstain from consumption of alcohol and controlled substances and submit to random, weekly alcohol tests or urine analyses; and

(4) a requirement that, if convicted, the alleged violator reimburse the court or county for the total cost of these services.

Sec. 11. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this subdivision:

(1) "prior impaired driving conviction" means a prior conviction under this section; section 84.91, subdivision 1, paragraph (a); 86B.331, subdivision 1, paragraph (a); 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21,

subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult; and

(2) "prior license revocation" means a driver's license suspension, revocation, or cancellation under this section; section 169.123; 171.04; 171.14; 171.16; 171.17; or 171.18 because of an alcohol-related incident; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

(b) A person who violates subdivision 1 or 1a, or an ordinance in conformity with either of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1 within five years of a prior impaired driving conviction~~, or within ten years of the first of two or more prior impaired driving convictions~~;

(2) the person violates subdivision 1a within five years of a prior license revocation~~, or within ten years of the first of two or more prior license revocations~~;

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 or 1a while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.

(d) A person who violates subdivision 1 within ten years of the first of two or more prior impaired driving convictions, or who violates subdivision 1a within ten years of the first of two or more prior license revocations is guilty of an enhanced gross misdemeanor and may be sentenced to incarceration in a local correctional facility for not more than two years or to payment of a fine of not more than $3,000, or both.

(e) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor and enhanced gross misdemeanor violations of this section.

(f) Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. The court may impose consecutive sentences for multiple violations of this section committed by the defendant as part of the same conduct and must impose consecutive sentences for multiple, separate violations of this section that have been included within a single prosecution. The court also must order that the sentence imposed for a violation of this section shall run consecutively to any other sentence currently being served by the defendant for a previous violation of this section or section 169.129.

(g) When an attorney responsible for prosecuting gross misdemeanors or enhanced gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

(h) A violation of subdivision 1a may be prosecuted either in the jurisdiction where the arresting officer observed the defendant driving, operating, or in control of the motor vehicle or in the jurisdiction where the refusal occurred.

Sec. 12. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 3a, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) Except as otherwise provided in paragraph (b), if a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of a gross misdemeanor violation of this section, a violation of section 169.129, or an ordinance in conformity with either of them (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment, served in increments of not less than 48 consecutive hours, or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Provided, that if a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them two or more times within five years after the first conviction, or within

five years after the first of two or more license revocations, as defined in subdivision 3, paragraph (a), clause (2), the person must be sentenced to a minimum of 30 days imprisonment, served in increments of not less than 48 consecutive hours, and the sentence may not be waived under paragraph ~~(b) or~~ (c) or (d). Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph ~~(b) or~~ (c) or (d).

(b)(1) If a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them within 15 years of the first of three or four prior license revocations, as defined in subdivision 3, or the first of three or four prior convictions under this section, section 169.129, or an ordinance in conformity with either of them, the person must be sentenced to a minimum of six months (i) incarceration, or (ii) intensive probation using an electronic monitoring system as defined in section 30.

(2) If a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them within 15 years of the first of five prior license revocations, as defined in subdivision 3, or the first of five prior convictions under this section, section 169.129, or an ordinance in conformity with either of them, the person must be sentenced to a minimum of one year (i) incarceration, or (ii) intensive probation using an electronic monitoring system as defined in section 30.

(3) The mandatory minimum sentences required by this paragraph may not be waived under paragraph (c) or (d) nor stayed under section 609.135. Prior to sentencing the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum sentence established by this subdivision.

(c) The court may, on its own motion, sentence the defendant without regard to the mandatory minimum sentence established by this subdivision if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it.

(d) The court may sentence the defendant without regard to the mandatory minimum sentence established by this subdivision if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265.

(e) When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record. Any sentence required under this subdivision must include a mandatory sentence that is not subject to suspension or a stay of imposition or execution, and that includes incarceration for not less than 48 consecutive hours or at least 80 hours of community work service.

Sec. 13. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE PENALTIES.] (a) The commissioner of public safety shall revoke the driver's license of a person convicted of violating this section or an ordinance in conformity with it as follows:

(1) first offense under subdivision 1: not less than 30 days;

(2) first offense under subdivision 1a: not less than 90 days;

(3) second offense in less than five years, or third or subsequent offense on the record: (i) if the current conviction is for a violation of subdivision 1, not less than 180 days and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126; or (ii) if the current conviction is for a violation of subdivision 1a, not less than one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126;

(4) third offense in less than five years: not less than one year, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner;

(5) fourth or subsequent offense on the record: not less than two years, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner.

(b) If the person convicted of violating this section is under the age of 21 years, the commissioner of public safety shall revoke the offender's driver's license or operating privileges for a period of six months or for the appropriate period of time under paragraph (a), clauses (1) to (5), for the offense committed, whichever is the greatest period.

(c) For purposes of this subdivision, a juvenile adjudication under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them is an offense.

(d) Whenever department records show that the violation involved personal injury or death to any person, not less than 90 additional days shall be added to the base periods provided above.

(e) Except for a person whose license has been revoked under paragraph (b), and except for a person who commits a violation described in subdivision 3, paragraph (c), clause (4), any person whose license has been revoked pursuant to section 169.123 as the result of the same incident, and who does not have a prior impaired driving conviction or prior license revocation as defined in subdivision 3 within the previous ten years, is subject to the mandatory revocation provisions of paragraph (a), clause (1) or (2), in lieu of the mandatory revocation provisions of section 169.123.

Sec. 14. Minnesota Statutes 1992, section 169.121, subdivision 11, is amended to read:

Subd. 11. [APPLICABILITY TO RECREATIONAL VEHICLES.] For purposes of this section and section 169.123, "motor vehicle" does not include a snowmobile as defined in section 84.81, or an all-terrain vehicle as defined in section 84.92. This subdivision does not prevent the commissioner of public safety from recording on driving records violations involving snowmobiles and all-terrain vehicles.

Sec. 15. Minnesota Statutes 1993 Supplement, section 169.1217, subdivision 9, is amended to read:

Subd. 9. [DISPOSITION OF FORFEITED VEHICLES.] (a) If the court finds under subdivision 8 that the vehicle is subject to forfeiture, it shall order the appropriate agency to:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use. If the agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use by the agency's officers who participate in the drug abuse resistance education program.

(b) The proceeds from the sale of forfeited vehicles, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be forwarded to the treasury of the political subdivision that employs the appropriate agency responsible for the forfeiture for use in DWI-related enforcement, training and education. If the appropriate agency is an agency of state government, the net proceeds must be forwarded to the agency for use in DWI-related enforcement, training, and education ~~until June 30, 1994, and thereafter to the state treasury and credited to the general fund~~.

Sec. 16. Minnesota Statutes 1993 Supplement, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person is guilty of a gross misdemeanor who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension, revocation, or denial under any of the following: section 169.121, 169.1211, or 169.123; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. If the defendant also is convicted of a violation of section 169.121, the court may order that the sentence imposed under this section shall run consecutively to the sentence imposed for that violation.

The attorney in the jurisdiction in which the violation of this section occurred who is responsible for prosecution of misdemeanor violations of section 169.121 shall also be responsible for prosecution of violations of this section.

Sec. 17. Minnesota Statutes 1992, section 169.791, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in possession at all times when operating a vehicle and shall produce on demand of a peace officer proof of insurance in force at the time of the demand covering the vehicle being operated. If the driver does not produce the required proof of insurance upon the demand of a peace officer, the driver is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.797, or a statute or ordinance in conformity with one of those sections. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. A driver who is not the owner of the vehicle may not be convicted under this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, provided that the driver provides the officer with the name and address of the owner at the time of the demand or complies with subdivision 3.

Sec. 18. Minnesota Statutes 1992, section 169.797, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] (a) A person who violates this section is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.791, or a statute or ordinance in conformity with one of those sections. The operator of a vehicle who violates subdivision 3 and who causes or contributes to causing a vehicle accident that results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. In addition to any sentence of imprisonment that the court may impose on a person convicted of violating this section, the court shall impose a fine of not less than $200 nor more than the maximum amount authorized by law. The court may allow community service in lieu of any fine imposed if the defendant is indigent.

(b) In addition to the criminal penalty, the driver's license of an operator convicted under this section shall be revoked for not more than 12 months. If the operator is also an owner of the vehicle, the registration of the vehicle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48.

(c) The commissioner shall include a notice of the penalties contained in this section on all forms for registration of vehicles required to maintain a plan of reparation security.

(d) Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. If the defendant also is convicted of a violation of section 169.121, 169.129, or 171.24, the court may order that the sentence imposed under this section shall run consecutively to the sentence imposed for that violation.

Sec. 19. [169.991] [TAB CHARGES.]

In addition to the offenses listed in rule 17.01 of the Rules of Criminal Procedure, a misdemeanor or gross misdemeanor violation of section 171.24 may be prosecuted by tab charge in lieu of indictment or complaint. Rule 17.01 of the Rules of Criminal Procedure is superseded to the extent of its conflict with this section.

Sec. 20. Minnesota Statutes 1992, section 171.12, subdivision 2, is amended to read:

Subd. 2. [ACCIDENT REPORTS AND RECORDS OF CONVICTION FILED.] The department shall file all accident reports and abstracts of court records of convictions and violations received by it under the laws of this state and its political subdivisions, and in connection therewith maintain convenient records or make suitable notations in order that an individual record of each licensee showing the convictions of such licensee and the traffic accidents in which the licensee has been involved shall be readily ascertainable and available for the consideration of the department upon any application for renewal of license and the revocation, suspension, or limitation of licenses.

Sec. 21. Minnesota Statutes 1993 Supplement, section 171.24, is amended to read:

171.24 [VIOLATIONS; DRIVING WITHOUT VALID LICENSE.]

(a) Except as otherwise provided in paragraph (c), any person whose driver's license or driving privilege has been canceled, suspended, or revoked and who has been given notice of, or reasonably should know of the revocation,

suspension, or cancellation, and who disobeys such order by operating anywhere in this state any motor vehicle, the operation of which requires a driver's license, while such license or privilege is canceled, suspended, or revoked is guilty of a misdemeanor.

(b) Any person who has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle, who has been given notice of or reasonably should know of the disqualification, and who disobeys the order by operating in this state a commercial motor vehicle while the person is disqualified to hold the license or privilege, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor if:

(1) the person's driver's license or driving privileges has been canceled under section 171.04, subdivision 1, clause (8), and the person has been given notice of or reasonably should know of the cancellation; and

(2) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled.

(d) Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. If the defendant also is convicted of a violation of section 169.121 or 169.129, the court may order that the sentence imposed for a violation of this section run consecutively to the sentence imposed for a violation of section 169.121 or 169.129.

(e) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section.

(f) Notice of revocation, suspension, cancellation, or disqualification is sufficient if personally served, or if mailed by first class mail to the person's last known address or to the address listed on the person's driver's license. Notice is also sufficient if the person was informed that revocation, suspension, cancellation, or disqualification would be imposed upon a condition occurring or failing to occur, and where the condition has in fact occurred or failed to occur. It is not a defense that a person failed to file a change of address with the post office, or failed to notify the department of public safety of a change of name or address as required under section 171.11.

Sec. 22. Minnesota Statutes 1993 Supplement, section 340A.503, subdivision 1, is amended to read:

Subdivision 1. [CONSUMPTION.] (a) It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee, municipal liquor store, or bottle club permit holder under section 340A.414, to permit any person under the age of 21 years to consume alcoholic beverages on the licensed premises or within the municipal liquor store; or

(2) person under the age of 21 years to consume any alcoholic beverages. As used in this clause, "consume" includes the ingestion of an alcoholic beverage and the physical condition of having ingested an alcoholic beverage. If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this clause that the defendant consumed the alcoholic beverage in the household of the defendant's parent or guardian and with the consent of the parent or guardian.

(b) An offense under paragraph (a), clause (2), may be prosecuted either at the place where consumption occurs or the place where evidence of consumption is observed.

(c) When a person is convicted of or adjudicated for an offense under paragraph (a), clause (2), the court shall determine whether the person ~~committed the offense~~ consumed the alcohol while operating a motor vehicle. If so, the court shall notify the commissioner of public safety of its determination. Upon receipt of the court's determination, the commissioner shall suspend the person's driver's license or operating privileges for 30 days, or for 180 days if the person has previously been convicted of or adjudicated for an offense under paragraph (a), clause (2). As used in this paragraph, "consume" includes the ingestion of an alcoholic beverage and the physical condition of having ingested an alcoholic beverage.

Sec. 23. Minnesota Statutes 1992, section 609.02, subdivision 2, is amended to read:

Subd. 2. [FELONY.] "Felony" means a crime, other than an enhanced gross misdemeanor, for which a sentence of imprisonment for more than one year may be imposed.

Sec. 24. Minnesota Statutes 1992, section 609.02, is amended by adding a subdivision to read:

Subd. 4b. [ENHANCED GROSS MISDEMEANOR.] "Enhanced gross misdemeanor" means a crime that is not a felony, for which a sentence of imprisonment of not more than two years or a fine of not more than $3,000, or both, may be imposed.

Sec. 25. Minnesota Statutes 1993 Supplement, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in sections 169.121, 169.129, 169.797, 171.24, 609.251, 609.585, 609.21, subdivisions 3 and 4, 609.2691, 609.486, 609.494, and 609.856, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts.

Sec. 26. Minnesota Statutes 1992, section 609.105, is amended to read:

609.105 [SENTENCE OF IMPRISONMENT.]

Subdivision 1. Except as otherwise provided in subdivision 3, a sentence to imprisonment for more than one year shall commit the defendant to the custody of the commissioner of corrections.

Subd. 2. The commissioner of corrections shall determine the place of confinement in a prison, reformatory, or other facility of the department of corrections established by law for the confinement of convicted persons and prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or without the facility.

Subd. 3. A sentence to imprisonment for an enhanced gross misdemeanor or for a period of one year or any lesser period shall be to a workhouse, work farm, county jail, or other place authorized by law.

Sec. 27. Minnesota Statutes 1992, section 629.471, subdivision 2, is amended to read:

Subd. 2. [QUADRUPLE THE FINE.] For offenses under sections 169.09, 169.121, 169.129, 171.24, paragraph (c), 518B.01, 609.2231, subdivision 2, 609.224, 609.487, and 609.525, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is quadruple the highest cash fine that may be imposed for the offense.

Sec. 28. [DWI TRACKING SYSTEM; STUDY REQUIRED.]

The commissioner of public safety, in cooperation with the criminal and juvenile justice information policy group, shall study the feasibility and cost of developing, establishing, and operating a centralized system for tracking and integrating information regarding the arrest, prosecution, conviction, sentencing, treatment, and driver's license records of persons who commit alcohol-related driving offenses. On or before February 1, 1995, the commissioner shall submit a report to the legislature containing the commissioner's findings and recommendations.

Sec. 29. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall modify the sentencing guidelines by ranking violations of section 609.21, subdivisions 1, clauses (3) and (4); and 3, clauses (3) and (4), in severity level VII of the sentencing guidelines grid.

Sec. 30. [ELECTRONIC ALCOHOL MONITORING OF DWI OFFENDERS; PILOT PROGRAM.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them in this subdivision.

(a) "Breath analyzer unit" means a device that performs breath alcohol testing and is connected to an electronic monitoring system.

(b) "Electronic monitoring system" means a system that electronically monitors individuals in their homes to ensure compliance with court-ordered conditions of pretrial release, supervised release, or probation.

Subd. 2. [PILOT PROGRAM ESTABLISHED.] (a) The state court administrator, in cooperation with the conference of chief judges and the commissioner of corrections, shall establish a three-year pilot program to evaluate the effectiveness of using breath analyzer units to monitor DWI offenders who are ordered to abstain from alcohol use as a condition of pretrial release, probation, or supervised release. The pilot program shall include procedures which ensure that violators of this condition of release receive swift consequences for the violation.

(b) The state court administrator shall select at least two judicial districts to participate in the pilot program. Offenders who are ordered to use a breath analyzer unit shall also be ordered to pay the per diem cost of the monitoring unless the offender is indigent. The state court administrator shall reimburse the judicial districts and the department of corrections for any costs they incur in participating in the pilot program. The court administrator shall scale the program to the resources available.

(c) After three years, the state court administrator shall evaluate the program's effectiveness and shall report the results of this evaluation to the conference of chief judges and the legislature.

Sec. 31. [APPROPRIATIONS.]

(a) The following amounts are appropriated from the general fund to the commissioner of corrections and the commissioner of public safety for the fiscal year ending June 30, 1995:

(1) $125,000 is for the DWI tracking system study required under section 28;

(2) $500,000 is for grants to counties under Minnesota Statutes, section 169.1265, to pay the costs of developing and operating intensive probation programs for repeat DWI offenders; provided that at least one-half of this appropriation shall be used for grants to counties seeking to develop new programs;

(3) $65,000 is for providing technical assistance to counties participating in the intensive probation grant program and for contract administration; and $20,000 is for an independent evaluation of intensive probation program results; and

(b) $150,000 is appropriated from the general fund to the supreme court to fund the pilot program established in section 30. The supreme court shall seek additional funding for the program from outside sources, and shall scale the program to the available funding resources.

Sec. 32. [REPEALER.]

Minnesota Statutes 1992, sections 84.87, subdivision 2b; and 84.928, subdivision 3, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective July 1, 1994, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; requiring reports of certain deaths; modifying provisions relating to habitual offenders and forfeited vehicles; clarifying the conditions under which a juvenile who violates the underage drinking law may receive driver license suspension; establishing prosecutorial duties; changing penalties; requiring a study; establishing a pilot program; appropriating money; amending Minnesota Statutes 1992, sections 84.91, subdivisions 5 and 7; 84.911, by adding a subdivision; 86B.331, subdivisions 5 and 7; 86B.335, by adding a subdivision; 86B.341, subdivision 1; 168.042, subdivision 8; 169.121, subdivision 11; 169.791, subdivision 2; 169.797, subdivision 4; 171.12, subdivision 2; 609.02, subdivision 2, and by adding a subdivision; 609.105; and 629.471, subdivision 2; Minnesota Statutes 1993 Supplement, sections 84.924, subdivision 3; 169.121, subdivisions 1c, 3, 3a, and 4; 169.1217, subdivision 9; 169.129; 171.24; 340A.503, subdivision 1; and 609.035; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1992, sections 84.87, subdivision 2b; and 84.928, subdivision 3."

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 3005, A bill for an act relating to state government; creating an employee training incentive program; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the following amendments:

Page 1, line 9, delete "must" and insert "may"

Page 1, line 10, before the period, insert "subject to negotiations with bargaining representatives under Minnesota Statutes, chapter 179A"

Page 1, line 13, delete "must" and insert "may"

Page 1, line 14, delete "awards"

Page 1, line 15, before the period, insert "or to improve service delivery through other employee training and development"

Page 1, line 18, delete "Awards" and insert "Training" and before the comma, insert "or service delivery based"

Page 1, line 25, delete everything after "(3)" and insert "Worker participation committees established under Minnesota Statutes, section 15.92, must identify and recommend expenditures of training and employee development funds within each agency."

Page 2, delete lines 1 to 3

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

The report was adopted.

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

H. F. No. 3086, A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; providing for state bonding; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; amending Minnesota Statutes 1992, sections 115.073; 115B.42, subdivision 1 and by adding subdivisions; 115C.03, subdivision 9; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivisions 1 and 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 115A; and 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

Reported the same back with the following amendments:

Page 3, line 10, delete the second "to" and insert ", within the limits of the revenue generated, to support the following activities"

Page 4, line 18, after "waste" insert "for disposal"

Page 4, after line 23, insert:

"(1) the facility was privately owned and operated; and"

Page 4, line 24, delete "(1)" and insert "(2)"

Page 4, line 27, delete "(2)" and insert "(3)"

Page 4, line 34, after "commissioner" insert "under section 115B.41, subdivision 2,"

Page 5, line 3, delete "the" and insert "money from the landfill account is encumbered for the facility under section 115B.43. The"

Page 5, line 16, delete "agree to"

Page 5, line 21, after "actions" insert ", including allowing entry to the property and to the facility's records"

Page 5, line 22, delete "agree to develop" and insert "refrain from developing or altering the use of"

Page 5, line 23, delete "only" and insert "except"

Page 5, line 25, after "property" insert ", including use restrictions,"

Page 5, line 27, after "(b)" insert "Notwithstanding paragraph (a), clause (1),"

Page 6, line 7, delete "agree" and insert "enter into agreements with the commissioner to carry out the requirements of paragraph (a), clauses (4) and (5). The"

Page 6, delete lines 8 to 12

Page 6, delete line 13, and insert "agreements"

Page 6, line 14, delete everything before "must" and insert "must be in writing and"

Page 6, line 27, after "the" insert "owner or operator fails to comply with subdivision 2 and the"

Page 6, line 29, delete "or" and insert "and" and delete "is" and insert "are jointly and severally"

Page 7, line 1, delete "If" and insert:

"If"

Page 7, line 4, delete everything before "the" and insert "paragraph (d),"

Page 7, line 5, delete "to compel performance"

Page 7, line 6, before the period, insert "to compel the owner or operator to comply with subdivision 2, paragraph (a), clause (3), (4), or (5)"

Page 7, line 15, after "including" insert "administrative and legal" and delete everything after "expenses"

Page 7, line 16, delete everything before the comma

Page 7, line 36, delete "costs" and insert "expenses"

Page 8, lines 2 and 7, delete "costs" and insert "expenses"

Page 8, line 9, after "payment" insert "otherwise payable to the local government unit"

Page 8, line 12, delete "costs" and insert "expenses"

Page 8, line 15, delete "and" and insert "or"

Page 8, line 16, delete everything after "2"

Page 8, delete lines 17 and 18

Page 8, line 19, delete everything before the comma

Page 8, line 20, after "obtain" insert "or renew"

Page 8, line 22, after "operator" insert "that is not a local government unit" and delete "and" and insert "or"

Page 8, line 31, delete "included" and insert "listed"

Page 8, line 32, delete everything after "care"

Page 8, line 33, delete everything before "in" and before the period, insert "under an agreement with the commissioner"

Page 9, line 2, delete "land disposal"

Page 9, line 3, delete everything after "listed" and insert "under"

Page 9, line 9, after "IDENTIFICATION" insert "AND LISTING"

Page 9, delete lines 29 to 31

Page 9, line 33, after "the" insert "applicable"

Page 10, line 6, delete everything after the first "will" and insert "result in removal or significant alteration of the closure activities or render the closure activities unnecessary."

Page 10, delete lines 7 and 8, and insert:

"(d) When closure is complete and postclosure care is adequate, the commissioner shall list the facility under the landfill cleanup program."

Page 10, line 18, delete "section" and insert "subdivision"

Page 10, line 29, after "deems" insert "reasonable and"

Page 10, line 30, before the period, insert "under the standards required in subdivision 1"

Page 10, line 31, delete "detailed" and after "determine" insert "reasonable and"

Page 10, line 33, delete "rather than detailed" and insert "for environmental" and after "studies" insert ", presumptive remedies, and generic remedial designs"

Page 10, line 34, delete "appropriate"

Page 11, line 24, delete "this section" and insert "sections 115B.39 to 115B.45"

Page 11, line 29, delete "Costs" and insert "If the commissioner prevails in an enforcement action under this subdivision, the commissioner may recover all costs"

Page 11, line 30, delete everything after the second comma, and insert "related to the enforcement action."

Page 11, delete lines 31 and 32

Page 11, line 35, after "deems" insert "reasonably"

Page 14, lines 6 to 11, reinstate the stricken language

Page 14, line 12, reinstate everything before the stricken "and"

Page 14, line 14, delete the new language

Page 14, line 26, delete "pay" and insert "reimburse" and after "expenses" insert "up to $250,000 annually" and after "costs" insert "up to $250,000 annually"

Page 15, delete lines 33 to 36, and insert:

"(1) private or public mixed municipal solid waste generators:

(i) who received, prior to January 1, 1994, requests for contribution from a responsible person or group of responsible persons named under a consent order with the agency or under an order issued by the United States Environmental Protection Agency under United States Code, title 42, section 9606, that governs response action at a mixed municipal solid waste facility that stopped accepting waste for disposal prior to April 9, 1994;

(ii) who pay the responsible person or responsible persons an amount in response to the request; and

(iii) for whom the responsible person has not or the responsible persons have not shown, other than by statistical or circumstantial evidence, that the generator arranged for disposal of or transported for disposal a hazardous substance, pollutant, or contaminant in the facility;

(2) local government units that have spent money, in excess of the liability limits in section 115B.04, subdivision 4, at a mixed municipal solid waste disposal facility that stopped accepting waste prior to April 9, 1994, for closure, postclosure care, and response actions not required in the facility's permit and the rules in effect at the time the facility stopped accepting waste, first those that spent money at qualified facilities and then those that spent money at nonqualified facilities under a consent order or federal order when the activities required by the order have been completed; and

(3) private responsible persons that have spent money, in excess of $1,200,000 at a mixed municipal solid waste facility that stopped accepting waste prior to April 9, 1994, for closure, postclosure care, or response actions not required in the facility's permit and the rules at the time the facility stopped accepting waste, first those that spent money at qualified facilities and then those that spent money at nonqualified facilities under a consent order or federal order when the activities required by the order have been completed.

(b) No local government unit or private person is eligible for reimbursement if the unit or person illegally arranged for disposal, arranged for transportation for disposal, or disposed of a hazardous substance, pollutant, or contaminant in the facility. No local government unit or private person is eligible for reimbursement if the unit or person requested contribution for money spent by the person for expenses incurred at a mixed municipal solid waste disposal facility from a person not named as a responsible person in a consent order or federal order governing activities at the facility."

Page 16, delete lines 1 to 30

Page 16, line 31, delete "(b)" and insert "(c)"

Page 16, line 35, delete "July" and insert "September"

Page 17, line 1, after the second comma, insert "and"

Page 17, line 2, delete everything after "(3)"

Page 17, line 3, delete everything before the period

Page 17, line 10, before "solid" insert "mixed municipal"

Page 17, after line 12, insert:

"(d) The commissioner shall recommend to the commission on waste management how to refine the reimbursement process and how to specifically refine when reimbursement is due to persons within each priority level for reimbursement without recommending changes in the broad priorities listed in paragraph (a)."

Page 18, after line 20, insert:

"Subd. 3. [EFFECT OF LISTING OF FACILITIES.] Once a qualified facility is listed under section 115B.41, subdivision 2, neither the commissioner nor the agency may take any action in relation to that facility to recover any expenses from any person under sections 115B.01 to 115B.24, except as provided in sections 115B.39 to 115B.45, unless the projected revenue to the landfill cleanup account for the next biennium is insufficient to fund 20 percent of the total projected costs of sections 115B.39 to 115B.45, excluding operation and maintenance of response actions, calculated from the effective date of those sections to the completion of construction activities at the final qualified facility on the priority list. A listed qualified facility may not be referred for listing under 115B.17, subdivision 13.

Subd. 4. [EFFECT OF ENCUMBRANCE; INSUFFICIENT ENCUMBRANCE.] (a) At the time money in the landfill cleanup account is encumbered for the expected response costs at a specific facility, the landfill cleanup program administered by the commissioner undertakes all further postclosure care, response actions, and operation and maintenance of the response actions related to that facility. The owner or operator and any other potentially responsible person is not responsible under this chapter for any further costs related to postclosure care, response, or operation and maintenance of any response action at the facility, except as provided in subdivision 1, paragraph (b).

(b) If the amount encumbered is insufficient to cover the actual response costs, excluding operation and maintenance of the response actions, new revenue received by the account must first be used to complete response actions at the facility before it may be encumbered for a facility for which no money has yet been encumbered.

(c) Nothing in sections 115B.39 to 115B.45 affects the liability of any person under this chapter, under federal law, or under common law for claims for compensation for personal injury or property damage related to the release of a hazardous substance, pollutant, or contaminant from a facility."

Page 18, line 25, before "solid" insert "mixed municipal"

Page 18, line 28, after "facility" insert ", which stopped accepting waste for disposal prior to April 9, 1994,"

Page 18, line 29, delete "have factual" and insert "produce" and after "evidence" insert ", other than statistical or circumstantial evidence,"

Page 18, line 30, delete "contributed" and insert "arranged for disposal or transported for disposal mixed municipal solid waste containing"

Page 18, line 34, after "to" insert "the Minnesota office of dispute resolution for"

Page 20, after line 8, insert:

"Sec. 12. [REPORT; REIMBURSEMENT.]

In the first report due under Minnesota Statutes, section 115B.42, subdivision 4, the commissioner of the pollution control agency shall include an analysis of the level of reimbursement specified in Minnesota Statutes, section 115B.42, subdivision 3, and shall make any recommendations the commissioner deems reasonable and prudent regarding increasing or decreasing over time the percentage of money in the account available for reimbursement."

Page 21, line 10, after "cents" insert ", 81 cents beginning July 1, 1996,"

Pages 21 and 22, delete sections 3 and 4

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

The report was adopted.

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

H. F. No. 3207, A bill for an act relating to the organization and operation of state government; appropriating money for the department of health, the council on disability, veterans nursing homes board, jobs and training, housing finance, veterans affairs, human rights, and other purposes with certain conditions; establishing and modifying certain programs; modifying the compact on industrialized/modular buildings; providing for appointments; amending Minnesota Statutes 1992, sections 16A.124, subdivisions 1, 2, 3, 4, 5, and 6; 16B.75; 62J.05, subdivision 2; 144.801, by adding a subdivision; 144.804, subdivision 1; 144.878, by adding a subdivision; and 145A.14, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 16B.06, subdivision 2a; 144.871, subdivision 2; 144.874, subdivision 11a; 144.878, subdivision 5; 153A.14, subdivision 2; and 239.785, subdivision 2, and by adding a subdivision; Laws 1993, chapter 369, section 11; proposing coding for new law in Minnesota Statutes, chapters 144; 145; 148; 197; 268A; and 645; repealing Minnesota Statutes 1992, section 197.235.

Reported the same back with the following amendments:

Page 2, line 13, delete "2,734,000" and insert "2,934,000" and delete "2,759,000" and insert "2,959,000"

Page 2, line 22, delete "2,195,300" and insert "2,396,000"

Page 2, line 24, delete "2,026,300" and insert "2,227,000"

Page 3, line 7, delete "332,500" and insert "333,000"

Page 5, line 18, delete "58,800" and insert "59,000"

Page 5, after line 42, insert:

"(m) Hotels; Resorts; Restaurants

Of this appropriation $200,000 is appropriated to the commissioner of health for fiscal year 1995 for the purposes of the programs in Minnesota Statutes, chapter 157. This appropriation shall not become part of the base level funding for the 1995-1996 biennial budget.

(n) Collaboration with Culturally Appropriate Groups

The commissioner of health shall collaborate with culturally appropriate groups to carry out appropriate education, prevention, and outreach activities in communities that traditionally practice female circumcision, excision, or infibulation to inform people in those communities about the health risks and emotional trauma inflicted by these practices. The commissioner also shall make reasonable efforts to inform the medical community of the criminal penalties applicable to these practices. The commissioner shall work with culturally appropriate groups to obtain private funds to help finance these education, prevention, and outreach efforts."

Page 22, after line 10, insert:

"Sec. 17. [144.394] [CHILDREN AND SECONDHAND SMOKE; MASS MEDIA PROGRAM.]

The commissioner shall conduct a long-term mass media program to educate the public on the effects of secondhand smoke on children. The program must include, but is not limited to, the creation and use of television and radio media messages. The mass media program must be designed to last at least five years."

Pages 23 to 26, delete sections 19 to 23

Page 44, before line 1, insert:

"Sec. 10. [268.56] [MINNESOTA YOUTH PROGRAM; DEFINITIONS.]

For the purposes of sections 268.56 and 268.561, the terms defined in this section have the meanings given them.

Subdivision 1. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 2. [ELIGIBLE APPLICANT.] "Eligible applicant" means an individual who is:

(1) between the ages of 14 and 21;

(2) economically disadvantaged; and

(3) an at-risk youth who may be classified as a family of one for purposes of eligibility determination. The following individuals are considered at risk:

(a) a pregnant or parenting youth;

(b) a youth with limited English proficiency;

(c) a potential or actual school dropout;

(d) a youth in an offender or diversion program;

(e) a public assistance recipient or a recipient of group home services;

(f) a youth with disabilities including learning disabilities;

(g) a chemically dependent youth or children of drug or alcohol abusers;

(h) a homeless or runaway youth;

(i) a youth with basic skills deficiency;

(j) a youth with an educational attainment of one or more levels below grade level appropriate to age; or

(k) a foster child.

Subd. 3. [EMPLOYER.] "Employer" means a private or public employer.

Sec. 11. [268.561] [MINNESOTA YOUTH PROGRAM.]

Subdivision 1. [PURPOSE.] The Minnesota youth program is established to:

(1) improve the employability of low-income youth through exposure to public or private sector work;

(2) enhance the basic educational skills of youth;

(3) encourage the completion of high school or equivalency;

(4) assist youth to enter employment, school-to-work transition programs, the military, or post-secondary education or training;

(5) enhance the citizenship skills of youth through community service and service learning; and

(6) provide educational, career, and life skills counseling.

Subd. 2. [WAGE RATE.] The rate of pay for Minnesota youth program positions with public, private nonprofit, and private for-profit employers is the minimum wage. Employers are encouraged to use their own funds to increase

the participants' hourly wage rates. Youths designated as supervisors may be paid at a higher level to be determined by the local contractor.

Subd. 3. [CONTRACT ADMINISTRATION.] Special consideration will be given to local contractors with experience in administering youth employment and training programs and those who have demonstrated efforts to coordinate state and federal youth programs locally.

Subd. 4. [ALLOCATION FORMULA.] Seventy percent of funds must be allocated based on the county's share of economically disadvantaged youth. The remaining 30 percent must be allocated based on the county's share of population ages 14 to 21.

Subd. 5. [ALLOWABLE COST CATEGORIES.] Of the total allocation, up to 15 percent may be used for administrative purposes and the remaining 85 percent may be used for a combination of training and participant support activities.

Subd. 6. [REPORTS.] Each entity shall report to the commissioner on a quarterly basis in a format to be determined by the commissioner.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Subd. 7. [PART-TIME EMPLOYMENT.] Wages and subsidies under this section may be paid for part-time employment.

Subd. 8. [LAYOFFS; WORKER REDUCTIONS.] An employer may not lay off, terminate, or reduce the working hours of an employee for the purpose of hiring an individual with funds provided by this section. An employer may not hire an individual with funds available under this section if any other individual is laid off from the same or a substantially equivalent job.

Subd. 9. [RULES.] The commissioner may adopt rules to implement this section."

Page 44, after line 28, insert:

"Sec. 13. Laws 1993, chapter 369, section 5, subdivision 4, is amended to read:

Subd. 4. Community Services

27,579,000 25,678,000

The money appropriated for the youth wage subsidy program for the second year of the biennium must be used for programs authorized under Minnesota Statutes, sections 268.31 to 268.36.

$880,000 is appropriated from the general fund to the commissioner of jobs and training for operating costs of transitional housing programs under Minnesota Statutes, section 268.38. Of this appropriation, $440,000 is for the first year and $440,000 is for the second year.

$4,200,000 for the first year and $5,550,000 for the second year is appropriated from the general fund to the commissioner of the department of jobs and training for Minnesota economic opportunity grants to community action agencies. This appropriation is to replace federal funds that are no longer available to community action agencies because of new federal restrictions on the authority to transfer block grant money from the federal Low-Income Home Energy Assistance program to the federal Community Services Block grant.

For the biennium ending June 30, 1995, the commissioner shall transfer to the low-income home weatherization program at least five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1995, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the weatherization program may be used by the commissioner for administrative purposes.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

Of the money appropriated for the summer youth employment programs for fiscal year 1994, $750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund $3,054,000 in the first year and $2,303,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Of this appropriation, $5,554,000 the first year and $2,303,000 the second year are for summer youth employment programs.

Of this appropriation, $100,000 is to train and certify community action agency weatherization programs to comply with the requirements of Minnesota Statutes, section 144.878, subdivision 5. * **(The preceding sentence starting "Of" was vetoed by the governor.)** Of this appropriation, $400,000 is to be used for swab teams with priority to be given to those swab teams in greater Minnesota which are affiliated with community action agencies and to those swab teams in cities of the first class which are affiliated with community action agencies or neighborhood-based nonprofit organizations. 3.75 percent of the allocation may be used for administrative costs. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Of this appropriation, $1,200,000 is for the food shelf program.

Of this appropriation, $400,000 is for youth employment and for housing for the homeless through the YOUTHBUILD program.

Of the appropriation for the Minnesota economic opportunity grant, the commissioner may use up to nine percent each year for state operations.

Of the appropriation for Head Start, the commissioner of the department of jobs and training may use up to two percent each year for state operations."

Pages 44 and 45, delete section 11

Page 45, after line 19, insert:

"Sec. 15. [REPEALER.]

Minnesota Statutes 1992, sections 268.32; 268.551; and 268.552, are repealed.

Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 10, 11, 12, and 13 are effective the day following final enactment."

Page 50, after line 1, insert:

"ARTICLE 4

HEALTH DEPARTMENT TECHNICAL

Section 1. Minnesota Statutes 1992, section 126A.02, subdivision 2, is amended to read:

Subd. 2. [BOARD MEMBERS.] A ~~17-member~~ 18-member board shall advise the director. The board is made up of the commissioners of the department of natural resources; the pollution control agency; the department of agriculture; the department of education; the department of health; the director of the office of strategic and long-range planning; the chair of the board of water and soil resources; the executive director of the higher education coordinating board; the executive secretary of the board of teaching; the director of the extension service; and eight citizen members representing diverse interests appointed by the governor. The governor shall appoint one citizen member from each congressional district. The citizen members are subject to section 15.0575. Two of the citizen members appointed by the governor must be licensed teachers currently teaching in the K-12 system. The governor shall annually designate a member to serve as chair for the next year.

Sec. 2. Minnesota Statutes 1992, section 144.0723, subdivision 1, is amended to read:

Subdivision 1. [CLIENT ~~REIMBURSEMENT~~ CLASSIFICATIONS.] The commissioner of health shall establish ~~reimbursement~~ classifications based upon the assessment of each client in intermediate care facilities for the mentally retarded conducted after December 31, 1988, under section 256B.501, subdivision 3g~~, or under rules established by the commissioner of human services under section 256B.501, subdivision 3j~~. The ~~reimbursement~~ classifications established by the commissioner must conform to the rules established by the commissioner of human services to set payment rates for intermediate care facilities for the mentally retarded beginning on or after October 1, ~~1990~~ 1995.

Sec. 3. Minnesota Statutes 1992, section 144.0723, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF CLIENT ~~REIMBURSEMENT~~ CLASSIFICATION.] The commissioner of health shall notify each ~~client and~~ intermediate care facility for the mentally retarded ~~in which the client resides~~ of the ~~reimbursement classification~~ classifications established under subdivision 1 for each client residing in the facility. The notice must inform the ~~client~~ intermediate care facility for the mentally retarded of the ~~classification~~ classifications that ~~was~~ are assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of ~~the classification~~ any classifications assigned. The notice of classification must be sent by first-class mail. ~~The individual client notices may be sent to the client's intermediate care facility for the mentally retarded for distribution to the client. The facility must distribute the notice to the client's case manager and to the client or to the client's representative. This notice must be distributed within three working days after the facility receives the notices from the department. For the purposes of this section, "representative" includes the client's legal representative as defined in Minnesota Rules, part 9525.0015, subpart 18, the person authorized to pay the client's facility expenses, or any other individual designated by the client.~~

Sec. 4. Minnesota Statutes 1992, section 144.0723, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR RECONSIDERATION.] The ~~client, client's representative, or the~~ intermediate care facility for the mentally retarded may request that the commissioner reconsider the assigned classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days after the receipt of the notice of

client classification. The request for reconsideration must include the name of the client, the name and address of the facility in which the client resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the client and services provided to the client at the time of the assessment resulting in the disputed classification justify a change of classification.

Sec. 5. Minnesota Statutes 1992, section 144.0723, subdivision 4, is amended to read:

Subd. 4. [ACCESS TO INFORMATION.] Annually, at the interdisciplinary team meeting, the intermediate care facility for the mentally retarded shall inform the client or the client's representative and case manager of the client's most recent classification as determined by the department of health. Upon written request, the intermediate care facility for the mentally retarded must give the client's case manager, the client, or the client's representative a copy of the assessment form and the other documentation that was given to the department to support the assessment findings. ~~The facility shall also provide access to and a copy of other information from the client's record that has been requested by or on behalf of the client to support a client's reconsideration request. A copy of any requested material must be provided within three working days after the facility receives a written request for the information. If the facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment. Notwithstanding this section, any order issued by the commissioner under this subdivision must require that the facility immediately comply with the request for information and that as of the date the order is issued, the facility shall forfeit to the state a $100 fine the first day of noncompliance, and an increase in the $100 fine by $50 increments for each day the noncompliance continues.~~

Sec. 6. Minnesota Statutes 1992, section 144.0723, subdivision 6, is amended to read:

Subd. 6. [RECONSIDERATION.] The commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under ~~subdivisions~~ subdivision 3 ~~and 5~~. If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. At the commissioner's discretion, the commissioner may review the ~~reimbursement~~ classifications assigned to all clients in the facility. Within 15 working days after receiving the request for reconsideration, the commissioner shall affirm or modify the original client classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. The ~~client and the~~ intermediate care facility for the mentally retarded shall be notified within five working days after the decision is made. The commissioner's decision under this subdivision is the final administrative decision of the agency.

Sec. 7. [144.1222] [PUBLIC POOLS.]

The commissioner of health shall be responsible for the promulgation of rules and the enforcement of standards relating to the operation, maintenance, design, installation, and construction of public pools and facilities related to them. The commissioner shall promulgate rules governing the collection of fees pursuant to section 144.122 to cover the cost of pool construction plan review, monitoring, and inspections.

Sec. 8. Minnesota Statutes 1992, section 144.414, subdivision 3, is amended to read:

Subd. 3. [HEALTH CARE FACILITIES AND CLINICS.] (a) Smoking is prohibited in any area of a hospital, health care clinic, doctor's office, or other health care-related facility, other than a nursing home, boarding care facility, or licensed residential facility, except as allowed in this subdivision.

(b) Smoking by patients in a chemical dependency treatment program or mental health program may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program that identifies circumstances in which prohibiting smoking would interfere with the treatment of persons recovering from chemical dependency or mental illness.

(c) Smoking by participants in peer reviewed scientific studies related to the health effects of smoking may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program to minimize exposure of nonsmokers to smoke.

Sec. 9. Minnesota Statutes 1992, section 144.417, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health shall adopt rules necessary and reasonable to implement the provisions of sections 144.411 to 144.417, except as provided for in section 144.414.

~~The state commissioner of health may, upon request, waive the provisions of sections 144.411 to 144.417 if the commissioner determines there are compelling reasons to do so and a waiver will not significantly affect the health and comfort of nonsmokers.~~

Sec. 10. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 21, is amended to read:

Subd. 21. [COMMUNICATION PRIVACY.] Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility~~, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases~~ where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, clause 2, this right shall also be limited accordingly.

Sec. 11. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 26, is amended to read:

Subd. 26. [RIGHT TO ASSOCIATE.] Residents may meet with visitors and participate in activities of commercial, religious, political, as defined in section 203B.11 and community groups without interference at their discretion if the activities do not infringe on the right to privacy of other residents or are not programmatically contraindicated. This includes the right to join with other individuals within and outside the facility to work for improvements in long-term care. Upon admission to a facility~~, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases~~ where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 12. Minnesota Statutes 1993 Supplement, section 144.872, subdivision 4, is amended to read:

Subd. 4. [LEAD CLEANUP EQUIPMENT AND MATERIAL GRANTS.] (a) Within the limits of available state or federal appropriations, funds shall be made available under a grant program to nonprofit community-based organizations in areas at high risk for toxic lead exposure. Grantees shall use the money to purchase lead cleanup equipment and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and ~~certified trainers~~ sponsors of approved training courses in order to receive training necessary for certification under section 144.876, subdivision 1. Lead cleanup equipment shall include: high efficiency particle accumulator and wet vacuum cleaners, drop cloths, secure containers, respirators, scrapers, dust and particle containment material, and other cleanup and containment materials to remove loose paint and plaster, patch plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil.

(b) Upon certification, the grantee's staff and volunteers may make equipment and educational materials available to residents and property owners and instruct them on the proper use. Equipment shall be made available to low-income households on a priority basis at no fee, and other households on a sliding fee scale. Equipment shall not be made available to any person~~, licensed lead abatement contractor, or certified trainer~~ who charges or intends to charge a fee for services performed using equipment or materials purchased by a nonprofit community-based organization through a grant obtained under this subdivision.

Sec. 13. Minnesota Statutes 1993 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner finger stick and venipuncture blood lead results and the method used to obtain these results. Boards of health must report to the commissioner the results of analyses from residential samples of paint, soil, dust, and drinking water. The commissioner shall require the type of blood sample tested and the date of the test, ~~and~~ the current address and birthdate of the patient, the gender and race of the patient, and other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public. Clinic staff and physicians who collect blood samples for lead analyses must provide the information in this subdivision to the medical laboratory performing the analyses. If a clinic or physician sends a blood lead test to a medical laboratory outside of Minnesota, that clinic or physician must meet the reporting requirements under this subdivision.

Sec. 14. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct ~~a timely~~ an assessment of a residence ~~and all common areas, if the residence is located in a building with two or more residential units, within five working days of~~ within ten working days of receiving notification that the criteria in this subdivision have been met, as confirmed by lead analysis of a venous blood sample, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood;

(2) a child in the residence is identified as having a blood lead level at or above 20 micrograms per deciliter; or

(3) a child in the residence is identified as having a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification. In a building with two or more residential units, a board of health must inspect the individual unit in which the conditions of this subdivision are met and must also inspect all common areas in the building. Assessments must be conducted by a board of health regardless of the availability of state or federal appropriations for assessments.

(b) Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. A board of health may assess a residence even if none of the three criteria in this subdivision are met.

(c) If a child regularly spends several hours at one or more other sites such as another residence, or a residential or commercial child care facility, the board of health must also assess the other sites. The board of health shall have one additional day to complete the assessment for each additional site.

(d) Sections 144.871 to 144.879 neither authorize nor prohibit a board of health from charging a property owner for the cost of assessment.

(e) The board of health must conduct the residential assessment according to rules adopted by the commissioner under section 144.878. A board of health must have residence assessments performed by lead inspectors licensed by the commissioner according to rules adopted under section 144.878. A board of health may observe the performance of lead abatement in progress and may enforce the provisions of sections 144.871 to 144.879 under section 144.8781. The staff complement of the department of health shall be increased by two full-time equivalent positions who shall be lead inspectors.

Sec. 15. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 3a, is amended to read:

Subd. 3a. [SWAB TEAM SERVICES.] After issuing abatement orders for a residence of a child or pregnant women with elevated blood lead levels, the commissioner or a board of health must send a swab team ~~within five working days~~ within ten working days to the residence to perform swab team services as defined in section 144.871, subdivision 9. If the commissioner or board of health provides swab team services after an assessment, but before the issuance of an abatement order, swab team services do not need to be repeated after the issuance of an abatement order. Swab team services are not considered completed until the reassessment required under subdivision 6 shows no violation of one or more of the standards under section 144.878, subdivision 2. If assessments and abatement orders are conducted at times when weather or soil conditions do not permit the assessment or abatement of lead in soil, the residences shall have their soil assessed and abated, if necessary, at the first opportunity that weather and soil conditions allow.

Sec. 16. Minnesota Statutes 1993 Supplement, section 144.8771, subdivision 2, is amended to read:

Subd. 2. [LICENSE APPLICATION.] (a) An application for a license and for renewal of a license must be on a form provided by the commissioner and be accompanied by:

(1) the fee set by the commissioner; and

(2) evidence that the applicant has successfully completed a lead inspection training course approved by the commissioner or, within the previous 180 days, an initial lead inspection training course.

(b) The fee required by this subdivision is waived for an employee of ~~a board of health~~ the federal, state, or local government within Minnesota.

Sec. 17. Minnesota Statutes 1992, section 144.878, is amended by adding a subdivision to read:

Subd. 2b. [PRIORITIES FOR RESPONSE ACTION.] The commissioner of health must establish, by publication in the State Register, a priority list of census tracts at high risk for toxic lead exposure for primary prevention response actions. In establishing the list, the commissioner shall award points under this subdivision to each census tract on which information is available. The priority for primary prevention response actions in census tracts at high risk for toxic lead exposure shall be based on the cumulative points awarded to each census tract. A greater number of points means a higher priority. If a tie occurs in the number of points, priority shall be given to the census tract with the higher percentage of population with blood lead levels greater than ten micrograms of lead per deciliter. All local governmental units and boards of health shall follow the priorities under this subdivision. The commissioner shall revise and update the priority list at least every five years. Points shall be awarded to each census tract for each criteria, considered independently, as described in section 144.871, subdivision 7a. Points shall be awarded as follows:

(a) In a census tract where at least 20 children have been screened in the last five years, one point shall be awarded for each five percent of children who were under six years old at the time they were screened for lead in blood and whose blood lead level exceeds ten micrograms of lead per deciliter. An additional point shall be awarded if one percent of the children had blood levels greater than 20 micrograms per deciliter of blood. Two points shall be awarded to a census tract, where the blood lead screening has been inadequate, that is contiguous with a census tract where more than ten percent of the children under six years of age have blood lead levels exceeding ten micrograms per deciliter.

(b) One point shall be awarded for every five percent of housing that is defined as dilapidated or deteriorated by the planning department or similar agency of the city in which the housing is located. Where data is available by neighborhood or section within a city, the percent of dilapidated or deteriorated housing shall apply equally to each census tract within the neighborhood or section.

(c) One point shall be awarded for every 100 parts per million of lead soil, based on the median soil lead values of foundation soil samples, calculated on 100 parts per million intervals, or fraction thereof. For the cities of St. Paul and Minneapolis, the commissioner shall use the June 1988 census tract version of the houseside map entitled "Distribution of Household Lead Content of Soil Dust in the Twin Cities," prepared by the Center for Urban and Regional Affairs. Where the map displays a census tract that is crossed by two or more intervals, the commissioner shall make a reasoned determination of the median foundation soil lead value for that tract. Values for census tracts may be updated by surveying the tract according to the procedures under Minnesota Rules, part 4761.0400, subpart 8.

Sec. 18. Minnesota Statutes 1993 Supplement, section 144.99, subdivision 1, is amended to read:

Subdivision 1. [REMEDIES AVAILABLE.] The provisions of chapters 103I and 157 and sections 115.71 to 115.82; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.121; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.491; 144.495; 144.71 to 144.76; 144.871 to 144.878; 144.992; 326.37 to 326.45; 326.57 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

Sec. 19. Minnesota Statutes 1993 Supplement, section 144.99, subdivision 6, is amended to read:

Subd. 6. [CEASE AND DESIST.] The commissioner, or an employee of the department designated by the commissioner, may issue an order to cease an activity covered by subdivision 1 if continuation of the activity would result in an immediate risk to public health. An order issued under this paragraph is effective for a maximum of 72

hours. In conjunction with the issuance of the cease and desist order, the commissioner may post a tag to cease use of or cease continuation of the activity until the cease and desist order is lifted and the tag is removed by the commissioner. The commissioner must seek an injunction or take other administrative action authorized by law to restrain activities for a period beyond 72 hours. The issuance of a cease and desist order does not preclude the commissioner from pursuing any other enforcement action available to the commissioner.

Sec. 20. Minnesota Statutes 1993 Supplement, section 157.08, is amended to read:

157.08 [LINENS, OTHER FURNISHINGS~~; PROSECUTION~~.]

All hotels and motels in this state shall hereafter provide each bedroom with at least two clean towels daily for each guest and provide the main public washroom with clean individual towels. Individual towels shall not be less than nine inches wide and 13 inches long after being washed. This shall not prohibit the use of other acceptable hand drying devices.

All hotels, motels, lodging houses and resorts where linen is provided, hereafter shall provide each bed, bunk, cot, or sleeping place for the use of guests with pillowslips and under and top sheets; each sheet shall be not less than 99 inches long nor less than 24 inches wider than the mattress. A sheet shall not be used which measures less than 90 inches in length after being laundered; these sheets and pillowslips to be made of materials acceptable to the state commissioner of health, and all sheets and pillowslips, after being used by one guest, must be laundered in a manner acceptable to the commissioner before they are used by another guest, a clean set being furnished each succeeding guest.

All bedding, including mattresses, quilts, blankets, pillows, sheets, and comforts used in any hotel, motel, resort, or lodging house in this state must be kept clean. No bedding, including mattresses, quilts, blankets, pillows, sheets, or comforts, shall be used which are worn out or unfit for further use.

Effective measures shall be taken to eliminate any vermin infestation in any establishment licensed under this chapter. All rugs and carpets in all sleeping rooms shall be kept in good repair and maintained in a clean condition.

All tables, table linens, chairs, and other furniture, all hangings, draperies, curtains, carpets, and floors in all lodging houses, resorts, hotels, restaurants, boarding houses, or places of refreshment, shall be kept in good repair and in a clean and sanitary condition.

~~The county attorney of each county in this state shall, upon complaint on oath of the commissioner, or a duly authorized deputy, prosecute to termination before any court of competent jurisdiction, in the name of the state, a proper action or proceeding against any person or persons violating the provisions of this chapter or rules of the state commissioner of health.~~

Sec. 21. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 3, is amended to read:

Subd. 3. [VISITORS AND PHONE CALLS.] Subject to the general rules of the treatment facility, a patient has the right to receive visitors and make phone calls. The head of the treatment facility may restrict visits and phone calls on determining that the medical welfare of the patient requires it. Any limitation imposed on the exercise of the patient's visitation and phone call rights and the reason for it shall be made a part of the clinical record of the patient. Upon admission to a facility~~, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases~~ where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 22. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 4, is amended to read:

Subd. 4. [SPECIAL VISITATION; RELIGION.] A patient has the right to meet with or call a personal physician, spiritual advisor, and counsel at all reasonable times. Upon admission to a facility~~, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the~~

~~patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases~~ where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. The patient has the right to continue the practice of religion.

Sec. 23. Minnesota Statutes 1993 Supplement, section 326.71, subdivision 4, is amended to read:

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, repair, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds 260 lineal feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or a total of 35 cubic feet of friable asbestos-containing material ~~on or~~ off all facility components in one facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, repair, removal, or encapsulation of greater than ten but less than 260 lineal feet of friable asbestos-containing material on pipes ~~or ducts~~ or greater than six but less than 160 square feet of friable asbestos-containing material on other facility components. This provision excludes asbestos-containing vinyl floor tiles and sheeting under 160 square feet. Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, encapsulation, or repair operations; and ~~an~~ air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion.

Sec. 24. Minnesota Statutes 1993 Supplement, section 326.75, subdivision 3, is amended to read:

Subd. 3. [PERMIT FEE.] ~~One~~ Five calendar ~~day~~ days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to one percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of $35 to the commissioner.

Sec. 25. [OPTIONS REGARDING DISCHARGE OF NURSING HOME RESIDENTS FOR NONPAYMENT.]

The commissioner of health shall submit to the legislature by February 15, 1995, options for amending Minnesota Statutes, section 144A.135, regarding discharge hearings for nursing home residents for nonpayment by a resident or responsible party. The options must take into consideration:

(1) a method for a shorter appeal process in nonpayment cases;

(2) a mechanism for addressing problems of financial exploitation of vulnerable adults;

(3) steps facilities should take to obtain payment prior to issuing a discharge notice;

(4) provision of services for residents facing discharge for nonpayment; and

(5) the feasibility of establishing an emergency fund to pay for services on a short-term basis when a discharge for nonpayment has been issued.

Sec. 26. [TICK-BORNE DISEASE REPORT.]

The commissioner, after consulting with representatives of local health departments, the lyme disease coalition of Minnesota, other affected state agencies, the tourist industry, medical providers, and health plans, shall report to the legislature by December 15, 1994, a description of the scope and magnitude of tick-borne diseases in Minnesota, the appropriateness of current definitions of lyme disease used in Minnesota, propose measures to provide public and provider education to reduce the incidence of new tick-borne disease infections, and recommend mechanisms to fund increased tick and disease surveillance and prevention activities.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, section 144.0723, subdivision 5, is repealed. Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09, are repealed.

Laws 1993, chapter 286, section 11; and Laws 1993, First Special Session chapter 1, article 9, section 49, are repealed."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 3208, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.97, subdivision 11; 3.971, by adding a subdivision; 13.67; 16A.124, subdivision 2; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 16B.32, by adding a subdivision; 43A.316, subdivision 9; 43A.37, subdivision 1; 69.031, subdivision 5; 116G.15; 129D.14, subdivision 5; 176.611, subdivision 6a; 353.65, subdivision 7; 354.06, subdivision 1; 574.26; and 574.261, subdivision 1; Minnesota Statutes 1993 Supplement, sections 15.91; 16A.152, subdivision 1; 144C.03, subdivision 2; 144C.07, subdivision 2; 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; and 465.799; Laws 1993, chapter 192, section 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 128C; and 465; repealing Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 355.04; and 355.06; Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5; Laws 1985, First Special Session chapter 12, article 11, section 19.

Reported the same back with the following amendments:

Page 2, line 6, delete "18,981,000" and insert "19,201,000"

Page 2, line 9, delete "12,906,000" and insert "13,126,000"

Pages 4 and 5, delete section 6

Page 5, line 39, delete "56" and insert "57"

Page 5, line 46, delete "58" and insert "59"

Page 12, line 33, after the second "representative" insert "appointed under subdivision 1, clause (7)"

Page 24, after line 22, insert:

"Sec. 28. [16B.615] [RESTROOM FACILITIES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "place of public accommodation" means a publicly or privately owned sports or entertainment area, stadium, theater, community or convention hall, special event center, amusement facility, or special event center in a public park, that is designed for occupancy by 200 or more people.

Subd. 2. [APPLICATION.] This section applies only to a place of public accommodation for which construction, or alterations exceeding 50 percent of the estimated replacement value of the existing facility, begins after the effective date of this section.

Subd. 3. [RATIO.] In a place of public accommodation subject to this section, the ratio of water closets for women to the total of water closets and urinals provided for men must be at least three to two, unless there are two or fewer fixtures for men.

Subd. 4. [RULES.] The commissioner of administration shall adopt rules to implement this section. The rules may provide for a greater ratio of women's to men's facilities for certain types of occupancies than is required in subdivision 3, and may apply the required ratios to categories of occupancies other than those defined as places of public accommodation under subdivision 1."

Page 30, line 8, before "appropriations" insert "general fund"

Page 30, line 27, after "any" insert "general fund"

Page 31, line 14, before "appropriation" insert "general fund"

Page 32, after line 23, insert:

"Sec. 38. Minnesota Statutes 1992, section 326.12, subdivision 3, is amended to read:

Subd. 3. [CERTIFIED SIGNATURE.] Each plan, specification, plat, report, or other document which under sections 326.02 to 326.15 is prepared ~~and submitted to a building official~~ by a licensed architect, licensed engineer, licensed land surveyor, licensed landscape architect, or certified interior designer ~~shall be required to~~ must bear ~~only~~ the signature of the licensed or certified person preparing it, or the signature of the licensed or certified person under whose direct supervision it was prepared. Each signature shall be accompanied by a certification that the signer is licensed under sections 326.02 to 326.15, by the person's license number, and by the date on which the signature was affixed. The provisions of this paragraph shall not apply to documents of an intraoffice or intracompany nature."

Page 49, line 20, delete "(d)" and insert "(e)"

Page 49, line 22, delete "20" and insert "19" and delete "and" and after "to" insert "37," and after "39" insert ", and 40"

Page 49, after line 23, insert:

"(c) Section 28, subdivisions 1 to 3, is effective January 1, 1995."

Page 49, line 24, delete "(c)" and insert "(d)"

Page 49, line 27, delete "(d)" and insert "(e)" and delete "54" and insert "55"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, after "6a;" insert "326.12, subdivision 3;"

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

The report was adopted.

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

S. F. No. 1930, A bill for an act relating to human services; mental health grants; rules concerning psychopathic personalities; treatment for alcohol, drug abuse, and chemical dependency; stepparent income standards under aid to families with dependent children; child support incentives; medical assistance for needy persons; state and county social service plans; organ and tissue transplants; family preservation; commissioner's reports; group residential housing payments and agreements; and paternity proceedings; amending Minnesota Statutes 1992, sections 245.696, subdivision 2; 254A.02, subdivision 11; 254B.04, subdivision 1; 254B.05, subdivision 1; 256.74, subdivision 1a; 256B.69, subdivision 4; 256E.04; 256E.09, subdivision 3; 256H.24; and 257.60; Minnesota Statutes 1993 Supplement, sections 246B.04; 256.979, subdivision 8; 256B.0629, subdivisions 3 and 4; 256F.11, subdivision 3; and 256I.04, subdivisions 1a and 2a; repealing Minnesota Statutes 1992, section 254A.16, subdivisions 3 and 4; Laws 1993, chapter 337, section 16.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 245.50, subdivision 5, is amended to read:

Subd. 5. [SPECIAL CONTRACTS; WISCONSIN.] The commissioner of the Minnesota department of human services must enter into negotiations with appropriate personnel at the Wisconsin department of health and social services and must develop an agreement that conforms to the requirements of subdivision 4, to enable the placement in Minnesota of patients who are on emergency holds or who have been involuntarily committed as mentally ill or chemically dependent in Wisconsin and to enable the temporary placement in Wisconsin of patients who are on emergency holds in Minnesota under section 253B.05, provided that the Minnesota courts retain jurisdiction over Minnesota patients, and the state of Wisconsin affords to Minnesota patients the rights under Minnesota law. Persons committed by the Wisconsin courts and placed in Minnesota facilities shall continue to be in the legal custody of Wisconsin and Wisconsin's laws governing length of commitment, reexaminations, and extension of commitment shall continue to apply to these residents. In all other respects, Wisconsin residents placed in Minnesota facilities are subject to Minnesota laws. The agreement must specify that responsibility for payment for the cost of care of Wisconsin residents shall remain with the state of Wisconsin and the cost of care of Minnesota residents shall remain with the state of Minnesota. The commissioner shall be assisted by attorneys from the Minnesota attorney general's office in negotiating and finalizing this agreement. The agreement shall be completed so as to permit placement of Wisconsin residents in Minnesota facilities and Minnesota residents in Wisconsin facilities beginning July 1, 1994."

Page 13, line 7, delete "5" and insert "6" and delete "7 to 18" and insert "8 to 19"

Page 13, line 8, delete "6" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "services;" insert "interstate contracts for mental health services;"

Page 1, line 17, after "sections" insert "245.50, subdivision 5;"

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2624 was read for the second time.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bill as a Special Order to be acted upon immediately preceding printed Special Orders for today:

S. F. No. 2262.

SPECIAL ORDERS

S. F. No. 2262, A bill for an act relating to local government; removing notice requirements for on-site inspections by town boards; amending Minnesota Statutes 1992, section 366.01, subdivision 11.

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 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Mosel	Peterson	Trimble
Anderson, R.	Dehler	Hugoson	Krueger	Munger	Pugh	Tunheim
Asch	Delmont	Huntley	Lasley	Murphy	Reding	Van Dellen
Battaglia	Dempsey	Jacobs	Leppik	Neary	Rhodes	Van Engen
Bauerly	Dorn	Jaros	Lieder	Nelson	Rice	Vellenga
Beard	Erhardt	Jefferson	Limmer	Ness	Rodosovich	Vickerman
Bergson	Evans	Jennings	Lindner	Olson, E.	Rukavina	Wagenius
Bertram	Farrell	Johnson, A.	Long	Olson, K.	Sarna	Waltman
Bettermann	Finseth	Johnson, R.	Lourey	Olson, M.	Seagren	Weaver
Bishop	Frerichs	Johnson, V.	Luther	Onnen	Sekhon	Wejcman
Brown, C.	Girard	Kahn	Lynch	Opatz	Simoneau	Wenzel
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Skoglund	Winter
Carlson	Greenfield	Kelley	Mahon	Orfield	Smith	Wolf
Carruthers	Greiling	Kelso	Mariani	Osthoff	Solberg	Worke
Clark	Gruenes	Kinkel	McCollum	Ostrom	Steensma	Workman
Commers	Gutknecht	Klinzing	McGuire	Ozment	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Milbert	Pawlenty	Swenson	
Dauner	Haukoos	Knight	Molnau	Pelowski	Tomassoni	
Davids	Hausman	Koppendrayer	Morrison	Perlt	Tompkins	

Those who voted in the negative were:

Garcia Stanius

The bill was passed and its title agreed to.

H. F. No. 2666 was reported to the House.

Brown, C., moved to amend H. F. No. 2666, the first engrossment, as follows:

Page 1, line 17, after "requirements" insert a period and delete ", or if the manufactured home park did not so"

Page 1, delete lines 18 to 21

Page 2, line 4, after "requirements" insert a period and delete "or if the"

Page 2, delete lines 5 to 8

Page 2, line 17, after "requirements" insert a period and delete ", or if the"

Page 2, delete lines 18 to 22

The motion prevailed and the amendment was adopted.

H. F. No. 2666, A bill for an act relating to local government; prohibiting the adoption of certain zoning ordinances by municipalities, counties, and towns; amending Minnesota Statutes 1992, sections 394.25, by adding a subdivision; and 462.357, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 366.

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 121 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dehler	Holsten	Krueger	Munger	Pugh	Van Dellen
Asch	Delmont	Hugoson	Lasley	Murphy	Reding	Vellenga
Battaglia	Dempsey	Huntley	Leppik	Neary	Rhodes	Vickerman
Bauerly	Dorn	Jacobs	Lieder	Nelson	Rice	Wagenius
Beard	Erhardt	Jaros	Lindner	Ness	Rodosovich	Waltman
Bergson	Evans	Jefferson	Long	Olson, E.	Rukavina	Weaver
Bertram	Farrell	Jennings	Lourey	Olson, K.	Sarna	Wejcman
Bettermann	Finseth	Johnson, A.	Luther	Olson, M.	Sekhon	Wenzel
Bishop	Frerichs	Johnson, R.	Lynch	Onnen	Simoneau	Winter
Brown, C.	Garcia	Johnson, V.	Macklin	Opatz	Skoglund	Wolf
Brown, K.	Girard	Kahn	Mahon	Orenstein	Smith	Worke
Carlson	Greenfield	Kalis	Mariani	Orfield	Solberg	Workman
Carruthers	Greiling	Kelso	McCollum	Osthoff	Steensma	Spk. Anderson, I.
Clark	Gruenes	Kinkel	McGuire	Ostrom	Sviggum	
Cooper	Gutknecht	Klinzing	Milbert	Ozment	Swenson	
Dauner	Hasskamp	Knight	Molnau	Pelowski	Tomassoni	
Davids	Haukoos	Koppendrayer	Morrison	Perlt	Trimble	
Dawkins	Hausman	Krinkie	Mosel	Peterson	Tunheim	

Those who voted in the negative were:

Abrams	Goodno	Knickerbocker	Pawlenty	Stanius	Van Engen
Commers	Kelley	Limmer	Seagren	Tompkins	

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

Carruthers moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Carruthers moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mosel moved that S. F. No. 1903 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Ways and Means. The motion prevailed.

Krinkie moved that H. F. No. 1748 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 2356 be returned to its author. The motion prevailed.

Bertram moved that H. F. No. 2423 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 2719 be returned to its author. The motion prevailed.

Van Dellen moved that H. F. No. 2943 be returned to its author. The motion prevailed.

Bertram moved that H. F. No. 2991 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 H. F. No. 2362:

Carlson, Kahn and Pugh.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2675:

Lourey, Cooper and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1744:

Olson, K.; Winter and Girard.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1898:

Pugh, Asch and Davids.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1912:

Cooper, Davids and Lourey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2246:

Waltman, Sviggum and Johnson, V.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 11:00 a.m., Tuesday, April 12, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Tuesday, April 12, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives