

VOLUME 2
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HOUSE
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SEVENTY-EIGHTH SESSION
OF THE
LEGISLATURE
STATE OF MINNESOTA

1993

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION -- 1993

THIRTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 12, 1993

The House of Representatives convened at 7:00 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by the Reverend Dr. Donald M. Meisel, House Chaplain.

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

A quorum was present.

Kelley, Knickerbocker and Peterson were excused.

Olson, E., was excused until 7:45 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Perlt 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. 198 and H. F. No. 248, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Welle moved that S. F. No. 198 be substituted for H. F. No. 248 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 605 and H. F. No. 950, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 605 be substituted for H. F. No. 950 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 7, 1993

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 298, relating to local government; creating the office of Anoka county coroner; appointing a physician as county coroner; appointing assistant coroners; designating deputy coroners; establishing the duties of the coroner.

H. F. No. 341, relating to business corporations; making various technical changes.

H. F. No. 159, relating to education; extending the time for school districts receiving capital loans prior to April 1, 1993, to enter into construction contracts.

H. F. No. 145, relating to occupations and professions; modifying board of medical practice requirements for licensure by reciprocity.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1993</i>	<i>Date Filed 1993</i>
300		15	3:25 p.m. April 7	April 7
	298	16	3:20 p.m. April 7	April 7
	341	17	3:22 p.m. April 7	April 7
	159	18	3:24 p.m. April 7	April 7
	145	19	3:24 p.m. April 7	April 7

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 12, 1993

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 203, relating to occupations and professions; board of medical practice; modifying requirements for licensing United States, Canadian, and foreign medical school graduates; providing for temporary permits; providing for residency permits; adding a requirement for students exempt from penalties for practicing without a license; adding to licensed professionals subject to reporting obligations; indemnifying board members, consultants, and persons employed by the board; adding registration requirements for physical therapists from other states and foreign-trained physical therapists.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
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<i>S.F.</i>	<i>H.F.</i>	<i>Session Laws</i>	<i>Time and</i>	<i>Date Filed</i>
<i>No.</i>	<i>No.</i>	<i>Chapter No.</i>	<i>Date Approved</i>	<i>1993</i>
	203	21	10:27 a.m. April 12	April 12

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 258, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land that borders public water in Washington county to the city of Oakdale.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

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

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, Washington county may sell to the city of Oakdale the tax-forfeited land bordering public waters that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general and must require that any sales by the city of Oakdale of the land described in paragraph (c) be by public sale to the highest bidder.

(c) The land that may be conveyed is located in Washington county and consists of those lots described as follows: Lots 2, 3, 6, 7, 8, and 9, Block 2, Sun Meadow First Addition, Washington county.

(d) The county has determined that the county's land management interests would best be served if the lands were controlled by the city of Oakdale.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 318, A bill for an act relating to public administration; providing that government records may be stored on optical disk and retained in that format only; amending Minnesota Statutes 1992, section 15.17, subdivision 1; and 138.17, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 15.17, subdivision 1, is amended to read:

Subdivision 1. [MUST BE KEPT.] All officers and agencies of the state, counties, cities, towns, school districts, municipal subdivisions or corporations, or other public authorities or political entities within the state, hereinafter "public officer," shall make and preserve all records necessary to a full and accurate knowledge of their official activities. All government records shall be made on a physical medium of a quality to insure permanent records. Every public officer is empowered to reproduce records if the records are not deemed to be of permanent or archival value by the commissioner of administration and the records disposition panel under section 138.17. The public officer is empowered to reproduce these records by any photographic, photostatic, microphotographic, optical disk imaging system, microfilming, or other reproduction method that clearly and accurately reproduces the records. If a record is deemed to be of permanent or archival value, any reproduction of the record must meet archival standards specified by the Minnesota historical society provided, however, that this section does not prohibit the use of nonerasable optical imaging systems for the preservation of archival records without the preservation of paper or microfilm copies. Each public officer may order that those photographs, photostats, microphotographs, microfilms, optical disk images, or other reproductions, be substituted for the originals of them. The public officer may direct the destruction or sale for salvage or other disposition of the originals from which they were made, in accordance with the disposition requirements of section 138.17. Photographs, photostats, microphotographs, microfilms, optical disk images, or other reproductions are for all purposes deemed the original recording of the papers, books, documents, and records reproduced when so ordered by any public officer and are admissible as evidence in all courts and proceedings of every kind. A facsimile or exemplified or certified copy of a photograph, photostat, microphotograph, microfilm, optical disk image, or other reproduction, or an enlargement or reduction of it, has the same effect and weight as evidence as would a certified or exemplified copy of the original.

Sec. 2. Minnesota Statutes 1992, section 138.17, is amended by adding a subdivision to read:

Subd. 10. [OPTICAL IMAGE STORAGE.] (a) Any government record, including a record with archival value, may be transferred to and stored on a nonerasable optical imaging system and retained only in that format, if the requirements of this section are met.

(b) All documents preserved on nonerasable optical imaging systems must meet standards for permanent records specified in section 15.17, subdivision 1, and must be kept available for retrieval so long as any law requires. Standards under section 15.17, subdivision 1, may not be inconsistent with efficient use of optical imaging systems.

(c) A government entity storing a record on an optical imaging system must create and store a backup copy of the record at a site other than the site where the original is kept. The government entity must retain the backup copy and operable retrieval equipment so long as any law requires the original to be retained. The backup copy required by this paragraph must be preserved either (1) on a nonerasable optical imaging system; or (2) by another reproduction method approved by the records disposition panel.

(d) A contract between the government entity responsible for preserving records and the vendor of the optical imaging system used to preserve records of that government entity must require the vendor to maintain a current copy of the vendor's source code for the imaging system in escrow, and to authorize the government entity to obtain the copy of the source code if the vendor is unable or unwilling to support the optical imaging system."

Delete the title and insert:

"A bill for an act relating to public administration; providing that government records may be stored on optical imaging systems and retained in that format only; amending Minnesota Statutes 1992, sections 15.17, subdivision 1; and 138.17, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 489, A bill for an act relating to occupations and professions; boards of social work and marriage and family therapy; providing for data classifications and providing certain immunities for supervisors and persons reporting violations; changing board membership; adding certain licensing requirements to the board of social work; amending Minnesota Statutes 1992, sections 13.99, subdivision 49; 148B.04, by adding subdivisions; 148B.08, subdivision 1, and by adding a subdivision; 148B.18, subdivisions 8 and 10; 148B.19, subdivisions 1 and 2; 148B.21, subdivisions 3, 4, 5, 6, and by adding a subdivision; 148B.26, subdivision 1; 148B.27, by adding a subdivision; and 148B.28, subdivision 2.

Reported the same back with the following amendments:

Page 2, delete section 3

Page 2, delete section 5

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, delete "and providing certain"

Page 1, delete line 5

Page 1, line 6, delete "violations"

Page 1, line 9, delete "subdivisions" and insert "a subdivision"

Page 1, line 10, delete everything after "1" and insert a semicolon

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 514, A bill for an act relating to the environment; modifying a person's duty to report releases of a petroleum product; establishing an accountability committee; modifying petroleum tank release cleanup fee; modifying reimbursements; modifying consultant and contractor registration requirements; amending Minnesota Statutes 1992, sections 115C.02, subdivisions 10, 14, and by adding a subdivision; 115C.06, subdivision 2; 115C.065; 115C.07, subdivisions 2, 3, and by adding subdivisions; 115C.08, subdivisions 1, 2, 3, and 4; 115C.09, subdivisions 2, 3, 3a, 3c, and 5; and 115C.11, subdivision 1; repealing Minnesota Statutes 1992, sections 115C.01 to 115C.11; and Minnesota Rules, part 2890.0065.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 115C.02, subdivision 10, is amended to read:

Subd. 10. [PETROLEUM.] "Petroleum" means:

(1) ~~gasoline and fuel oil as defined in section 296.01, subdivisions 18 and 21;~~

~~(2) crude oil or a fraction of crude oil that is liquid at a temperature of 60 degrees Fahrenheit and pressure of 14.7 pounds per square inch absolute; or~~

~~(3) constituents of gasoline and fuel oil under clause (1) and crude oil under clause (2); liquid petroleum products as defined in section 296.01;~~

(2) new and used lubricating oils; and

(3) new and used hydraulic oils used in lifts to raise motor vehicles or farm equipment and for servicing or repairing motor vehicles or farm equipment.

Sec. 2. Minnesota Statutes 1992, section 115C.03, is amended by adding a subdivision to read:

Subd. 1a. [PASSIVE BIOREMEDIATION.] The commissioner shall consider the use of passive bioremediation for petroleum tank cleanups.

Sec. 3. Minnesota Statutes 1992, section 115C.03, is amended by adding a subdivision to read:

Subd. 7a. [REVIEW OF AGENCY EMPLOYEE DECISIONS.] A person aggrieved by a decision made by an employee of the agency relating to the need for or implementation of a corrective action may seek review of the decision by the commissioner. An application for review must state with specificity the decision for which review is sought, the name of the leak site, the leak number, the date the decision was made, the agency employee who made the decision, the ramifications of the decision, and any additional pertinent information. The commissioner shall review the application and schedule a time, date, and place for the aggrieved person to explain the grievance and for the agency employee to explain the decision under review. The commissioner shall issue a decision either sustaining or reversing the decision of the employee. The aggrieved person may appeal the commissioner's decision to the pollution control agency board in accordance with Minnesota Rules, part 7000.0500, subpart 6.

Sec. 4. Minnesota Statutes 1992, section 115C.07, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The petroleum tank release compensation board consists of the commissioner of the pollution control agency, the commissioner of commerce, two representatives from the petroleum industry, and one representative from the insurance industry, one representative of petroleum consumers, and one representative of interested citizens groups. The governor shall appoint the members from the insurance and petroleum industry and the representatives of consumers and citizens groups. The filling of positions reserved for industry representatives, vacancies, membership terms, payment of compensation and expenses, and removal of members are governed by section 15.0575. The governor shall designate the chair of the board.

Sec. 5. Minnesota Statutes 1992, section 115C.07, subdivision 2, is amended to read:

Subd. 2. [STAFF.] The commissioner of commerce shall provide staff to support the activities of the board at the board's request.

Sec. 6. Minnesota Statutes 1992, section 115C.07, subdivision 3, is amended to read:

Subd. 3. [RULES.] (a) The board shall adopt rules regarding its practices and procedures, the form and procedure for applications for compensation from the fund, procedures for investigation of claims and specifying the costs that are eligible for reimbursement from the fund.

(b) The board may adopt emergency rules under this subdivision for one year after June 4 1, 1987 1993.

~~(c) The board shall adopt emergency rules within four months of May 25, 1991, and permanent rules within one year of May 25, 1991, designed to ensure that costs submitted to the board for reimbursement are reasonable. The rules shall include a requirement that persons taking corrective action solicit competitive bids, based on unit service costs, except in circumstances where the board determines that such solicitation is not feasible. The board shall adopt emergency rules on competitive bidding that specify a bid format and an invoice format that are consistent with each other and with an application for reimbursement.~~

(d) The board shall adopt emergency rules under sections 14.29 and 14.385 to establish costs that are not eligible for reimbursement.

(e) By January 1, 1994, the board shall publish proposed rules establishing a fee schedule of costs or criteria for evaluating the reasonableness of costs submitted for reimbursement. The board shall adopt the rules by June 1, 1994.

~~(f)~~ (f) The board may adopt rules requiring certification of environmental consultants.

(g) The board may adopt other rules necessary to implement this chapter.

Sec. 7. Minnesota Statutes 1992, section 115C.08, subdivision 1, is amended to read:

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to a petroleum tank release cleanup account in the environmental fund ~~in the state treasury~~:

- (1) the proceeds of the fee imposed by subdivision 3;
- (2) money recovered by the state under sections 115C.04, 115C.05, and 116.491, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;
- (3) interest attributable to investment of money in the account;
- (4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the account; ~~and~~
- (5) fees charged for the operation of the tank installer certification program established under section 116.491; and
- (6) money obtained from the return of reimbursements, civil penalties, or other board action under this chapter.

Sec. 8. Minnesota Statutes 1992, section 115C.08, subdivision 2, is amended to read:

Subd. 2. [IMPOSITION OF FEE.] The board shall notify the commissioner of revenue if the unencumbered balance of the account falls below ~~\$2,000,000~~ \$4,000,000, and within 60 days after receiving notice from the board, the commissioner of revenue shall impose the fee established in subdivision 3 on the use of a tank for four calendar months, with payment to be submitted with each monthly distributor tax return.

Sec. 9. Minnesota Statutes 1992, section 115C.08, subdivision 3, is amended to read:

Subd. 3. [PETROLEUM TANK RELEASE CLEANUP FEE.] A petroleum tank release cleanup fee is imposed on the use of tanks that contain petroleum products defined in section 296.01. On products other than gasoline, the fee must be paid in the manner provided in section 296.14 by the first licensed distributor receiving the product in Minnesota, as defined in section 296.01. When the product is gasoline, the distributor responsible for payment of the gasoline tax is also responsible for payment of the petroleum tank cleanup fee. The fee must be imposed as required under subdivision 3, at a rate of ~~\$10~~ \$20 per 1,000 gallons of petroleum products, rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296.15.

Sec. 10. Minnesota Statutes 1992, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] (a) Money in the account may only be spent:

- (1) to administer the petroleum tank release cleanup program established in sections 115C.03 to 115C.10 this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks; and

(6) for reimbursement of the harmful substance compensation account under sections 115B.26, subdivision 4; and 115C.08, subdivision 5; and

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter.

(b) The board shall reimburse the department of commerce for the costs of the staff required by the board to administer this chapter.

(c) Money in the account is appropriated to the board to make reimbursements or payments under this section.

Sec. 11. Minnesota Statutes 1992, 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 caused by a release if the responsible person's liability for the costs has been established by a court order or a consent decree; 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. 12. Minnesota Statutes 1992, section 115C.09, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENTS; SUBROGATION; APPROPRIATION.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the account ~~for~~ as follows:

(1) 90 percent of the portion of the total reimbursable costs or \$1,000,000, whichever is less on sites where costs do not exceed \$250,000; or

(2) 75 percent of the portion of total reimbursable costs on sites where costs exceed \$250,000.

Not more than \$1,000,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement, and not more than \$2,000,000 may be reimbursed for costs associated with a single tank facility.

(b) A reimbursement may not be made from the account under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) A reimbursement may not be made from the account under this subdivision in response to either an initial or supplemental application for costs incurred after June 4, 1987, that are payable under an applicable insurance policy, except that if the board finds that the responsible person has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the responsible person under this subdivision.

(d) If the board reimburses a responsible person for costs for which the responsible person has petroleum tank leakage or spill insurance coverage, the board is subrogated to the rights of the responsible person with respect to that insurance coverage, to the extent of the reimbursement by the board. The board may request the attorney general to bring an action in district court against the insurer to enforce the board's subrogation rights. Acceptance by a responsible person of reimbursement constitutes an assignment by the responsible person to the board of any rights of the responsible person with respect to any insurance coverage applicable to the costs that are reimbursed. Notwithstanding this paragraph, the board may instead request a return of the reimbursement under subdivision 5 and may employ against the responsible party the remedies provided in that subdivision, except where the board has knowingly provided reimbursement because the responsible person was denied coverage by the insurer.

(e) Money in the account is appropriated to the board to make reimbursements under this section. A reimbursement to a state agency must be credited to the appropriation account or accounts from which the reimbursed costs were paid.

(f) The board shall reduce the amount of reimbursement to be made under this section if it finds that the responsible person has not complied with a provision of this chapter, a rule or order issued under this chapter, or one or more of the following requirements:

(1) at the time of the release the tank was in substantial compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(2) the agency was given notice of the release as required by section 115.061;

(3) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(4) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

(g) The reimbursement shall be reduced as much as 100 percent for failure by the responsible person to comply with the requirements in paragraph (f), clauses (1) to (4). In determining the amount of the reimbursement reduction, the board shall consider:

(1) the likely environmental impact of the noncompliance;

(2) whether the noncompliance was negligent, knowing, or willful;

(3) the deterrent effect of the award reduction on other tank owners and operators; and

(4) the amount of reimbursement reduction recommended by the commissioner.

(h) A responsible person may assign the right to receive reimbursement to each lender, who advanced funds to pay the costs of the corrective action, or to each contractor, or consultant who provided corrective action services. An assignment must be made by filing with the board a document, in a form prescribed by the board, indicating the identity of the responsible person, the identity of the assignee, the dollar amount of the assignment, and the location of the corrective action. An assignment signed by the responsible person is valid unless terminated by filing a termination with the board, in a form prescribed by the board, which must include the written concurrence of the assignee. The board shall maintain an index of assignments filed under this paragraph. The board shall pay the reimbursement to the responsible person and to one or more assignees by a multiparty check. The board has no liability to a responsible person for a payment under an assignment meeting the requirements of this paragraph.

Sec. 13. Minnesota Statutes 1992, section 115C.09, subdivision 3a, is amended to read:

Subd. 3a. [ELIGIBILITY OF OTHER PERSONS.] Notwithstanding the provisions of subdivisions 1 to 3, the board shall provide full reimbursement to a person who has taken corrective action if the board or commissioner of commerce determines that:

- (1) the person took the corrective action in response to a request or order of the commissioner made under this chapter;
- (2) the commissioner has determined that the person was not a responsible person under section 115C.02; and
- (3) the costs for which reimbursement is requested were actually incurred and were reasonable.

Sec. 14. Minnesota Statutes 1992, section 115C.09, subdivision 3c, is amended to read:

Subd. 3c. [RELEASE AT REFINERIES AND TANK FACILITIES NOT ELIGIBLE FOR REIMBURSEMENT.] Notwithstanding other provisions of subdivisions 1 to 3b, a reimbursement may not be made under this section for costs associated with a release:

- (1) from a tank located at a petroleum refinery; or
- (2) from a tank facility, including a pipeline terminal, with more than 1,000,000 gallons of total petroleum storage capacity at the tank facility.

Clause (2) does not apply to reimbursement for costs associated with a release from a tank facility owned or operated by a person engaged in the business of mining iron ore or taconite.

Sec. 15. Minnesota Statutes 1992, section 115C.09, is amended by adding a subdivision to read:

Subd. 9. [DELEGATION OF BOARD'S POWERS.] The board may delegate to the commissioner of commerce its powers and duties under this section.

Sec. 16. Minnesota Statutes 1992, section 115C.11, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION.] (a) All consultants and contractors must register with the board in order to participate in the petroleum tank release cleanup program.

(b) The board must maintain a list of all registered consultants and a list of all registered contractors including an identification of the services offered.

(c) An applicant who applies for reimbursement must use a registered consultant and contractor in order to be eligible for reimbursement.

(d) The commissioner must inform any person who notifies the agency of a release under section 115.061 that the person must use a registered consultant or contractor to qualify for reimbursement and that a list of registered consultants and contractors is available from the board.

(e) Work performed by an unregistered consultant or contractor is ineligible for reimbursement.

(f) Work performed by a consultant or contractor prior to being removed from the registration list may be reimbursed by the board.

(g) If the information in an application for registration becomes inaccurate or incomplete in any material respect, the registered consultant or contractor must promptly file a corrected application with the board.

(h) Registration is effective on the date a complete application is received by the board. The board may reimburse the cost of work performed by an unregistered contractor if the contractor performed the work within 30 days of the effective date of registration.

Sec. 17. [115C.12] [APPEAL OF REIMBURSEMENT DETERMINATION.]

(a) A person may appeal to the board within 90 days after notice of a reimbursement determination made under section 115C.09 by submitting a written notice setting forth the specific basis for the appeal.

(b) The board shall consider the appeal within 90 days of the notice of appeal. The board shall notify the appealing party of the date of the meeting at which the appeal will be heard at least 30 days before the date of the meeting.

(c) The board's decision must be based on the written record and written arguments and submissions unless the board determines that oral argument is necessary to aid the board in its decision making. Any written submissions must be delivered to the board at least 15 days before the meeting at which the appeal will be heard. Any request for the presentation of oral argument must be in writing and submitted along with the notice of appeal.

Sec. 18. [REPEALER.]

Minnesota Statutes 1992, sections 115C.01; 115C.02; 115C.021; 115C.03; 115C.04; 115C.045; 115C.05; 115C.06; 115C.065; 115C.07; 115C.08; 115C.09; 115C.10; 115C.11; and 115C.12, are repealed effective June 30, 2000.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 3, 5 to 8, and 10 to 18 are effective for corrective actions begun after September 1, 1993. Sections 4 and 9 are effective 60 days after final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; providing for passive bioremediation; providing for review of agency employee decisions; increasing membership of petroleum tank release compensation board; establishing a fee schedule of costs or criteria for evaluating reasonableness of costs submitted for reimbursement; modifying petroleum tank release cleanup fee; modifying reimbursements; modifying consultant and contractor registration requirements; authorizing board to delegate its reimbursement powers and duties to the commissioner of commerce; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1992, sections 115C.02, subdivision 10; 115C.03, by adding subdivisions; 115C.07, subdivisions 1, 2, and 3; 115C.08, subdivisions 1, 2, 3, and 4; 115C.09, subdivisions 1, 3, 3a, 3c, and by adding a subdivision; and 115C.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1992, sections 115C.01; 115C.02; 115C.021; 115C.03; 115C.04; 115C.045; 115C.05; 115C.06; 115C.065; 115C.07; 115C.08; 115C.09; 115C.10; 115C.11; and 115C.12."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 520, A bill for an act relating to retirement; authorizing a second chance Medicare coverage referendum for certain public pension plan members.

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

The report was adopted.

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

H. F. No. 543, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Cook county.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

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

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Cook county may convey by private sale for not less than the appraised value the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

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

(c) The land that may be conveyed is located in Cook county and is described as:

(1) SW 1/4 of NE 1/4, Section 21, Township 60N, Range 3W

(2) SE 1/4 of NW 1/4, Section 21, Township 60N, Range 3W

(3) E 1/2 of NE 1/4 of SW 1/4, Section 20, Township 60N, Range 3W

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

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

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Cook county may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

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

(c) The land that may be conveyed is located in Cook county and is described as that part of the SW 1/4 of the SE 1/4 of Section 20 lying southeasterly of the southernmost boundary of marked trunk highway number 61 and westerly of the following described line: Commencing at the southwest corner of said SW 1/4 SE 1/4, thence easterly along the south line thereof 1,000 feet to the point of beginning, thence northerly deflecting 90 degrees to the left 450 feet, more or less, to U.S. Highway 61 and there terminating; and that part of Government Lot 1 of Section 29 lying southeasterly of U.S. Highway 61 and westerly of the following described line: Commencing at the northwest corner of said Government Lot 1, thence easterly along the north line thereof 1,000 feet to the point of beginning, thence southerly deflecting 90 degrees to the right 600 feet, more or less, to the water's edge of Lake Superior and there terminating; all in Township 58 North, Range 5 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land that borders public water in Cook county."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 574, A bill for an act relating to retirement; administrative changes and age discrimination act compliance by the Minnesota state retirement system and the public employees retirement association; coverage of fire inspectors, investigators, or marshals by the public employees police and fire fund; optional annuities and benefits payable by the teachers retirement association; amending Minnesota Statutes 1992, sections 3A.02, subdivision 1, and by adding a subdivision; 352.01, subdivisions 2b, 11, and by adding a subdivision; 352.03, subdivisions 4, 4a, and 6; 352.04, subdivision 9; 352.113, subdivisions 2, 4, 7, 12, and by adding a subdivision; 352.115, subdivision 8; 352.12, subdivisions 1, 3, 4, 7, 10, and 13; 352.15, subdivision 1a, and by adding subdivisions; 352.22, subdivisions 1 and 2; 352.23; 352.85, subdivision 4; 352.93, subdivision 2a; 352.94; 352.95, subdivisions 1, 2, 3, and 5; 352.951; 352.96, subdivisions 3 and 4; 352B.01, subdivision 3; 352B.08, subdivisions 1 and 2a; 352B.10, subdivisions 1, 2, and 5; 352B.101; 352B.11, subdivision 2; 352C.01; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352D.015, subdivision 4; 352D.02, subdivision 3, and by adding a subdivision; 352D.04, subdivision 1; 352D.05, subdivisions 1, 3, and 4; 352D.09, subdivision 5, and by adding a subdivision; 353.01, subdivisions 2, 2a, 2b, 6, 7, 10, 11a, 12, 16, 28, 31, 32, and by adding subdivisions; 353.017; 353.27, subdivision 7; 353.29, subdivision 1; 353.33, subdivisions 1, 2, 3, 4, 6, 8, 11, and by adding a subdivision; 353.34, subdivisions 1 and 3; 353.35; 353.37; 353.64, subdivisions 1, 3, 5a, and 9; 353.656, subdivisions 1, 1a, 3, 5, and by adding subdivisions; 353.71, subdivision 1; 353A.08, subdivisions 1, 3, and 5; 353A.10, subdivision 4; 353B.11, subdivision 6; 353C.08, subdivisions 1 and 2; 353D.02; 353D.04; 353D.05, subdivision 3; 353D.07, subdivision 2; 354.35; 354.46, subdivision 1; 354.48, subdivisions 3 and 10; 356.302, subdivisions 4 and 6; 356.453; 356.61; and 490.124, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 3A; repealing Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73; 352.94, subdivision 2; 352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; 352C.021, subdivision 3; 352D.05, subdivision 5; and 353.656, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

MINNESOTA STATE RETIREMENT SYSTEM ADMINISTRATIVE LAW CHANGES

Section 1. Minnesota Statutes 1992, section 3A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATIONS.] (a) A former legislator is entitled, upon written application to the director, to receive a retirement allowance monthly, if the person:

(1) has served at least six full years, without regard to the application of section 3A.10, subdivision 2, or has served during all or part of four regular sessions as a member of the legislature, which service need not be continuous;

(2) has attained the normal retirement age;

(3) has retired as a member of the legislature; and

(4) has made all contributions provided for in section 3A.03, has made payments for past service under subdivision 2, or has made payments in lieu of contributions under section 3A.031.

(b) For service rendered before the beginning of the 1979 legislative session, but not to exceed eight years of service, the retirement allowance is an amount equal to five percent per year of service of that member's average monthly salary. For service in excess of eight years rendered before the beginning of the 1979 legislative session, and for service rendered after the beginning of the 1979 legislative session, the retirement allowance is an amount equal to 2-1/2 percent per year of service of that member's average monthly salary.

(c) The retirement allowance accrues beginning with the first day of the month of receipt of the application, but not before age 60, and for the remainder of the former legislator's life, if the former legislator is not serving as a member of the legislature or as a constitutional officer or commissioner as defined in section 352C.021, subdivisions 2 and 3. The annuity shall not begin to accrue prior to retirement as a legislator. No annuity payment shall be made retroactive for more than 180 days before the date annuity application is filed with the director.

(d) Any member who has served during all or part of four regular sessions is considered to have served eight years as a member of the legislature.

(e) The retirement allowance ceases with the last payment that accrued to the retired legislator during the retired legislator's lifetime, except that the surviving spouse, if any, is entitled to the retirement allowance for the calendar month in which the retired legislator died.

Sec. 2. [3A.13] [EXEMPTION FROM PROCESS AND TAXATION.]

The provisions of Minnesota Statutes, section 352.15 shall apply to the legislators retirement plan, chapter 3A.

Sec. 3. Minnesota Statutes 1992, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;
- (6) election officers;
- (7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;
- (8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;
- (9) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;
- (10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;
- (11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;
- (12) employees of the Sibley House Association;
- (13) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is ~~\$500~~ \$5,000 or less per year, or, if they are legally prohibited from serving more than ~~two consecutive terms~~ and their total service is required by law to be less than ~~ten~~ three years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;
- (14) state troopers;
- (15) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;

(16) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;

(17) persons described in section 352B.01, subdivision 2, clauses (2) to (5);

(18) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;

(19) trainee employees, except those listed in subdivision 2a, clause (10);

(20) persons whose compensation is paid on a fee basis;

(21) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(22) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(23) chaplains and nuns who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

(24) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(25) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(26) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(27) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(28) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(29) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(30) persons employed in positions designated by the department of employee relations as student workers;

~~(31) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;~~

(32) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

~~(33)~~ (32) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

~~(34)~~ (33) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; ~~and~~

~~(35)~~ (34) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund; ~~and~~

(35) foreign citizens with a work permit of less than three years, or an H-1b/IV visa valid for less than three years of employment, unless notice of extension is supplied which allows them to work for three or more years as of the date the extension is granted, in which case they are eligible for coverage from the date extended.

Sec. 4. Minnesota Statutes 1992, section 352.03, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF EXECUTIVE DIRECTOR.] The management of the system is vested in the director, who is the executive and administrative head of the system. The director shall be advisor to the board on matters pertaining to the system and shall also act as the secretary of the board. The director shall:

- (1) attend meetings of the board;
- (2) prepare and recommend to the board appropriate rules to carry out this chapter;
- (3) establish and maintain an adequate system of records and accounts following recognized accounting principles and controls;
- (4) designate an assistant director with the approval of the board;
- (5) appoint any employees, both permanent and temporary, that are necessary to carry out the provisions of this chapter;
- (6) organize the work of the system as the director deems necessary to fulfill the functions of the system, and define the duties of its employees and delegate to them any powers or duties, subject to the control of the director and under conditions the director may prescribe. Appointments to exercise delegated power must be by written order and shall be filed with the secretary of state;
- (7) with the advice and consent of the board, contract for the services of an approved actuary, professional management services, and any other consulting services as necessary and fix the compensation for those services. The contracts are not subject to competitive bidding under chapter 16B. Any approved actuary retained by the executive director shall function as the actuarial advisor of the board and the executive director, and may perform actuarial valuations and experience studies to supplement those performed by the actuary retained by the legislative commission on pensions and retirement. Any supplemental actuarial valuations or experience studies shall be filed with the executive director of the legislative commission on pensions and retirement. Professional management services may not be contracted for more often than once in six years. Copies of professional management survey reports must be transmitted to the secretary of the senate, the chief clerk of the house of representatives, and the legislative reference library as provided by section 3.195, to the executive director of the commission and to the legislative auditor at the time as reports are furnished to the board. Only management firms experienced in conducting management surveys of federal, state, or local public retirement systems are qualified to contract with the director;
- (8) with the advice and consent of the board provide in-service training for the employees of the system;
- (9) make refunds of accumulated contributions to former state employees and to the designated beneficiary, surviving spouse, legal representative, or next of kin of deceased state employees or deceased former state employees, as provided in this chapter;
- (10) determine the amount of the annuities and disability benefits of employees covered by the system and authorize payment of the annuities and benefits beginning as of the dates on which the annuities and benefits begin to accrue, in accordance with the provisions of this chapter;
- (11) pay annuities, refunds, survivor benefits, salaries, and necessary operating expenses of the system;
- (12) certify funds available for investment to the state board of investment;

(13) with the advice and approval of the board request the state board of investment to sell securities when the director determines that funds are needed for the system;

(14) prepare and submit to the board and the legislature an annual financial report covering the operation of the system, as required by section 356.20;

(15) prepare and submit biennial and quarterly annual budgets to the board and with the approval of the board submit the budgets to the department of finance; and

(16) with the approval of the board, perform other duties required to administer the retirement and other provisions of this chapter and to do its business.

Sec. 5. Minnesota Statutes 1992, section 352.04, subdivision 9, is amended to read:

Subd. 9. [ERRONEOUS DEDUCTIONS, CANCELED WARRANTS.] (a) Deductions taken from the salary of an employee for the retirement fund in error must, upon discovery and verification by the department making the deduction, be refunded to the employee.

(b) If a deduction for the retirement fund is taken from a salary warrant or check, and the check is canceled or the amount of the warrant or check returned to the funds of the department making the payment, the sum deducted, or the part of it required to adjust the deductions, must be refunded to the department or institution if the department applies for the refund on a form furnished by the director. The department's payments must likewise be refunded to the department.

(c) Employee deductions and employer contributions taken in error may be directly transferred, without interest, to another Minnesota public employee retirement fund listed in section 356.30, subdivision 3, by which the employee is actually covered.

Sec. 6. Minnesota Statutes 1992, section 352.113, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; ACCRUAL OF BENEFITS.] An employee making claim for a total and permanent disability benefit, or someone acting on behalf of the employee upon proof of authority satisfactory to the director, shall file a written application for benefits in the office of the system. The application must be in a form and manner prescribed by the executive director. The benefit shall begin to accrue the day following the start of disability or the day following the last day paid, whichever is later, but not earlier than ~~60~~ 180 days before the date the application is filed with the director.

Sec. 7. Minnesota Statutes 1992, section 352.113, subdivision 4, is amended to read:

Subd. 4. [MEDICAL EXAMINATIONS; AUTHORIZATION FOR PAYMENT OF BENEFIT.] An applicant shall provide medical evidence to support an application for total and permanent disability. The director shall have the employee examined by at least one additional licensed physician designated by the medical adviser. The physicians shall make written reports to the director concerning the employee's disability including medical opinions as to whether the employee is permanently and totally disabled within the meaning of section 352.01, subdivision 17. The director shall also obtain written certification from the employer stating whether the employment has ceased or whether the employee is on sick leave of absence because of a disability that will prevent further service to the employer and as a consequence the employee is not entitled to compensation from the employer. The medical adviser shall consider the reports of the physicians and any other evidence supplied by the employee or other interested parties. If the medical adviser finds the employee totally and permanently disabled, the adviser shall make appropriate recommendation to the director in writing together with the date from which the employee has been totally disabled. The director shall then determine if the disability occurred within 180 days of filing the application, while still in the employment of the state, and the propriety of authorizing payment of a disability benefit as provided in this section. A terminated employee may apply for a disability benefit within 180 days of termination as long as the disability occurred while in the employment of the state. The employee must be on approved leave of absence from the employer to be eligible to apply for a total and permanent disability benefit, but the fact that an employee is placed on leave of absence without compensation because of disability does not bar that employee from receiving a disability benefit. Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because the employee has reached normal retirement age as provided in this section, the disability benefit shall cease with the last payment received by the disabled employee or which had accrued during the lifetime of the employee unless there is a spouse surviving; in that event the surviving spouse is entitled to the disability benefit for the calendar month in which the disabled employee died.

Sec. 8. Minnesota Statutes 1992, section 352.113, subdivision 7, is amended to read:

Subd. 7. [PARTIAL REEMPLOYMENT.] If the disabled employee resumes a gainful occupation from which earnings are less than the employee's salary at the date of disability or the salary currently paid for similar positions, the director shall continue the disability benefit in an amount which when added to earnings does not exceed the salary at the date of disability ~~or the salary currently paid for similar positions, whichever is lower~~, provided the disability benefit in this case does not exceed the disability benefit originally allowed. Deductions for the retirement fund must not be taken from the salary of a disabled employee who is receiving a disability benefit as provided in this subdivision.

Sec. 9. Minnesota Statutes 1992, section 352.115, subdivision 8, is amended to read:

Subd. 8. [ACCRUAL OF ANNUITY.] State employees shall apply for an annuity. The application must not be made more than ~~60~~ 90 days before the time the employee is eligible to retire by reason of both age and service requirements. If the director determines an applicant for annuity has fulfilled the legal requirements for an annuity, the director shall authorize the annuity payment in accordance with this chapter and payment must be made as authorized. An annuity shall begin to accrue no earlier than ~~60~~ 180 days before the date the application is filed with the director, but not before the day following the termination of state service or before the day the employee is eligible to retire by reason of both age and service requirements. The retirement annuity shall cease with the last payment which had accrued during the lifetime of the retired employee unless an optional annuity provided in section 352.116, subdivision 3, had been selected and had become payable. The joint and last survivor annuity shall cease with the last payment received by the survivor during the lifetime of the survivor. If a retired employee had not selected an optional annuity, or a survivor annuity is not payable under the option, and a spouse survives, the spouse is entitled only to the annuity for the calendar month in which the retired employee died. If an optional annuity is payable after the death of the retired employee, the survivor is entitled to the annuity for the calendar month in which the retired employee died.

Sec. 10. Minnesota Statutes 1992, section 352.12, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE TERMINATION OF SERVICE.] If an employee dies before state service has terminated and neither a survivor annuity nor a reversionary annuity is payable, or if a former employee who has sufficient service credit to be entitled to an annuity dies before the benefit has become payable, the director shall make a refund to the last designated beneficiary or, if there is none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate in an amount equal to the accumulated employee contributions plus interest at the rate of six percent per annum compounded annually. Interest must be computed to the first day of the month in which the refund is processed and based on fiscal year balances. Upon the death of an employee who has received a refund that was later repaid in full, interest must be paid on the repaid refund only from the date of repayment. If the repayment was made in installments, interest must be paid only from the date installment payments began. The designated beneficiary, surviving spouse, or representative of the estate of an employee who had received a disability benefit is not entitled to interest upon any balance remaining to the decedent's credit in the fund at the time of death, unless death occurred before any payment could be negotiated.

Sec. 11. Minnesota Statutes 1992, section 352.12, subdivision 3, is amended to read:

Subd. 3. [REFUND OF ~~\$1,500~~ \$3,000 OR LESS.] If a state employee or former state employee dies without having designated a beneficiary, or if the beneficiary should die before applying for refund of the sum to the credit of the deceased employee or former employee, and there is no surviving spouse, and the amount of the refund does not exceed ~~\$1,500~~ \$3,000 exclusive of interest, the director may refund the amount to the deceased or former employee's next of kin. The amount may be refunded 90 days after the date of death of the employee or former employee in the absence of probate proceedings, and upon proper application. The next of kin must be determined by the director with the concurrence of the board, to be entitled to the refund consistent with the laws of descent. A determination and payment without notice are conclusive and final and are a bar against claims of all other persons.

Sec. 12. Minnesota Statutes 1992, section 352.12, subdivision 4, is amended to read:

Subd. 4. [REFUND TO MINOR BENEFICIARY.] If an employee or former employee dies having named as a beneficiary a person who is a minor at the time of the application for refund, and the amount of the refund does not exceed ~~\$1,500~~ \$3,000, exclusive of interest, the director in the absence of guardianship or probate proceedings may make payment to the natural guardian having custody of the minor beneficiary, for the benefit of the child. Any annuity, retirement allowance, or disability benefit accrued at the time of death of a disabled or retired employee, payable to a minor beneficiary, may similarly be paid. Payment is a bar to recovery by any other person or persons.

Sec. 13. Minnesota Statutes 1992, section 352.12, subdivision 7, is amended to read:

Subd. 7. [ABSENCE OF OPTIONAL OR REVERSIONARY ANNUITY.] Upon the death of a retired employee who selected neither an optional annuity or a reversionary annuity, a refund must be paid in an amount equal to the excess, if any, of the accumulated contributions to the credit of the retired employee immediately before retirement in excess of the sum of (1) all annuities, retirement allowances, and disability benefits that had been received and had accrued in the lifetime of the decedent, and (2) the annuity, retirement allowance, or disability benefit if applicable not negotiated, payable to the surviving spouse under section 352.115, subdivision 8, or 352.113, subdivision 4, for the calendar month in which the retired employee died. The refund must be paid to the named beneficiary or, if there be none, to the surviving spouse or, if none, to the employee's surviving children in equal shares or, if none, to the employee's surviving parents in equal shares or, if none, to the representative of the estate.

Sec. 14. Minnesota Statutes 1992, section 352.12, subdivision 10, is amended to read:

Subd. 10. [DEATH OF BENEFICIARY BEFORE REFUND.] If the last designated beneficiary or beneficiaries and the surviving spouse of a (1) deceased employee, (2) former employee, or (3) retired employee, dies before receiving a refund of the sum to the credit of the deceased employee, former employee, or retired employee at the time of death, the refund must be made to the estate of the deceased employee or as provided in subdivision 3 if the amount of the refund does not exceed ~~\$1,500~~ \$3,000 exclusive of interest.

Sec. 15. Minnesota Statutes 1992, section 352.12, subdivision 13, is amended to read:

Subd. 13. [REFUND, BENEFICIARY.] If upon death a former employee has in possession a commissioner of finance's warrant which does not exceed ~~\$500~~ \$1,000 covering a refund of accumulated contributions in the retirement fund, in the absence of probate proceedings the commissioner of finance's warrant may be returned for cancellation, and then upon application made by the last designated beneficiary of the deceased former employee, refund of the accumulated contributions must be paid to the last designated beneficiary. Payments made under this subdivision are a bar to recovery by any other person or persons.

Sec. 16. Minnesota Statutes 1992, section 352.15, subdivision 1a, is amended to read:

Subd. 1a. [AUTOMATIC DEPOSITS.] The executive director may pay an annuity, benefit, or refund to a banking institution, qualified under chapter 48, that is trustee for a person eligible to receive the annuity, benefit, or refund. Upon the request of a retired, disabled, or former employee, the executive director may mail the annuity, benefit, or refund check to a banking institution, savings association, or credit union for deposit to the employee's account or joint account ~~with a spouse~~. The board of directors may prescribe the conditions under which payments will be made.

Sec. 17. Minnesota Statutes 1992, section 352.85, subdivision 4, is amended to read:

Subd. 4. [ELECTION OF COVERAGE.] To be covered by ~~Laws 1980, chapter 607 section 352.85~~, any employee of the department of military affairs, described in subdivision 1, ~~who is employed on July 1, 1980, or is first employed after July 1, 1980~~, must file a notice with the executive director of the system on a form prescribed by the executive director stating whether or not the employee elects to be covered. Notice must be filed ~~by August 1, 1980, or within 30 90~~ days of employment, ~~whichever is later~~. Elections are irrevocable during any period of covered employment.

Sec. 18. Minnesota Statutes 1992, section 352.93, subdivision 2a, is amended to read:

Subd. 2a. [EARLY RETIREMENT.] Any covered correctional employee, or former employee if service ended after June 30, 1989, who becomes at least 50 years old and who has at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 55.

Sec. 19. Minnesota Statutes 1992, section 352.94, is amended to read:

352.94 [AUGMENTATION FOR EMPLOYEES WITH REGULAR GENERAL AND CORRECTIONAL SERVICE.]

~~Subdivision 1. [CHANGE FROM REGULAR TO CORRECTIONAL SERVICE.]~~ An employee who becomes a covered by the correctional employee plan after serving as a regular general plan covered employee, or becomes covered by the general plan after serving as a correctional plan covered employee, is covered under section 352.72, subdivision 2, ~~with respect to the regular service.~~

~~Subd. 2. [CHANGE FROM CORRECTIONAL TO REGULAR SERVICE.] An employee who becomes a regular employee after serving as a correctional employee is not covered under section 352.72, subdivision 2, with respect to correctional service.~~

Sec. 20. Minnesota Statutes 1992, section 352.95, subdivision 3, is amended to read:

Subd. 3. [APPLYING FOR BENEFITS; ACCRUAL.] No application for disability benefits shall be made until after the last day physically on the job. The disability benefit shall begin to accrue the day following the last day for which the employee is paid sick leave or annual leave but not earlier than ~~60~~ 180 days before the date the application is filed.

Sec. 21. Minnesota Statutes 1992, section 352.951, is amended to read:

352.951 [APPLICABILITY OF GENERAL LAW.]

Except as otherwise provided, this chapter applies to covered correctional employees, military affairs personnel covered under section 352.85, and transportation department pilots covered under section 352.86.

Sec. 22. Minnesota Statutes 1992, section 352B.08, subdivision 1, is amended to read:

Subdivision 1. [WHO IS ELIGIBLE; WHEN TO APPLY; ACCRUAL.] Every member who is credited with three or more years of allowable service is entitled to separate from state service and upon becoming ~~55~~ 50 years old, is entitled to receive a life annuity, upon separation from state service. Members shall apply for an annuity in a form and manner prescribed by the executive director. No application may be made more than ~~60~~ 90 days before the date the member is eligible to retire by reason of both age and service requirements. An annuity begins to accrue no earlier than ~~90~~ 180 days before the date the application is filed with the executive director.

Sec. 23. Minnesota Statutes 1992, section 352B.08, subdivision 2a, is amended to read:

Subd. 2a. [EARLY RETIREMENT.] Any member who has become at least 50 years old, or former member if service ended after June 30, 1989, and who has at least three years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 55.

Sec. 24. Minnesota Statutes 1992, section 352B.101, is amended to read:

352B.101 [APPLICATION FOR DISABILITY BENEFIT.]

A member claiming a disability benefit must file a written application for benefits in the office of the system in a form and manner prescribed by the executive director. The member shall provide medical evidence to support the application. The benefit begins to accrue the day following the start of disability or the day following the last day for which the member was paid, whichever is later, but not earlier than ~~90~~ 180 days before the date the application is filed with the executive director.

Sec. 25. Minnesota Statutes 1992, section 352C.01, is amended to read:

352C.01 [LEGISLATIVE FINDING AND INTENT.]

The legislature finds that service to Minnesota in the capacity of a constitutional officer ~~or commissioner~~ as defined in section 352C.021 constitutes a unique contribution to the state and that such service is dissimilar to any other public employment. The legislature further finds that service as a constitutional officer ~~or commissioner~~ for a period of eight years or longer deprives the individual so serving of normal opportunities to establish retirement benefits in a usual vocational pursuit and justifies adoption of special retirement provisions. The provisions of this chapter are intended by the legislature to reflect the unique nature of service as a constitutional officer ~~or commissioner~~ and to have due regard for the unusual disruption of normal retirement planning that such service entails.

Sec. 26. Minnesota Statutes 1992, section 352C.021, is amended to read:

352C.021 [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of this chapter, the following terms shall have the meanings given to them unless the language or context clearly indicates that a different meaning is intended.

Subd. 2. [CONSTITUTIONAL OFFICER.] "Constitutional officer" means a person who was duly elected and qualified and is serving as governor, lieutenant governor, attorney general, secretary of state, state auditor or state treasurer of the state of Minnesota.

Subd. 3. ~~[COMMISSIONER.] "Commissioner" means a person who was duly elected and qualified and is serving as an elected member of the public utilities commission of the state of Minnesota.~~

Subd. 4. ~~[FORMER CONSTITUTIONAL OFFICER OR COMMISSIONER.] "Former constitutional officer or commissioner" means a person who has ceased to be a constitutional officer or commissioner subsequent to April 21, 1976 for any reason, including but not limited to the expiration of the term of office for which the person was elected, retirement or death.~~

Subd. 5. ~~4. [SURVIVING SPOUSE.] "Surviving spouse" means the unmarried spouse of a deceased constitutional officer or commissioner or former constitutional officer or commissioner.~~

Subd. 6. ~~5. [DEPENDENT CHILD.] "Dependent child" means any natural or adopted child of a deceased constitutional officer or commissioner or a deceased former constitutional officer or commissioner who is under the age of 18, or who is under the age of 22 and is a full-time student, and who in either case is unmarried and was actually dependent for more than one-half of the child's support upon the constitutional officer or commissioner or the former constitutional officer or commissioner for a period of least 90 days immediately prior to the death of the constitutional officer or commissioner or the former constitutional officer or commissioner. The term shall also include a posthumous child of the constitutional officer or commissioner or the former constitutional officer or commissioner.~~

Subd. 7. ~~6. [ALLOWABLE SERVICE.] "Allowable service" means any years or months of service as a constitutional officer or as a commissioner, for which service if the person made the contributions required by section 352C.09 on a current basis. The service need not be continuous. For any constitutional officer or commissioner or former constitutional officer or commissioner in office on or before July 1, 1967, allowable service shall include any service as a constitutional officer or commissioner prior to July 1, 1967, notwithstanding that the person did not make concurrent contributions as required by section 352C.09.~~

Subd. 8. ~~7. [DIRECTOR.] "Director" means the executive director of the Minnesota state retirement system.~~

Sec. 27. Minnesota Statutes 1992, section 352C.031, is amended to read:

352C.031 [RETIREMENT ALLOWANCE.]

Subdivision 1. [UNREDUCED RETIREMENT ALLOWANCE.] Upon separation from service, a former constitutional officer ~~or commissioner~~ who has attained the age of at least 62 years and who has at least eight years of allowable service is entitled upon making written application on forms supplied by the director to a normal retirement allowance.

Subd. 2. [REDUCED RETIREMENT ALLOWANCE.] Upon separation from service, a former constitutional officer ~~or commissioner~~ who has attained the age of at least 60 years and who has at least eight years of allowable service is entitled upon making written application on forms supplied by the director to a retirement allowance in an amount equal to a normal retirement allowance reduced by one-half of one percent for each month that the former constitutional officer ~~or commissioner~~ is under age 62.

Subd. 3. [AVERAGE SALARY.] Average salary for purposes of calculating the normal retirement allowance pursuant to subdivision 4 shall mean the average of the highest five successive years of salary upon which contributions have been made pursuant to section 352C.09.

Subd. 4. [RETIREMENT ALLOWANCE FORMULA.] The average salary multiplied by 2-1/2 percent for each year of allowable service and pro rata for completed months less than a full year shall determine the amount of the normal retirement allowance.

Subd. 5. [BENEFIT ACCRUAL AND TERMINATION.] The benefit shall begin to accrue the first day of the month in which the application is received by the director but in no event earlier than the day following the termination of service or the attainment of the age required to receive such benefit, whichever is later. Thereafter, benefits shall be paid on the first day of each calendar month for that month. The benefit shall cease with the payment for the month in which the retired constitutional officer ~~or commissioner~~ died.

Subd. 6. [PAYMENT OF RETIREMENT ALLOWANCES.] Retirement allowances payable pursuant to this section shall be paid monthly by the executive director of the Minnesota state retirement system.

Sec. 28. Minnesota Statutes 1992, section 352C.033, is amended to read:

352C.033 [DEFERRED ANNUITIES AUGMENTATION.]

The deferred retirement allowance for any former constitutional officer ~~or commissioner~~ shall be augmented as provided in this section. The required reserves applicable to the deferred retirement allowance, determined as of the date the retirement allowance begins to accrue using the appropriate mortality table and an interest assumption of five percent, shall be augmented from the first of the month following termination of service as a constitutional officer ~~or commissioner~~, or January 1, 1979, whichever is later, to the first day of the month in which the annuity begins to accrue, at the rate of five percent per annum compounded annually until January 1, 1981, and thereafter at the rate of three percent per annum compounded annually until January 1 of the year in which the former constitutional officer ~~or commissioner~~ attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually.

Sec. 29. Minnesota Statutes 1992, section 352C.04, is amended to read:

352C.04 [SPOUSE'S AND DEPENDENT CHILDREN'S SURVIVOR BENEFITS.]

Subdivision 1. [SURVIVING SPOUSE BENEFIT.] Upon the death of a constitutional officer ~~or commissioner~~ while actively serving in office, or a former constitutional officer ~~or commissioner~~ with at least eight years of allowable service, the surviving spouse is entitled to a survivor benefit in the amount of one-half of the retirement allowance of the constitutional officer ~~or commissioner~~ or the former constitutional officer ~~or commissioner~~ computed as though the constitutional officer ~~or commissioner~~ or the former constitutional officer ~~or commissioner~~ were at least age 62 on the date of death and based upon the attained allowable service or eight years, whichever is greater. The augmentation provided in section 352C.033, if applicable, shall be applied to the month of death. Upon the death of a former constitutional officer ~~or commissioner~~ receiving a retirement allowance, the surviving spouse shall be entitled to one-half of the amount of the retirement allowance being paid to the former constitutional officer ~~or commissioner~~ as of the date of death. The benefit shall be paid to a surviving spouse eligible therefor during the remainder of the spouse's natural life.

Subd. 2a. [SURVIVING DEPENDENT CHILD BENEFIT.] Upon the death of a constitutional officer ~~or commissioner~~ while serving in office, or a former constitutional officer ~~or commissioner~~ with at least eight years of allowable service, each dependent child shall be paid a survivor benefit in the following amount: First dependent child, a monthly benefit which equals 25 percent of the monthly retirement allowance of the constitutional officer ~~or commissioner~~ or the former constitutional officer ~~or commissioner~~ computed as though the constitutional officer ~~or commissioner~~ or the former constitutional officer ~~or commissioner~~ were at least age 62 on the date of death and based upon the attained allowable service or eight years, whichever is greater; for each additional dependent child or a monthly benefit which equals 12-1/2 percent of the monthly retirement allowance of the constitutional officer ~~or commissioner~~ or the former constitutional officer ~~or commissioner~~ computed as in the case of the first child; but the total amount paid to the surviving spouse and dependent children shall not exceed in any one month 100 percent of the monthly allowance of the constitutional officer ~~or commissioner~~ or the former constitutional officer ~~or commissioner~~ computed as in the case of the first child. The augmentation provided in subdivision 1, if applicable, shall be applied to the month of death. Upon the death of a former constitutional officer ~~or commissioner~~ receiving a retirement allowance, the surviving dependent child shall be entitled to the applicable percentage of the amount of the retirement allowance being paid to the former constitutional officer ~~or commissioner~~ as of the date of death. The payments for dependent children shall be made to the surviving spouse or the guardian of the estate of the dependent child, if there is one. A posthumous child qualifies as a dependent child for benefits provided herein from the date of its birth.

Subd. 3. [PAYMENT INTERVAL.] Spouse's and dependent children's survivor benefits, payable under this section, shall be paid monthly by the executive director of the Minnesota state retirement system.

Subd. 4. [APPLICATION FOR SURVIVOR BENEFITS.] A surviving spouse or a guardian of the estate of the dependent child or children entitled to the payment of benefits under this section shall file an application for the benefit with the director, and payment shall commence as of the first day of the month next following the filing of the application and shall be retroactive to the first of the month following the death of the constitutional officer ~~or commissioner~~ or the former constitutional officer ~~or commissioner~~; provided, however, that no payment shall be retroactive for more than 12 months prior to the month in which the application is filed with the director. Such benefits shall be paid on the first day of each calendar month for that month. The surviving spouse benefit shall cease with the payment for the month in which the surviving spouse dies. The dependent child's benefit shall cease with the payment for the month in which the child no longer qualifies for payment as a dependent child.

Sec. 30. Minnesota Statutes 1992, section 352C.051, is amended to read:

352C.051 [COVERAGE BY MORE THAN ONE RETIREMENT SYSTEM OR ASSOCIATION.]

Subdivision 1. [ENTITLEMENT TO ANNUITY; LEGISLATIVE SERVICE.] Any constitutional officer ~~or commissioner~~ who has been a member of the legislature with service credited pursuant to chapter 3A shall be entitled when qualified to a retirement allowance from the legislator's retirement plan and the elective state officers plan if the total allowable service for which the person has credit in the two plans totals eight or more years, provided that no portion of the allowable service upon which the retirement allowance from one plan is based, is again used in the computation for benefits from the other plan. The retirement allowance from each plan shall be determined by the appropriate provisions of the law governing each plan, except that the requirement that a person must have at least eight years of allowable service in the respective plan shall not apply for purposes of this section, provided that the aggregate service in the two plans equals eight or more years. The augmentation of deferred annuities provided in sections 3A.02, subdivision 4, and 352C.033, shall apply to the retirement allowances accruing hereunder.

Subd. 2. [ENTITLEMENT TO ANNUITY; PUBLIC RETIREMENT SERVICE.] Any constitutional officer ~~or commissioner~~ who has been an employee covered by the Minnesota state retirement system, or a member of the public employees retirement association including the public employees retirement association police and fire fund, or the teachers retirement association, or the Minneapolis employees retirement fund, or the state patrol retirement association, or any other public employee retirement system in the state of Minnesota having a like provision, but excluding all other funds providing retirement benefits for police and firefighters, shall be entitled when qualified to an annuity from each fund if the person's total allowable service credit in all funds or in any two of these funds totals ~~ten~~ eight or more years, provided no portion of the allowable service upon which the retirement annuity from one fund is based is again used in the computation for benefits from another fund. The annuity from each fund shall be determined by the appropriate provisions of the law governing each fund, except that the requirement that a person must have at least ~~ten~~ eight years allowable service in the respective system or association shall not apply for the purposes of this section, provided that the aggregate service in two or more of these funds equals ~~ten~~ eight or more years. The augmentation of deferred annuities provided in section 352C.033 shall apply to the annuities accruing hereunder.

Subd. 3. [REFUND REPAYMENT.] Any former constitutional officer ~~or commissioner~~ who has received a refund as provided in section 352C.09, subdivision 2, who is a currently contributing member of a retirement fund specified or enumerated in subdivision 1 or 2, may repay the refund to the elective state officers retirement plan, with interest at an annual rate of 8.5 percent compounded annually.

Sec. 31. Minnesota Statutes 1992, section 352C.09, is amended to read:

352C.09 [CONTRIBUTIONS.]

Subdivision 1. Every constitutional officer ~~or commissioner~~ shall contribute ~~eight percent of total salary beginning the first full pay period after July 1, 1976, and nine percent of total salary beginning the first full pay period after January 1, 1979,~~ by payroll deduction, to be paid into the state treasury and deposited in the general fund. In case of retirement any unpaid deductions shall be deducted from any retirement allowance that becomes payable. All deductions and payments, if any, in lieu of deductions are to be paid into the state treasury and deposited in the general fund. It shall be the duty of the director to record the contributions of each constitutional officer ~~or commissioner~~ and credit such contribution to such officer's ~~or commissioner's~~ account.

Subd. 2. (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a constitutional officer ~~or commissioner~~ is entitled to receive upon application to the director a refund of all contributions credited to the individual's account with interest at the rate of six percent per annum compounded annually.

(2) The refund of contributions as provided in clause (1) above terminates all rights of a former constitutional officer or commissioner or survivors thereof under the provisions of this chapter. Should the former constitutional officer or commissioner again hold such office after having taken a refund as provided above, the former officer or commissioner shall be considered a new member and may reinstate the rights and credit for service forfeited provided all refunds previously taken are repaid with interest at an annual rate of 8.5 percent compounded annually.

(3) No person shall be required to apply for or accept a refund.

(4) The provisions of section 352.15 shall apply to the elective state officers retirement plan, chapter 352C.

Sec. 32. Minnesota Statutes 1992, section 352D.015, subdivision 4, is amended to read:

Subd. 4. "~~Regular~~ General fund" means the state employees retirement fund except the moneys for the unclassified program.

Sec. 33. Minnesota Statutes 1992, section 352D.04, subdivision 1, is amended to read:

Subdivision 1. (a) An employee exercising an option to participate in the retirement program provided by this chapter may elect to purchase shares in one or a combination of the income share account, the growth share account, the money market account, the bond market account, the fixed interest account, or the common stock index account established in section 11A.17. The employee may elect to participate in one or more of the investment accounts in the fund by specifying, on a form provided by the executive director, the percentage of the employee's contributions provided in subdivision 2 to be used to purchase shares in each of the accounts.

(b) ~~Twice in any calendar year,~~ A participant may indicate in writing on forms provided by the Minnesota state retirement system a choice of options for subsequent purchases of shares. Until a different written indication is made by the participant, the executive director shall purchase shares in the supplemental fund as selected by the participant. If no initial option is chosen, 100 percent income shares must be purchased for a participant. A change in choice of investment option is effective no later than the first pay date first occurring after 30 days following the receipt of the request for a change.

(c) One month before the start of a new guaranteed investment contract, a participant or former participant may elect to transfer all or a portion of the participant's shares previously purchased in the income share, growth share, common stock index, bond market, or money market accounts to the new guaranteed investment contract in the fixed interest account. Upon expiration of a guaranteed investment contract, the participant's shares attributable to that contract must be transferred to a new guaranteed investment contract unless the executive director is otherwise directed by the participant. Shares in the fixed interest account may not be withdrawn from the fund or transferred to another account until the guaranteed investment contract has expired, unless the participant qualifies for withdrawal under section 352D.05 or for benefit payments under sections 352D.06 to 352D.075.

(d) ~~Twice in any calendar year~~ A participant or former participant may also change the investment options selected for all or a portion of the participant's shares previously purchased in accounts other than the fixed interest account. Changes in investment options for the participant's shares must be effected as soon as cash flow to an account practically permits, but not later than six months after the requested change.

Sec. 34. Minnesota Statutes 1992, section 352D.05, subdivision 1, is amended to read:

Subdivision 1. ~~Except as authorized by section 352D.06,~~ No withdrawal of shares shall be permitted prior to termination of covered employment.

Sec. 35. Minnesota Statutes 1992, section 352D.05, subdivision 3, is amended to read:

Subd. 3. ~~Thirty days~~ After termination of covered employment or at any time thereafter, a participant is entitled, upon application, to withdraw the cash value of the participant's total shares or leave such shares on deposit with the supplemental retirement fund. Shares not withdrawn ~~must~~ remain on deposit with the supplemental retirement fund until the former participant becomes at least 55 years old, and applies for an annuity under section 352D.06, subdivision 1.

Sec. 36. Minnesota Statutes 1992, section 352D.09, subdivision 5, is amended to read:

Subd. 5. If the beneficiary, surviving spouse or estate has not made application for benefits within ten years after the date of death of a participant the value of the shares shall be appropriated to the regular fund and provisions of section 352.12, subdivision 12 shall govern. If a former participant fails to make a claim for benefits within five years after termination of covered service or by age 70, whichever is later, the value of the shares shall be appropriated to the regular general employees retirement fund and the provisions of section 352.22, subdivision 8, shall apply.

Sec. 37. Minnesota Statutes 1992, section 352D.09, is amended by adding a subdivision to read:

Subd. 5a. If a former participant who contributed less than \$100 in employee contributions cannot be contacted by the system for five or more years, the value of the shares shall be appropriated to the general employees retirement fund, but upon subsequent contact by the former employee the account shall be reinstated to the amount that would have been payable had the money been left in the unclassified plan.

Sec. 38. Minnesota Statutes 1992, section 352D.09, is amended by adding a subdivision to read:

Subd. 8. [ADMINISTRATIVE CHARGE DEDUCTIONS.] Any administrative charges deducted under subdivision 7 that were in excess of the administrative expenses between July 1, 1973, and June 30, 1992, together with any investment gains or losses based on fiscal year balances, must be recovered from the state employees retirement plan and held in the unclassified plan to pay future administrative expenses. Any deductions to pay administrative expenses under section 11A.17, subdivision 10a, on contributions and investment returns attributable to contributions made before July 1, 1992, must be credited back to the participants in the unclassified plan.

Sec. 39. Minnesota Statutes 1992, section 490.124, subdivision 1, is amended to read:

Subdivision 1. [BASIC RETIREMENT ANNUITY.] Except as qualified hereinafter from and after mandatory retirement date, normal retirement date, early retirement date, or ~~two years~~ one year from the disability retirement date, as the case may be, a retirement annuity shall be payable to a retiring judge from the judges' retirement fund in an amount equal to: (1) 2-1/2 percent of the judge's final average compensation multiplied by the number of years and fractions of years of allowable service rendered prior to July 1, 1980; plus (2) three percent of the judge's final average compensation multiplied by the number of years and fractions of years of allowable service rendered after June 30, 1980; provided that the annuity shall not exceed 65 percent of the judge's annual salary for the 12 months immediately preceding retirement.

Sec. 40. Minnesota Statutes 1992, section 490.124, subdivision 4, is amended to read:

Subd. 4. [DISABILITY RETIREMENT.] From and after disability retirement date, a disabled judge shall be entitled to continuation of the judge's full salary payable by the judge's employer, as if the judge's office were not vacated by retirement, for a period of up to one full year, but in no event beyond the judge's mandatory retirement date. During this year the judge will earn additional service credit. The salary earned will be subject to retirement deductions and will be included in computing final average compensation. Thereafter a disability retirement annuity computed as provided in subdivision 1 shall be paid, provided that the judge shall receive a minimum annuity of 25 percent of the judge's final average compensation.

Sec. 41. [EFFECTIVE DATE.]

Sections 1 to 40 are effective the day following final enactment.

ARTICLE 2

CHANGES TO COMPLY WITH AGE DISCRIMINATION ACT AND HAVING SLIGHT BENEFIT ADJUSTMENT IMPACT

Section 1. Minnesota Statutes 1992, section 3A.02, is amended by adding a subdivision to read:

Subd. 5. [OPTIONAL ANNUITIES.] (a) The board of directors shall establish an optional retirement annuity in the form of a joint and survivor annuity and an optional retirement annuity in the form of a period certain and life thereafter. These optional annuities are to be available only to legislators who elect to receive retirement annuities under section 356.30 and who do not meet the legislative length of service requirements under section 3A.02, subdivision 1, paragraph (a), clause (1). Except as provided in paragraph (b), these optional annuity forms must be actuarially equivalent to the normal annuity computed under section 3A.02, without the automatic survivor coverage under section 3A.04.

(b) If a retired legislator selects the joint and survivor annuity option, the retired legislator must receive a normal single-life annuity if the designated optional annuity beneficiary dies before the retired legislator and no reduction may be made in the annuity to provide for restoration of the normal single-life annuity in the event of the death of the designated optional annuity beneficiary.

Sec. 2. Minnesota Statutes 1992, section 352.03, subdivision 4, is amended to read:

Subd. 4. [DUTIES AND POWERS OF BOARD OF DIRECTORS.] The board shall:

(1) elect a chair;

- (2) appoint an executive director;
- (3) establish rules to administer this chapter and chapters 3A, 352B, 352C, 352D, and 490 and transact the business of the system, subject to the limitations of law;
- (4) consider and dispose of, or take any other action the board of directors deems appropriate concerning denials of applications for annuities or disability benefits under this chapter, and complaints of employees and others pertaining to the retirement of employees and the operation of the system; ~~and~~
- (5) advise the director on any matters relating to the system and carrying out functions and purposes of this chapter. The board's advice shall control; and
- (6) oversee the administration of the state deferred compensation plan, established in section 352.96.

The director and assistant director must be in the unclassified service but appointees may be selected from civil service lists if desired. The salary of the executive director must be as provided by section 15A.081, subdivision 1. The salary of the assistant director must be set in accordance with section 43A.18, subdivision 3.

Sec. 3. Minnesota Statutes 1992, section 352.22, subdivision 1, is amended to read:

Subdivision 1. [SERVICE TERMINATION.] Any employee who ceases to be a state employee by reason of termination of state service or layoff is entitled to a refund provided in subdivision 2 or a deferred retirement annuity as provided in subdivision 3. Application for a refund may be made ~~30 or more days~~ after the termination of state service or layoff if the applicant has not again become a state employee required to be covered by the system.

Sec. 4. Minnesota Statutes 1992, section 352.22, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF REFUND.] Except as provided in subdivision 3, any person who ceased to be a state employee ~~after June 30, 1973~~, by reason of termination of state service shall receive a refund in an amount equal to employee accumulated contributions plus interest at the rate of six percent per year compounded annually. Included with the refund is any interest paid as part of repayment of a past refund, plus interest thereon from the date of repayment. Interest must be computed to the first day of the month in which the refund is processed and must be based on fiscal year balances.

Sec. 5. Minnesota Statutes 1992, section 352.23, is amended to read:

352.23 [TERMINATION OF RIGHTS.]

When any employee accepts a refund as provided in section 352.22, all existing service credits and all rights and benefits to which the employee was entitled before accepting the refund terminate. They must not again be restored until the former employee acquires at least ~~one year's~~ six months of allowable service credit after taking the last refund. In that event, the employee may repay all refunds previously taken from the retirement fund. Repayment of refunds entitles the employee only to credit for service covered by (1) salary deductions; (2) payments made in lieu of salary deductions; ~~and~~; (3) payments made to obtain credit for service as permitted by laws in effect when payment was made. ~~If an employee before taking one or more refunds had credit for prior service or for military service without payment in either case, the employee may obtain credit for any forfeited service before July 1, 1929, and for any forfeited military service by making payments at a contribution rate of three percent of the average salary upon which deductions for the retirement fund were based, for the three year period immediately preceding repayment of refund for service credit before July 1, 1929, and on the salary received at the time of entering military service to restore military service credit; and (4) allowable service once credited while receiving temporary workers' compensation as provided in section 352.01, subdivision 11, clause (5).~~ Payments for purchase of prior military service under this section ~~and for~~ repayment of refunds are to be paid with interest at an annual rate of 8.5 percent compounded annually. They may be paid in a lump sum or by payroll deduction in the manner provided in section 352.04. Payment may be made in a lump sum up to six months after termination from service.

Sec. 6. Minnesota Statutes 1992, section 352.95, subdivision 1, is amended to read:

Subdivision 1. [JOB-RELATED DISABILITY.] A covered correctional employee ~~less than 55 years old~~ who becomes disabled and physically unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty that makes the employee physically or mentally unable to perform the duties, is entitled to a disability benefit based on covered correctional service only. The benefit amount must equal 50 percent of the average salary defined in section 352.93, plus an additional 2-1/2 percent for each year of covered correctional service in excess of 20 years, prorated for completed months.

Sec. 7. Minnesota Statutes 1992, section 352.95, subdivision 2, is amended to read:

Subd. 2. [NON-JOB-RELATED DISABILITY.] Any covered correctional employee who, after at least one year of covered correctional service, ~~before reaching the age of 55~~ becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered correctional service only. The disability benefit must be computed as provided in section 352.93, subdivisions 1 and 2, and computed as though the employee had at least 15 years of covered correctional service.

Sec. 8. Minnesota Statutes 1992, section 352.95, subdivision 5, is amended to read:

Subd. 5. [RETIREMENT STATUS AT NORMAL RETIREMENT AGE.] The disability benefit paid to a disabled correctional employee under this section shall terminate at the end of the month in which the employee reaches age 62. If the disabled correctional employee is still disabled when the employee reaches age 62, the employee shall be deemed to be a retired employee. If the employee had elected an optional annuity under subdivision 1a, the employee shall receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 1a, the employee may ~~then~~ within 90 days of attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later, either elect to receive a normal retirement annuity computed in the manner provided in section 352.115 or elect to receive an optional annuity as provided in section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made ~~before within 90 days before attaining age 65 or reaching age 62 the five-year anniversary of the effective date of the disability benefit, whichever is later~~. The reduction for retirement before normal retirement age as provided in section 352.116, subdivision 1 or 1a, does not apply. The savings clause provision of section 352.93, subdivision 3, applies. If an optional annuity is elected, the optional annuity shall begin to accrue on the first of the month following the month in which the employee reaches age ~~62~~ 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later.

Sec. 9. Minnesota Statutes 1992, section 352.96, subdivision 3, is amended to read:

Subd. 3. [EXECUTIVE DIRECTOR TO ADMINISTER SECTION.] This section must be administered by the executive director of the system with the advice and consent of the board of directors under subdivision 4. Fiduciary activities of the deferred compensation plan must be undertaken in a manner consistent with chapter 356A. If the state board of investment so elects, it may solicit bids for options under subdivision 2, clauses (2) and (3). All contracts must be approved before execution by the state board of investment. Contracts must provide that all options in subdivision 2 must: be presented in an unbiased manner and in a manner that conforms to rules adopted by the executive director, be reported on a periodic basis to all employees participating in the deferred compensation program, and not be the subject of unreasonable solicitation of state employees to participate in the program. The contract may not call for any person to jeopardize the tax-deferred status of money invested by state employees under this section. All costs or fees in relation to the options provided under subdivision 2, clause (3), must be paid by the underwriting companies ultimately selected by the state board of investment.

Sec. 10. Minnesota Statutes 1992, section 352.96, subdivision 4, is amended to read:

Subd. 4. [EXECUTIVE DIRECTOR TO ESTABLISH RULES.] The executive director of the system with the advice and consent of the board of directors shall establish rules and procedures to carry out this section including allocation of administrative costs against the assets accumulated under this section. Funds to pay these costs are appropriated from the fund or account in which the assets accumulated under this section are placed. The rules established by the executive director must conform to federal and state tax laws, regulations, and rulings, and are not subject to the administrative procedure act. Except for the marketing rules, rules relating to the options provided under subdivision 2, clauses (2) and (3), must be approved by the state board of investment. A state employee must not make payments under a plan until the plan or applicable component of the plan has been approved for tax-deferred status by the Internal Revenue Service.

Sec. 11. Minnesota Statutes 1992, section 352B.01, subdivision 3, is amended to read:

Subd. 3. [ALLOWABLE SERVICES.] "Allowable service" means:

(a) for members defined in subdivision 2, clause (a), service for which payments have been made to the state patrol retirement fund, and

(b) for members defined in subdivision 2, clauses (b) and (c), service for which payments have been made to the state patrol retirement fund, service for which payments were made to the state police officers retirement fund after June 30, 1961, and all prior service which was credited to a member for service on or before June 30, 1961.

~~After a member identified in this clause reaches the age of 60, allowable service after that date must not be computed in determining the normal annuity unless the member was employed as a state police officer before July 1, 1961. If the member was so employed before July 1, 1961, and reaches 60 years of age and has more than 30 years' allowable service at that time, each year and completed month of allowable service acquired by the member must be computed in determining the normal annuity until the member reaches the age of 60. If the member was employed before July 1, 1961, and has less than 30 years of allowable service when the member reaches age 60, each year and completed month of allowable service acquired by the member must be computed in determining the normal annuity not to exceed 30 years of allowable service. The completed year members reach age 60 may be counted in full in determining allowable service. Allowable service also includes any period of absence from duty by a member who, by reason of injury incurred in the performance of duty, is temporarily disabled and for which disability the state is liable under the workers' compensation law, until the date authorized by the executive director for commencement of payment of a disability benefit or return to employment.~~

Sec. 12. Minnesota Statutes 1992, section 352B.10, subdivision 1, is amended to read:

Subdivision 1. [INJURIES, PAYMENT AMOUNTS.] Any member ~~less than 55 years old~~, who becomes disabled and physically or mentally unfit to perform duties as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, shall receive disability benefits while disabled. The benefits must be paid in monthly installments equal to the member's average monthly salary multiplied by 50 percent, plus an additional 2-1/2 percent for each year and pro rata for completed months of service in excess of 20 years, if any.

Sec. 13. Minnesota Statutes 1992, section 352B.10, subdivision 2, is amended to read:

Subd. 2. [~~UNDER 55; DISABLED WHILE NOT ON DUTY.~~] If a member terminates employment after at least one year of service, ~~before reaching the age of 55~~, because of sickness or injury occurring while not on duty and not engaged in state work entitling the member to membership, and the termination is necessary because the member cannot perform duties, the member is entitled to receive a disability benefit. The benefit must be in the same amount and computed in the same way as if the member were 55 years old at the date of disability and the annuity were paid under section 352B.08. If disability under this clause occurs after one but before 15 years service, the disability benefit must be computed as though the member had 15 years service.

Sec. 14. Minnesota Statutes 1992, section 352B.10, subdivision 5, is amended to read:

Subd. 5. [OPTIONAL ANNUITY.] A disabled member may, in lieu of survivorship coverage under section 352B.11, subdivision 2, choose the normal disability benefit or an optional annuity as provided in section 352B.08, subdivision 3. The choice of an optional annuity must be made before commencement of payment of the disability benefit, or within 90 days of attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later. It is effective on the date on which the disability benefit begins to accrue, or the month following attainment of age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later.

Sec. 15. Minnesota Statutes 1992, section 352B.105, is amended to read:

352B.105 [TERMINATION OF DISABILITY BENEFITS.]

Disability benefits payable under section 352B.10 shall terminate at the end of the month the beneficiary becomes 55 years old. If the beneficiary is still disabled when the beneficiary becomes 55 years old, the beneficiary shall be deemed to be a retired member and, if the beneficiary had chosen an optional annuity under section 352B.10, subdivision 5, shall receive an annuity in accordance with the terms of the optional annuity previously chosen. If the beneficiary had not chosen an optional annuity under section 352B.10, subdivision 5, the beneficiary may choose to receive either a normal retirement annuity computed under section 352B.08, subdivision 2, or an optional annuity as provided in section 352B.08, subdivision 3. An optional annuity must be chosen ~~before the beneficiary becomes 55 years old~~ within 90 days of attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later. If an optional annuity is chosen, the optional annuity shall begin to accrue the first of the month following the month in which the beneficiary becomes 55 years old attainment of age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later.

Sec. 16. Minnesota Statutes 1992, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, or a member or former member receiving the disability benefit before attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later, provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 2, subdivisions 1 and 2, dies from any cause before attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least three years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than three years of service shall receive, for life, a monthly annuity equal to 50 percent of that part of the average monthly salary of the member from which deductions were made for retirement.

(c) The surviving spouse of a member who had credit for at least three years service and who died after becoming 55 years old, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for three years or more and who was not 55 years old at death, shall receive the benefit equal to 50 percent of the average monthly salary as described in clause (b) until the deceased member would have become 55 years old, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 23 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit for any one family must not be less than 50 nor exceed 70 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for three or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 2, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have become 55 years old. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of six percent per year compounded annually.

Sec. 17. Minnesota Statutes 1992, section 352D.05, subdivision 4, is amended to read:

Subd. 4. A participant in the unclassified program may repay regular refunds taken pursuant to section 352.22, as provided in section 352.23. A participant in the unclassified program or an employee covered by the general plan who has withdrawn the value of the total shares may repay the refund taken and thereupon restore the service credit, rights and benefits forfeited by paying into the fund ~~the greater of (1) the amount refunded plus interest at an annual rate of 8.5 percent compounded annually from the date that the refund was taken until the date that the refund is repaid, or (2) an amount equal to the total of the employee and employer matching and additional contributions for the forfeited employment period less the administrative fee provided in section 352D.09, subdivision 7, plus interest at an annual rate of 8.5 percent compounded annually from the date of the start of the forfeited employment period until the date that the refund is paid.~~ If the participant had withdrawn only the employee shares as permitted under prior laws, repayment shall be pro rata. Payment shall be made in a lump sum.

Sec. 18. Minnesota Statutes 1992, section 356.302, subdivision 6, is amended to read:

Subd. 6. [COMBINED SERVICE DISABILITY BENEFIT COMPUTATION.] (a) The combined service disability benefit from each covered retirement plan must be based on the allowable service in each retirement plan, except as specified in paragraphs (b) to (f).

(b) The disability benefit must be governed by the law in effect for each covered retirement plan on the date of the commencement of the member's most recent qualifying disability as a member of a covered retirement plan.

(c) All plans must base the disability benefit on the same average salary to the extent practicable.

(d) If the method of the covered retirement plan used to compute a disability benefit varies based on the length of allowable service credit, the benefit accrual formula percentages used by the plan must recognize the allowable service credit in the plan as a continuation of any previous allowable service credit with other covered retirement plans.

(e) If the covered retirement plan is a defined benefit or formula plan and the method used to compute a disability benefit does not vary based on the length of allowable service credit, the portion of the specified benefit amount from the plan must bear the same proportion to the total specified benefit amount as the allowable service credit in that plan bears to the total allowable service credit in all covered retirement plans. If the covered retirement plan is a defined contribution or nonformula plan, the disability benefit amount for allowable service under the plan is not affected, but the service and covered salary under the plan must be used in calculations by other covered retirement plans.

(f) A period for which a person has allowable service credit in more than one covered retirement plan must be used only once in determining the total allowable service credit for calculating the combined service disability benefit, with any period of duplicated service credit handled under section 356.30, subdivision 1, clause (3), items (i) and (j).

(g) If a person is entitled to a minimum benefit payable from one of the public pension plans named in section 356.30, subdivision 3, the person may receive additional credit for only those years of service in another covered pension plan that, when added to the years of service in the pension plan that is paying the minimum benefit, exceed the years of service on which the minimum benefit is based.

(h) A partially employed recipient of a disability benefit must have any current income plus disability payment from all plans listed in subdivision 7 added together, and then compared to their final salary rate as a public employee. If current income plus disability payments exceed the final salary, then disability benefit payments from all the plans will be reduced on a prorated basis relative to the years of service in each fund so that earnings plus benefit payments do not exceed their final salary rate.

Sec. 19. [RETROACTIVE BENEFIT ACCRUAL TO COMPLY WITH AGE DISCRIMINATION LAWS.]

A retired member of the state patrol retirement plan who retired after December 31, 1987, and whose annuity was calculated using less than full years and months of service earned after reaching age 60 shall have monthly benefits recomputed using all years and months of service and including any postretirement adjustments that would have been payable. The difference between the original calculation and recomputed amount must be paid retroactively to September 1, 1989, or the date the annuity began to accrue, whichever is later.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following final enactment.

ARTICLE 3

MISCELLANEOUS MSRS PROVISIONS

Section 1. Minnesota Statutes 1992, section 352.01, is amended by adding a subdivision to read:

Subd. 13a. [REDUCED SALARY DURING PERIOD OF WORKERS' COMPENSATION.] An employee on leave of absence receiving temporary workers' compensation payments and a reduced salary or no salary from the employer who is entitled to allowable service credit for the period of absence, may make payment to the fund for the difference between salary received, if any, and the salary the employee would normally receive if not on leave of absence during the period. The employee shall pay an amount equal to the employee and employer contribution rate under section 352.04, subdivisions 2 and 3, on the differential salary amount for the period of the leave of absence.

The employing department, at its option, may pay the employer amount on behalf of its employees. Payment made under this subdivision must include interest at the rate of 8.5 percent per year, and must be completed within one year of the return from leave of absence.

Sec. 2. Minnesota Statutes 1992, section 352.03, subdivision 4a, is amended to read:

Subd. 4a. [ADDITIONAL DUTIES OF THE BOARD.] The board may consider, review, and make recommendations regarding the financial and other needs of retired employees and may disseminate appropriate retirement information to the retired employee. Notwithstanding laws to the contrary, the board, at its discretion, may supply the names and addresses of retirees who were employed by the University of Minnesota at the time of termination to the University of Minnesota and state agencies for retirees who were employed by the specific state agency at the time of termination. The board, at its discretion, may supply names and addresses of state and university retirees to an organization that has been in existence for at least ten years and represents over 5,000 retired state and university employees. The names and addresses of each retiree can only be given to this organization once within 60 days of the effective date of the annuity. The board shall require the retiree organization, University of Minnesota, or applicable state agency to reimburse the fund for any administrative expense of providing the list. The list remains the property of the Minnesota state retirement system and may not be subsequently sold, conveyed, given, or otherwise transferred by the retiree organization, the University of Minnesota, or the state agency to a third party. Periodically, retirees must be given an opportunity to specify that their name and address not be distributed under this section.

Sec. 3. Minnesota Statutes 1992, section 352.15, is amended by adding a subdivision to read:

Subd. 3. [DEDUCTING HEALTH INSURANCE PREMIUMS.] The board may direct, at its discretion, the deduction of a retirees' health insurance premiums and transfer of the amounts to a health insurance carrier covering state employees. The insurance carrier must certify that the retired employee has signed an authorization for the deduction and provide a computer readable roster of covered retirees and amounts. The health insurance carrier must refund deductions withheld from a retirees' check in error directly to the retiree. The board shall require the insurance carrier to reimburse the fund for the administrative expense of withholding the premium amounts. The insurance carrier shall assume liability for any failure of the system to properly withhold the premium amounts.

Sec. 4. Minnesota Statutes 1992, section 352.15, is amended by adding a subdivision to read:

Subd. 4. [DIRECT TRANSFER OF REFUNDS.] Direct transfer of account refunds may be made to individual retirement savings accounts or qualified retirement plans upon application for transfer by a former employee, on forms acceptable to the executive director.

Sec. 5. Minnesota Statutes 1992, section 352B.01, subdivision 11, is amended to read:

Subd. 11. [AVERAGE SALARY.] "Average monthly salary" means the average of the highest monthly salaries for five years of service as a member. Average monthly salary must be based upon all allowable service if this service is less than five years. It does not include any amounts of severance pay or any reduced salary paid during the period the person is entitled to workers' compensation benefit payments for temporary disability. A member on leave of absence receiving temporary workers' compensation payments and a reduced salary or no salary from the employer who is entitled to allowable service credit for the period of absence may make payment to the fund for the difference between salary received, if any, and the salary the member would normally receive if not on leave of absence during the period. The member shall pay an amount equal to the member and employer contribution rate under section 352B.02, subdivisions 1b and 1c, on the differential salary amount for the period of the leave of absence. The employing department, at its option, may pay the employer amount on behalf of the member. Payment made under this subdivision must include interest at the rate of 8.5 percent per year, and must be completed within one year of the return from the leave of absence.

Sec. 6. Minnesota Statutes 1992, section 352D.02, subdivision 3, is amended to read:

Subd. 3. An election to not participate is irrevocable during any period of covered employment. An employee credited with employee shares in the unclassified program, after acquiring credit for ten years of allowable service but prior to termination of covered employment, may, notwithstanding other provisions of this subdivision, elect to terminate participation in the unclassified plan and be covered by the regular plan by filing such election with the executive director. The executive director shall thereupon redeem the employee's total shares and shall credit to the employee's account in the regular plan the amount of contributions that would have been so credited had the

employee been covered by the regular plan during the employee's entire covered employment. The balance of money so redeemed and not credited to the employee's account shall be transferred to the state contribution reserve of the state employees retirement fund, ~~except that the employee contribution paid to the unclassified plan in excess of that required by the general employee plan shall be refunded to the employee as provided in section 352.22, except that~~ (1) the employee contribution paid to the unclassified plan must be compared to (2) the employee contributions that would have been paid to the general plan for the comparable period, if the individual had been covered by that plan. If clause (1) is greater than clause (2), the difference must be refunded to the employee as provided in section 352.22. If clause (2) is greater than clause (1), the difference must be paid by the employee within six months of electing general plan coverage or before the effective date of the annuity, whichever is sooner.

Sec. 7. Minnesota Statutes 1992, section 352D.02, is amended by adding a subdivision to read:

Subd. 6. The provisions of section 352.04, subdivision 8, apply to this section.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective on the day following final enactment.

ARTICLE 4

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION ADMINISTRATIVE LAW CHANGES

Section 1. Minnesota Statutes 1992, section 353.01, subdivision 2, is amended to read:

Subd. 2. [PUBLIC EMPLOYEE.] "Public employee" means ~~any person an~~ employee performing personal services for a governmental subdivision under subdivision 6, whose salary is paid, in whole or in part, from revenue derived from taxation, fees, assessments, or from other sources. The term also includes special classes of persons listed in subdivision 2a, but excludes special classes of persons listed in subdivision 2b for purposes of membership in the association. Public employee does not include independent contractors and their employees.

Sec. 2. Minnesota Statutes 1992, section 353.01, subdivision 2a, is amended to read:

Subd. 2a. [INCLUDED EMPLOYEES.] ~~The following persons are included in the meaning of "public employee":~~ Public employees whose salary from one governmental subdivision exceeds \$425 in any month shall participate as members of the association. If the salary of an employee is less than \$425 in a subsequent month, the employee retains membership eligibility. The following persons are considered public employees:

(1) employees whose annual salary from one governmental subdivision exceeds a stipulation prepared in advance, in writing, to be not more than \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period expected to be of less than a full year's duration. If compensation from one governmental subdivision to an employee under this clause exceeds \$5,100 per calendar year or school year after being stipulated in advance not to exceed that amount, the stipulation is no longer valid and contributions must be made on behalf of the employee under section 353.27, subdivision 12, from the month in which the employee's salary first exceeded \$425;

(2) employees whose total salary from concurrent nontemporary positions in one governmental subdivision exceeds \$425 in any month;

(3) elected or appointed officers and for service to which they were elected by the public-at-large, or persons appointed to fill a vacancy in an elective office, who elect to participate by filing an application for membership, but not for service on a joint or regional board that is a governmental subdivision under subdivision 6, paragraph (a), unless the salary earned for that service exceeds \$425 in any month. The option to become a member, once exercised, may not be withdrawn during the incumbency of the person in office;

(4) members who are appointed by the governor to be a state department head and elect not to be covered by the Minnesota state retirement system under section 352.021;

(5) employees of elected officers;

- ~~(2) (6) persons who elect to remain members under section 480.181, subdivision 2;~~
- ~~(3) officers and employees of the public employees retirement association;~~
- ~~(4) employees of the league of Minnesota cities;~~
- ~~(5) employees of the association of metropolitan municipalities;~~
- ~~(6) officers and employees of public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions;~~
- (7) employees of a school district who receive separate salaries for driving their own buses;
- ~~(8) employees of the association of Minnesota counties;~~
- ~~(9) employees of the metropolitan intercounty association;~~
- ~~(10) employees of the Minnesota municipal utilities association;~~
- (11) ~~(8)~~ employees of the Minnesota association of townships when the board of the association, at its option, certifies to the executive director that its employees are to be included for purposes of retirement coverage, in which case coverage of all employees of the association is permanent;
- ~~(12) employees of the metropolitan airports commission if employment initially commenced after June 30, 1979;~~
- ~~(13) employees of the Minneapolis employees retirement fund if employment initially commenced after June 30, 1979;~~
- ~~(14) employees of the range association of municipalities and schools;~~
- ~~(15) employees of the soil and water conservation districts;~~
- ~~(16) (9)~~ employees of a county historical society who are county employees;
- (17) ~~(10)~~ employees of a county historical society located in the county whom the county, at its option, certifies to the executive director to be county employees for purposes of retirement coverage under this chapter, which status must be accorded to all similarly situated county historical society employees and, once established, must continue as long as a person is an employee of the county historical society and is not excluded under subdivision 2b; and
- ~~(18) employees of an economic development authority created or operating under sections 469.090 to 469.108;~~
- ~~(19) employees of the department of military affairs of the state of Minnesota who are full time firefighters; and~~
- ~~(20) (11)~~ employees who became members before July 1, 1988, based on the total salary of positions held in more than one governmental subdivision.

Sec. 3. Minnesota Statutes 1992, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee" public employees shall not participate as members of the association:

~~(1) persons who are employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties elect public officers, or persons appointed to fill a vacancy in an elective office, who do not elect to participate in the association by filing an application for membership;~~

(2) election officers;

(3) ~~independent contractors and their employees;~~

(4) patient and inmate personnel who perform services in charitable, penal, or correctional institutions of a governmental subdivision;

~~(5) members of boards and commissions who serve a governmental subdivision intermittently unless their position on the board or commission is the result of public employment within the same governmental unit;~~

~~(6) (4) employees who are hired for a period of less than six consecutive months temporary position under subdivision 12a, and employees who resign from a nontemporary position and accept a temporary position within 30 days in the same governmental subdivision, but not those employees who are hired for an unlimited period but are serving a probationary period. If the period of employment is extended extends beyond the six month period six consecutive months and the employee earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee under section 353.27, subdivision 4.~~

Membership eligibility of an employee who resigns or is dismissed from a temporary position and within 30 days accepts another temporary position in the same governmental subdivision is determined on the total length of employment rather than on each separate position. Membership eligibility of an employee who holds concurrent temporary employment of six months or less and nontemporary positions in one governmental subdivision ~~must be is determined by the length of employment and salary of each separate position. Membership eligibility of an employee who holds nontemporary positions in one governmental subdivision must be determined by the total salary of all positions;~~

~~(7) (5) employees whose actual compensation salary from one governmental subdivision does not exceed \$425 per month, or whose annual compensation salary from one governmental subdivision is stipulated does not exceed a stipulation prepared in advance, in writing, to be not more than that the salary must not exceed \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service as defined in subdivision 11a. Membership eligibility of an employee who holds concurrent part time positions under this clause must be determined by the total salary of all such positions in one governmental subdivision. If compensation from one governmental subdivision to an employee under this paragraph exceeds \$5,100 per calendar year or school year after being stipulated in advance not to exceed that amount, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee's earnings first exceeded \$425;~~

~~(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;~~

~~(9) emergency (6) employees who are employed by reason of work emergency caused by fire, flood, storm, or similar disaster;~~

~~(10) (7) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota state retirement system, the teachers retirement association, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees retirement association, or any police or firefighters relief association that has consolidated with the public employees retirement association but whose members have not elected the type of benefit coverage provided by the public employees police and fire fund under sections 353A.01 to 353A.10. This clause must not be construed to prevent a person from being a member of and contributing to the public employees retirement association and also belonging to and contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time becomes a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association by a teacher as defined in section 354.05, subdivision 2;~~

~~(11) police matrons who are employed in a police department of a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;~~

~~(12)~~ (8) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended through January 1, 1987, if no irrevocable election of coverage has been made under section 3121(r) of the Internal Revenue Code of 1954, as amended;

~~(13)~~ (9) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are part-time employees as defined by a governmental subdivision;

(14) (10) resident physicians, medical interns, and pharmacist residents and pharmacist interns who are serving in a degree or residency program in public hospitals and;

(11) students who are serving in an internship or residency program sponsored by an accredited educational institution;

~~(15) appointed or elected officers who are paid entirely on a fee basis and who were not members on June 30, 1971;~~

(16) (12) persons who hold a part-time adult supplementary technical college license who render part-time teaching service in a technical college;

~~(17) persons exempt from licensure under section 125.031;~~

~~(18) persons employed by the Minneapolis community development agency;~~

(13) foreign citizens working for a governmental subdivision with a work permit of less than three years, or an H-1b visa valid for less than three years of employment. Upon notice to the association that the work permit or visa extends beyond the three-year period, the foreign citizens are eligible for membership from the date of the extension;

(14) public hospital employees who elected not to participate as members of the association before 1972 and who did not elect to participate from July 1, 1988 to October 1, 1988;

(19) (15) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel; and

(20) (16) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the public employees retirement association and a participant in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment activities other than those as a volunteer firefighter.

Sec. 4. Minnesota Statutes 1992, section 353.01, subdivision 6, is amended to read:

Subd. 6. [GOVERNMENTAL SUBDIVISION.] (a) "Governmental subdivision" means a county, city, town, school district within this state, or a department or unit of state government, or any public body whose revenues are derived from taxation, fees, assessments or from other sources, ~~but~~

(b) Governmental subdivision also means the public employees retirement association, the league of Minnesota cities, the association of metropolitan municipalities, public hospitals owned or operated by, or an integral part of, a governmental subdivision or governmental subdivisions, the association of Minnesota counties, the metropolitan intercounty association, the Minnesota municipal utilities association, the metropolitan airports commission, and the Minneapolis employees retirement fund for employment initially commenced after June 30, 1979, the range association of municipalities and schools, soil and water conservation districts, and economic development authorities created or operating under sections 469.090 to 469.108.

(c) Governmental subdivision does not mean any municipal housing and redevelopment authority organized under the provisions of sections 469.001 to 469.047; or any port authority organized under sections 469.048 to 469.068; or any hospital district organized or reorganized prior to July 1, 1975, under sections 447.31 to 447.37 or the successor of the district, nor the Minneapolis community development agency.

Sec. 5. Minnesota Statutes 1992, section 353.01, subdivision 7, is amended to read:

Subd. 7. [MEMBER.] "Member" means a person who accepts employment as a "public employee" under subdivision 2, is an employee under subdivision 2a, and is not covered by the plan established in chapter 353D. A person who is a member remains a member while performing services as a public employee and while on an authorized leave of absence or an authorized temporary layoff; ~~provided, however, (1) that any elected public officer or any person appointed to fill a vacancy in an elective office shall have the right to exercise an option to become a member by filing application for membership, but the option to become a member, once exercised, may not be withdrawn during the incumbency of the person in office; and (2) that any member who is appointed by the governor to be a state department head and elects pursuant to section 352.021, subdivision 3, not to be covered by the Minnesota state retirement system, shall remain a member of the public employees retirement association. Membership in the retirement association of any person shall terminate upon the person ceasing to be a "public employee."~~

Sec. 6. Minnesota Statutes 1992, section 353.01, is amended by adding a subdivision to read:

Subd. 7a. [FORMER MEMBER.] "Former member" means a member of the association who terminates public service under subdivision 11a or membership under subdivision 11b.

Sec. 7. Minnesota Statutes 1992, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] (a) "Salary" means the periodical compensation of a public employee, before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs, and also means "wages" and includes net income from fees.

~~(b) Salary does not mean fees paid to district court reporters are not salary, unused annual or sick leave payments, in lump-sum or periodic payments, are not salary, severance payments, reimbursement of expenses, lump-sum settlements not attached to a specific earnings period, or workers' compensation payments, and all. Salary does not mean employer-paid flexible spending accounts, cafeteria plans, health care expense accounts, day care expenses, or any payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage, are not salary. Before the time that all sick leave has been used, amounts paid to an employee under a disability insurance policy or program where the employer paid the premiums are salary, and, after all sick leave has been used, the payment is not salary.~~

~~(b) (c) Except as provided in sections 353.86 or 353.87, compensation of any kind paid to volunteer ambulance service personnel or volunteer firefighters, as defined in subdivisions 35 and 36, is not salary.~~

~~(e) (d) For a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the public employees retirement association and who has elected coverage under the public employees police and fire fund benefit plan under section 353A.08 following the consolidation, "salary" means the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified by law and by bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure and the actual periodical compensation of the public employee after the effective date of the consolidation.~~

Sec. 8. Minnesota Statutes 1992, section 353.01, subdivision 11a, is amended to read:

Subd. 11a. [TERMINATION OF PUBLIC SERVICE.] "Termination of public service" occurs when ~~an officer or employee terminates employment or is on temporary layoff as defined in subdivision 12 a member resigns or is dismissed from public service by the employing governmental subdivision, as evidenced by appropriate written record transmitted to the association, and does not within 30 days of termination or expiration of the temporary layoff resignation or dismissal return to a nontemporary employment position in the same governmental subdivision.~~

Sec. 9. Minnesota Statutes 1992, section 353.01, is amended by adding a subdivision to read:

Subd. 11b. [TERMINATION OF MEMBERSHIP.] "Termination of membership" occurs:

(1) upon termination of public service under subdivision 11a;

(2) when a member who is a part-time employee is excluded from membership as a full-time student under subdivision 2b, clause (9);

(3) when a member does not return to work within 30 days of the expiration of an authorized temporary layoff under subdivision 12 or an authorized leave of absence under subdivision 31. If the employee subsequently returns to a position in the same governmental subdivision, the employee shall not again be required to earn a salary in excess of \$425 per month, unless the employee has taken a refund of accumulated employee deductions plus interest under section 353.34, subdivision 1; or

(4) when a person files a written election to discontinue employee deductions under section 353.27, subdivision 7, paragraph (a), clause (1).

Sec. 10. Minnesota Statutes 1992, section 353.01, subdivision 12, is amended to read:

Subd. 12. [AUTHORIZED TEMPORARY LAYOFF.] "Authorized temporary layoff," including seasonal leave of absence, means a suspension of public employment service authorized by the employing governmental subdivision for a period not exceeding three months in any calendar year, ~~by action of the employing governmental subdivision~~ as evidenced by appropriate record of the employer and promptly transmitted to the association.

Sec. 11. Minnesota Statutes 1992, section 353.01, is amended by adding a subdivision to read:

Subd. 12a. [TEMPORARY POSITION.] "Temporary position" means an employment position of six months or less in which a person is a public employee under subdivision 2, but not an employment position for an unlimited period in which a person serves a probationary period.

Sec. 12. Minnesota Statutes 1992, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] (a) "Allowable service" means service during years of actual membership in the course of which employee contributions were made, periods covered by payments in lieu of salary deductions under section 353.35, and service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(b) "Allowable service" also means a period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(c) "Allowable service" also means a period of authorized leave of absence without pay that does not exceed one year, and during or for which a member obtained credit by payments to the fund made in place of salary deductions, provided that the payments are made in an amount or amounts based on the member's average salary on which deductions were paid for the last six months of public service, or for that portion of the last six months while the member was in public service, to apply to the period in either case immediately preceding commencement of the leave of absence. If the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion of the leave, the employee shall also, as a condition to the exercise of the election, pay to the fund an amount equivalent to both the required employer and additional employer contributions for the employee. The payment must be made within one year from the date ~~expiration of the leave of absence terminates or within 20 days after termination of public service under subdivision 11a.~~ The employer by appropriate action of its governing body, made a part of its official records, before the date of the first payment of the employee contribution, may certify to the association in writing its commitment to pay the employer and additional employer contributions from the proceeds of a tax levy made under section 353.28. Payments under this paragraph must include interest at an annual rate of 8.5 percent compounded annually from the date of the termination of the leave of absence to the date payment is made. An employee shall return to public service for a minimum of 90 calendar days to be eligible to pay employee and employer contributions for a subsequent authorized leave of absence without pay.

(d) "Allowable service" also means a periodic, repetitive leave that is offered to all employees of a governmental subdivision. The leave program may not exceed 208 hours per annual normal work cycle as certified to the association by the employer. A participating member obtains service credit by making employee contributions in an amount or amounts based on the member's average salary that would have been paid if the leave had not been taken. The employer shall pay the employer and additional employer contributions on behalf of the participating member. The employee and the employer are responsible to pay interest on their respective shares at the rate of six percent a year, compounded annually, from the ~~date or dates that the contributions were first payable~~ end of the normal cycle until full payment is made. An employer shall also make the employer and additional employer contributions, plus six percent interest, compounded annually, on behalf of an employee who makes employee contributions but terminates public service. The employee contributions must be made within one year after the end of the annual normal working cycle or within 20 days after termination of public service, whichever is ~~applicable~~ sooner. The association shall prescribe the manner and forms to be used by a governmental subdivision in administering a periodic, repetitive leave.

(e) "Allowable service" also means a period during which a member is on an authorized sick leave of absence, without pay, limited to one year. An employee who has received one year of allowable service shall return to public service for a minimum of 90 calendar days to receive allowable service for a subsequent authorized sick leave of absence.

(f) "Allowable service" also means an authorized temporary layoff under subdivision 12. The association shall grant a maximum of three months allowable service per authorized temporary layoff in one calendar year. An employee shall return to public service for a minimum of 90 calendar days to receive allowable service for a subsequent authorized temporary layoff.

(g) "Allowable service" also means a ~~maternity, paternity, or adoption parental leave~~. The association shall grant a maximum of two months service credit for a ~~maternity, paternity, or adoption parental leave, within six months after the birth or adoption~~, upon documentation from the member's governmental subdivision. ~~A member on personal leave of absence who provides the association with or presentation of a birth certificate or other evidence of birth or adoption during the personal leave time period also receives up to two months of service credit to the association.~~

(h) "Allowable service" also means a period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service under section 192.262 and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. Payment must be made within five years of the date of discharge from the military service. The amount of these contributions must be in accord with the contribution rates and salary limitations, if any, in effect during the leave, plus interest at an annual rate of 8.5 percent compounded annually from the date of return to public service to the date payment is made. The matching employer contribution and additional employer contribution under section 353.27, subdivisions 3 and 3a, must be paid by the ~~department~~ governmental subdivision employing the member upon return to public service if the member makes the employee contributions. The governmental subdivision involved may appropriate money for those payments. A member may not receive credit for a voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction, or call to active duty.

(i) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the community corrections act, chapter 401, and transferred into county service under section 401.04, "allowable service" means combined years of allowable service as defined in paragraphs (a) to (h) and section 352.01, subdivision 11.

(j) For a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the public employees retirement association, and who has elected the type of benefit coverage provided by the public employees police and fire fund under section 353A.08 following the consolidation, "applicable service" is a period of service credited by the local police or firefighters relief association as of the effective date of the consolidation based on law and on bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure.

Sec. 13. Minnesota Statutes 1992, section 353.01, subdivision 28, is amended to read:

Subd. 28. [RETIREMENT.] (a) "Retirement" means the ~~withdrawal from active public service by a member who is paid a retirement annuity that begins to accrue~~ commencement of payment of an annuity based on a date designated by the board of trustees. This date determines the rights specified in under this chapter which occur either before or after retirement. A right to retirement must not accrue without a complete and continuous separation from public service for 30 days following the withdrawal from public service for the purpose of retirement is subject to termination of public service under subdivision 11a and termination of membership under subdivision 11b.

(b) Notwithstanding the 30-day separation requirement, a member of the defined benefit plan under this chapter, who also participates in the public employees defined contribution plan under chapter 353D for other public service, may be paid, if eligible, a retirement annuity from the defined benefit plan while participating in the defined contribution plan.

Sec. 14. Minnesota Statutes 1992, section 353.01, subdivision 31, is amended to read:

Subd. 31. [AUTHORIZED LEAVE OF ABSENCE.] "Authorized leave of absence" means any period during which a member is ~~duly~~ authorized by an employer to refrain from active employment, with or without pay, evidenced by appropriate record of the employer and promptly transmitted to the association.

Sec. 15. Minnesota Statutes 1992, section 353.01, subdivision 32, is amended to read:

Subd. 32. [COORDINATED MEMBER.] "Coordinated member" means any public employee, including any public hospital employee, covered by any agreement or modification made between the state and the Secretary of Health, Education and Welfare, making the provisions of the federal old age, survivors and disability insurance act applicable to ~~such~~ the member if membership eligibility criteria are met under this chapter. Coordinated member also means a basic member who terminates public service under subdivision 11a, reenters public service in a nontemporary position, and meets the membership eligibility criteria under this chapter.

Sec. 16. Minnesota Statutes 1992, section 353.017, is amended to read:

353.017 [EMPLOYEES OF LABOR ORGANIZATIONS.]

Subdivision 1. [QUALIFICATIONS.] A former member of the association, or a current coordinated member on an authorized leave of absence, who is an employee of a labor organization that represents public employees who are association members may elect pursuant to, under subdivision 2, to be a coordinated member with respect to service with ~~such~~ the labor organization unless specifically exempt under section 353.01, subdivision 2b.

Subd. 2. [ELECTION.] A person described in subdivision 1 ~~will be~~ is covered by the association if written election to be covered is delivered to the ~~board~~ association within ~~30 days~~ six months of ~~being employed~~ employment by ~~such~~ the labor organization or within six months after July 1, 1993, whichever is applicable.

Subd. 3. [CONTRIBUTIONS.] The employee, employer and additional employer contributions shall be the obligation of the employee who elects coverage herein in accord with this chapter; provided, however, the employer, labor organization, may pay the employer and additional employer contributions. The employer shall, in any event, deduct the necessary contributions from the employee's salary and remit all contributions to the public employees retirement association pursuant to section 353.27, subdivisions 4, 7, 10, 11, and 12.

Subd. 5. [BOARD MEMBERSHIP EXCLUDED.] Persons who become association members pursuant to this section shall not be eligible for election to the board of trustees.

Sec. 17. Minnesota Statutes 1992, section 353.27, subdivision 7, is amended to read:

Subd. 7. [ADJUSTMENT FOR ERRONEOUS RECEIPTS OR DISBURSEMENTS.] (a) [DEDUCTIONS TAKEN IN ERROR.] ~~Deductions taken in error by the employer from the salary of an employee for the retirement fund and transmitted to the association must be refunded to the employee under section 353.34, subdivision 2. The employer contribution and the additional employer contribution, if any, for the erroneous employee contribution must be refunded to the employer, provided that the refund of deductions taken in error has been made within three calendar years of the calendar year in which the initial deduction taken in error was received by the association. A refund of deductions taken in error from sick leave, vacation, workers' compensation, and severance pay may be made at any time. If the refund of deductions taken in error has not been made within three calendar years of the calendar year in which the initial deduction taken in error was received by the association, the erroneous contributions are considered valid, and the years of allowable service attributable to the deductions taken in error must be credited to the member under section 353.01, subdivision 16. Notwithstanding a law to the contrary, the employee may continue to be a member until termination of public service. Erroneous employee deductions and erroneous employer contributions and additional employer contributions for a person, who otherwise does not qualify for membership under this chapter, are considered:~~

(1) valid if the initial erroneous deduction began before January 1, 1990. Upon determination of the error by the association, the person may:

(i) continue membership in the association while employed in the same position for which erroneous deductions were taken; or

(ii) file a written election to terminate membership and apply for a refund or defer an annuity under section 353.34;

(2) invalid, if the initial erroneous employee deduction began on or after January 1, 1990. Upon determination of the error, the association shall require the employer to discontinue erroneous employee deductions and erroneous employer contributions and additional employer contributions. Upon discontinuance, the association shall refund all erroneous employee deductions to the person, with interest, under section 353.34, subdivision 2, and all erroneous employer contributions and additional employer contributions to the employer. No person may claim a right to continued or past membership in the association based on erroneous deductions which began on or after January 1, 1990;

(3) a refund of deductions taken in error from sick leave, vacation, workers' compensation, and severance pay may be made at any time.

(b) [ERRONEOUS DISBURSEMENT.] In the event a salary warrant or check from which a deduction for the retirement fund was taken has been canceled or the amount of the warrant or check returned to the funds of the department making the payment, a refund of the sum deducted, or a portion of it that is required to adjust the deductions, must be made to the department or institution.

Sec. 18. Minnesota Statutes 1992, section 353.29, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon ~~separation from public service, any termination of membership,~~ a person who has attained normal retirement age and who received credit for not less than three years of allowable service is entitled upon application to a retirement annuity. ~~Such~~ The retirement annuity is known as the "normal" retirement annuity.

Sec. 19. Minnesota Statutes 1992, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE, AND SALARY REQUIREMENTS.] A coordinated member who has at least three years of allowable service and becomes totally and permanently disabled before normal retirement age, and after a basic member who has at least three years of allowable service and who becomes totally and permanently disabled is entitled to a disability benefit in an amount under subdivision 3. If the disabled person's public service has terminated at any time, at least two of the required three years of allowable service must have been rendered after last becoming a member. A repayment of a refund ~~may~~ must be made within six months after the effective date of disability benefits under subdivision 2 or within six months after the date of the filing of the disability application, whichever is ~~sooner~~ later. No purchase of prior service or payment made in lieu of salary deductions otherwise authorized under section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application under this section is filed.

Sec. 20. Minnesota Statutes 1992, section 353.33, subdivision 2, is amended to read:

Subd. 2. [APPLICATIONS; ACCRUAL OF BENEFITS.] Every claim or demand for a total and permanent disability benefit must be initiated by written application in the manner and form prescribed by the executive director showing compliance with the statutory conditions qualifying the applicant for a total and permanent disability benefit and filed with the executive director. A member or former member who became totally and permanently disabled during a period of membership ~~may~~ shall file application for total and permanent disability benefits within three years next following termination of public service, ~~but not thereafter~~. This benefit ~~shall begin~~ begins to accrue the day following the commencement of disability, 90 days preceding the filing of the application, or, if annual or sick leave is paid for more than the said 90-day period, from the date salary ceased, whichever is later. ~~No~~ Payment shall ~~must not~~ accrue beyond the end of the month in which entitlement has terminated. If the disabilitant dies prior to negotiating the check for the month in which death occurs, payment ~~will be~~ is made to the surviving spouse, or if none, to the designated beneficiary, or if none, to the estate. An applicant for total and permanent disability benefits may file a retirement annuity application under section 353.29, subdivision 4, simultaneously with an application for total and permanent disability benefits. The retirement annuity application is void upon the determination of the entitlement for disability benefits by the executive director. If disability benefits are denied, the retirement annuity application must be initiated and processed.

Sec. 21. Minnesota Statutes 1992, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] This disability benefit is an amount equal to the normal annuity payable to a member who has reached normal retirement age with the same number of years of allowable service and the same average salary, as provided in section 353.29, subdivisions 2 and 3.

A "basic member" shall receive ~~in addition~~ a supplementary monthly benefit ~~computed in accordance with the following table:~~ of \$25 to age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later.

Age when Disabled	Supplementary benefit
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

If the disability benefits ~~provided in~~ under this subdivision exceed the average salary as defined in section 353.29, subdivision 2, the disability benefits ~~shall~~ must be reduced to an amount equal to said average salary.

Sec. 22. Minnesota Statutes 1992, section 353.33, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE TO DETERMINE ELIGIBILITY.] The applicant shall provide and authorize release of medical evidence, including all medical records and relevant information from any source, to support the application for total and permanent disability benefits. The medical adviser shall verify the medical evidence and, if necessary for disability determination, suggest referral of applicant to specialized medical consultants. The association shall also obtain from the employer, certification of the member's past public service, dates of paid sick leave and vacation beyond the last working day and whether or not sick leave or annual leave has been allowed. If upon consideration of the medical ~~reports~~ evidence received and the recommendations of the medical adviser, it is determined that the applicant is totally and permanently disabled within the meaning of the law, the association shall grant the person a disability benefit. The fact that an employee is placed on leave of absence without compensation because of disability ~~shall does~~ not bar the person from receiving a disability benefit.

Sec. 23. Minnesota Statutes 1992, section 353.33, subdivision 6, is amended to read:

Subd. 6. [CONTINUING ELIGIBILITY FOR BENEFITS.] The association shall determine eligibility for continuation of disability benefits ~~shall be determined by the association, which has authority to and~~ require periodic examinations and evaluations of disabled members as frequently as deemed necessary. The association shall require the disabled member to provide and authorize release of medical evidence, including all medical records and information from any source, relating to an application for continuation of disability benefits. Disability benefits are contingent upon a disabled person's participation in a vocational rehabilitation program if the executive director determines that the disabled person may be able to return to a gainful occupation. If a member is found to be no longer totally and permanently disabled and is reinstated to the payroll, payments must cease the first of the month following the reinstatement to the payroll.

Sec. 24. Minnesota Statutes 1992, section 353.33, subdivision 8, is amended to read:

Subd. 8. [REFUSAL OF EXAMINATION OR MEDICAL EVIDENCE.] ~~Should any such disabled~~ If a person refuse applying for or receiving a disability benefit refuses to submit to a medical examination as herein provided, payments by the fund shall be discontinued, and all rights of the member in any disability benefit shall be revoked by the board under subdivision 6, or fails to provide or authorize the release of medical evidence under subdivisions 4 and 6, the association shall cease the application process or discontinue the payment of a disability benefit, whichever is applicable. Upon receipt of the requested medical evidence, the association shall resume the application process or the payment of a disability benefit upon approval for the continuation, whichever is applicable.

Sec. 25. Minnesota Statutes 1992, section 353.33, subdivision 11, is amended to read:

Subd. 11. [COORDINATED MEMBER RETIREMENT STATUS AT NORMAL RETIREMENT AGE.] No person shall be is entitled to receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a ~~person hereunder shall~~ coordinated member must terminate when the person reaches normal retirement age. If the ~~person coordinated member~~ coordinated member is still totally and permanently disabled ~~when the person attains the~~ upon attaining normal retirement age, the ~~person shall be~~ coordinated member is deemed to be on retirement status ~~and,~~ and, If the ~~person had elected an optional annuity pursuant to is elected~~ under subdivision 3a, the coordinated member shall receive an annuity in accordance with ~~under~~ the terms of the optional annuity previously elected, or, if the person

~~had not elected an optional annuity pursuant to~~ is not elected under subdivision 3a, the coordinated member may at the option of the person either elect to receive either a normal retirement annuity as provided in under section 353.29 or ~~normal retirement an~~ annuity equal to the disability benefit paid before the ~~person reached~~ coordinated member reaches normal retirement age, whichever amount is greater, or elect to receive an optional annuity as ~~provided in~~ under section 353.30, subdivision 3. ~~Any~~ The annuity of a disabled person coordinated member who attains normal retirement age shall have the annuity must be computed in accordance with under the law in effect upon attainment of ~~that~~ normal retirement age. Election of an optional annuity ~~shall~~ must be made ~~prior to~~ before the ~~person attaining the~~ coordinated member attains normal retirement age. If an optional annuity is elected, the election ~~shall be~~ is effective on the date on which the person attains normal retirement age and the optional annuity ~~shall begin~~ begins to accrue on the first day of the month next following the month in which the person attains that age.

Sec. 26. Minnesota Statutes 1992, section 353.33, is amended by adding a subdivision to read:

Subd. 12. [BASIC DISABILITY SURVIVOR BENEFITS.] If a basic member who is receiving a disability benefit under subdivision 3:

(a) dies before attaining age 65 or within five years of the effective date of the disability, whichever is later, the surviving spouse shall receive a survivor benefit under section 353.31, unless the surviving spouse elected to receive a refund under section 353.32, subdivision 1.

(b) is living at age 65 or five years after the effective date of the disability, whichever is later, the basic member may continue to receive a normal disability benefit, or elect a joint and survivor optional annuity under section 353.31, subdivision 1b. The election of the joint and survivor optional annuity must occur within 90 days of age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity takes effect on the first of the month following the month in which the person attains age 65 or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later.

(c) if there is a dependent child or children under paragraph (a) or (b), the association shall grant a dependent child benefit under section 353.31, subdivision 1b, paragraph (b).

Sec. 27. Minnesota Statutes 1992, section 353.34, subdivision 1, is amended to read:

Subdivision 1. [REFUND OR DEFERRED ANNUITY.] A former member who ceases to be a public employee by reason of termination of public service, or who is on a continuous layoff for more than 120 calendar days, is entitled to a refund of accumulated employee deductions under subdivision 2, or to a deferred annuity under subdivision 3. An active member of a fund enumerated in section 356.30, subdivision 3, clause (7), (8), or (14), who terminates public service in any of those funds and becomes a member of another fund enumerated in those clauses may receive a refund of employee contributions plus six percent interest compounded annually from the fund in which the member terminated service. Application for a refund may not be made prior to the date of termination of public service or the expiration of 120 days of layoff termination of membership, whichever is sooner. A refund must be paid within 120 days following receipt of the application unless the applicant has again become a public employee required to be covered by the association.

Sec. 28. Minnesota Statutes 1992, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] A member with at least three years of allowable service when termination of public service or termination of membership occurs has the option of leaving the accumulated deductions in the fund and being entitled to a deferred retirement annuity commencing at normal retirement age or to a deferred early retirement annuity under section 353.30, subdivision 1, 1a, 1b, 1c, or 5. The deferred annuity must be computed under section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service or termination of membership and must be augmented as provided in section 353.71, subdivision 2. A former member qualified to apply for a deferred retirement annuity may revoke this option at any time before the commencement of deferred annuity payments by making application for a refund. The person is entitled to a refund of accumulated member contributions within 30 days following date of receipt of the application by the executive director.

Sec. 29. Minnesota Statutes 1992, section 353.35, is amended to read:

353.35 [CONSEQUENCES OF REFUND; REPAYMENT, RIGHTS RESTORED.]

Subdivision 1. [REFUND RIGHTS.] When any former member accepts a refund, all existing service credits and all rights and benefits to which the person was entitled prior to the acceptance of the refund must terminate ~~and must not again.~~ The rights and benefits of a former member must not be restored until the person returns to active service and acquires at least six months of allowable service credit after taking the last refund and repays all refunds the refund or refunds taken and interest received under section 353.34, subdivisions 1 and 2, plus interest at an annual rate of 8.5 percent compounded annually. If the person elects to restore service credit in a particular fund from which the person has taken more than one refund, the person must repay all refunds to that fund. All refunds must be repaid within six months of the last date of termination of public service.

~~If more than one refund has been taken, the person may repay all refunds or only the refund for the fund in which the person had most recently been a member, with interest at an annual rate of 8.5 percent compounded annually. All refunds must be repaid within six months of the last date of termination of public service.~~

Subd. 2. [REFUND REPAYMENT.] A person who receives a refund of accumulated employee deductions, plus interest, may repay the total amount of the refund including the interest, within 30 days of the date the refund was issued, to retain allowable service.

Sec. 30. Minnesota Statutes 1992, section 353.37, is amended to read:

353.37 [PUBLIC REEMPLOYMENT OF ANNUITANT.]

Subdivision 1. [EFFECT ON ANNUITY SALARY MAXIMUMS.] ~~(a)~~ The annuity of a person otherwise eligible for an annuity under this chapter must be suspended under subdivision 2 or reduced under subdivision 3, whichever results in the higher annual annuity amount, if the person reenters public service as a nonelective employee of a governmental subdivision in a position covered by this chapter, if earned compensation and salary for the reemployment service equals or exceeds the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services under United States Code, title 42, section 403, in any calendar year. In the event that if the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings salary for the person are is equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits.

Subd. 2. [SUSPENSION OF ANNUITY.] The association shall suspend the annuity on the first of the month after the month in which the salary of the reemployed annuitant exceeds the maximums set in subdivision 1, based only on those months in which the annuitant is actually employed in nonelective service in a position covered under this chapter. An annuitant who is elected to public office after retirement may hold office and receive an annuity otherwise payable from the association.

~~(b)~~ Subd. 3. [REDUCTION OF ANNUITY.] The association shall reduce the amount of the annuity as follows:

~~(1)~~ (a) for a person who has not reached normal retirement age, one-half of the amount in excess of the applicable reemployment income maximum specified in this under subdivision 1;

~~(2)~~ (b) for a person who has reached normal retirement age, but has not reached age 70, one-third of the amount in excess of the applicable reemployment income maximum specified in this under subdivision 1.

(c) for a person who has reached age 70, or for income salary earned through service in an elected office, there is no reduction upon reemployment, regardless of income. Any reduction must be made from the annuity payable for the calendar year immediately following the calendar year in which the excess amount was earned.

Subd. 4. [RESUMPTION OF ANNUITY.] The association shall resume paying a full annuity to the reemployed annuitant at the start of each calendar year until the salary exceeds the maximums under subdivision 1, or on the first of the month following termination of public service or termination of membership, whichever is sooner. The executive director may adopt policies regarding the suspension and reduction of annuities under this section.

(e) Subd. 5. [EFFECT ON ANNUITY.] Except as provided in ~~paragraphs (a) and (b)~~ under this section, public service performed by an annuitant subsequent to retirement under this chapter does not increase or decrease the amount of an annuity. The annuitant ~~may~~ shall not make any further contributions to the association's defined benefit plan by reason of this subsequent public service.

Sec. 31. Minnesota Statutes 1992, section 353.64, subdivision 1, is amended to read:

Subdivision 1. [POLICE AND FIRE FUND MEMBERSHIP.] ~~Any (a) A~~ Any (a) A person who prior to July 1, 1961, was a member of the police and fire fund, by virtue of being a police officer or firefighter, shall, as long as the person remains in either position, ~~be deemed to~~ continue membership in the fund.

~~Any (b) A~~ Any (b) A person who was employed by a governmental subdivision as a police officer and was a member of the police and fire fund on July 1, 1978, by virtue of being a police officer as defined by this section on that date ~~shall be entitled, and~~ shall if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date, ~~to~~ shall continue membership in the fund whether or not that person has the power of arrest by warrant after that date.

~~Any (c) A~~ Any (c) A person who was employed by a governmental subdivision as a police officer or a firefighter, whichever applies, was an active member of the local police or salaried firefighters relief association located in that governmental subdivision by virtue of that employment as of the effective date of the consolidation as authorized by sections 353A.01 to 353A.10, and has elected coverage by the public employees police and fire fund benefit plan, shall ~~be considered to be~~ become a member of the police and fire fund after that date if employed by the same governmental subdivision in a position in the same department in which the person was employed on that date.

(d) Any other employee serving on a full-time basis as a police officer or firefighter on or after July 1, 1961, shall become a member of the public employees police and fire fund.

~~Any (e) An~~ Any (e) An employee serving on less than a full-time basis as a police officer shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a police officer.

~~Any (f) An~~ Any (f) An employee serving on less than a full-time basis as a firefighter shall become a member of the public employees police and fire fund only after a resolution stating that the employee should be covered by the police and fire fund is adopted by the governing body of the governmental subdivision employing the person declaring that the position which the person holds is that of a firefighter.

~~Any (g) A~~ Any (g) A police officer or firefighter employed by a governmental subdivision who by virtue of that employment is required by law to be a member of and to contribute to any police or firefighter relief association governed by section 69.77 which has not consolidated with the public employees police and fire fund and any police officer or firefighter of a relief association that has consolidated with the association for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10 shall ~~not be~~ become a member of ~~this the~~ the public employees police and fire fund.

Sec. 32. Minnesota Statutes 1992, section 353.64, subdivision 5a, is amended to read:

Subd. 5a. A member of the police and fire fund continues to be a member of that fund if transferred to a different position with associated police or fire department functions in the same department or a related department in the same governmental subdivision provided the governing body sends a copy of a resolution to that effect to the association ~~and the member meets the eligibility criteria under subdivision 2 or 3.~~ A police and fire fund member who is elected or assumes an appointive position, including but not limited to, the positions of city council member, city manager, and finance director is not eligible to retain membership in the public employees police and fire fund.

Sec. 33. Minnesota Statutes 1992, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] ~~Any A~~ Any A member of the police and fire fund ~~less than 55 years of age,~~ who becomes disabled and physically unfit to perform duties as a police officer or firefighter subsequent to June 30, 1973, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which has or is expected to render the member physically or mentally unable to perform duties as a police officer or firefighter for a period of at least one year, shall receive disability benefits during the period of such

disability. The benefits must be in an amount equal to 50 percent of the "average salary" pursuant to subdivision 3 plus an additional 2-1/2 percent of said average salary for each year of service in excess of 20 years. Should disability under this subdivision occur before the member has at least five years of allowable service credit in the police and fire fund, the disability benefit must be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 34. Minnesota Statutes 1992, section 353.656, subdivision 1a, is amended to read:

Subd. 1a. [OPTIONAL ANNUITY ELECTION.] A disabled member of the police and fire fund may elect to receive the normal disability benefit or an optional annuity as provided in section 353.30, subdivision 3. The election of an optional annuity ~~shall~~ may be made prior to commencement of payment of the disability benefit or as specified under subdivision 6a. The optional annuity shall begin to accrue on the same date as provided for the disability benefit.

(1) If the person who is not the spouse of the member is named as beneficiary of the joint and survivor optional annuity, the person is eligible to receive the annuity only if the spouse, on the disability application form prescribed by the executive director, permanently waives the surviving spouse benefits under section 353.657, subdivisions 2 and 2a. If the spouse of the member refuses to permanently waive the surviving spouse coverage, the selection of a person other than the spouse of the member as a joint annuitant is invalid.

(2) If the spouse of the member permanently waives survivor coverage, the dependent child or children, if any, continue to be eligible for survivor benefits, including the minimum benefit under section 353.657, subdivision 3. The designated optional annuity beneficiary may draw the monthly benefit; however, the amount payable to the dependent child or children and joint annuitant must not exceed the 70 percent maximum family benefit under section 353.657, subdivision 3. If the maximum is exceeded, the benefit of the joint annuitant must be reduced to the amount necessary so that the total family benefit does not exceed the 70 percent maximum family benefit amount.

(3) If the spouse is named as the beneficiary of the joint and survivor optional annuity, the spouse may draw the monthly benefit; however, the amount payable to the dependent child or children and the joint annuitant must not exceed the 70 percent maximum family benefit under section 353.657, subdivision 3. If the maximum is exceeded, each dependent child will receive ten percent of the member's specified average monthly salary, and the benefit to the joint annuitant must be reduced to the amount necessary so that the total family benefit does not exceed the 70 percent maximum family benefit amount. The joint and survivor optional annuity must be restored to the surviving spouse, plus applicable postretirement adjustments under section 356.41, as the dependent child or children become no longer dependent under section 353.01, subdivision 15.

Sec. 35. Minnesota Statutes 1992, section 353.656, subdivision 3, is amended to read:

Subd. 3. [NONDUTY DISABILITY BENEFIT.] Any member who becomes disabled after not less than one year of allowable service, ~~before reaching the age of 55~~, because of sickness or injury occurring while not on duty as a police officer or firefighter, and by reason of that sickness or injury the member has been or is expected to be unable to perform duties as a police officer or firefighter for a period of at least one year, is entitled to receive a disability benefit. The benefit must be ~~in the same amount and~~ paid in the same manner as if the member were ~~55 years of age at the date of disability and the benefit were paid under section 353.651~~. If a disability under this subdivision occurs after one but in less than 15 years of allowable service, the disability benefit must be the same as though the member had at least 15 years service. For a member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minnesota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.

Sec. 36. Minnesota Statutes 1992, section 353.656, subdivision 5, is amended to read:

Subd. 5. [PROOF OF DISABILITY.] ~~No~~ A disability benefit payment ~~shall~~ must not be made except upon adequate proof furnished to the association of the existence of such disability, and during the time when ~~any such~~ disability benefits are being paid, the association ~~shall have~~ has the right, at reasonable times, to require the disabled member to submit proof of the continuance of the disability claimed. ~~Payment of a disability benefit must cease the first of the month following reinstatement to a position covered by the public employees police and fire fund. A person applying for or receiving a disability benefit shall provide or authorize release of medical evidence, including all medical records and information from any source, relating to an application for disability benefits.~~

Sec. 37. Minnesota Statutes 1992, section 353.656, is amended by adding a subdivision to read:

Subd. 5a. [CESSATION OF DISABILITY BENEFIT.] The association shall cease the payment of an in-line-of-duty or nonduty disability benefit the first of the month following the reinstatement of a member to full time or less than full-time service in a position covered by the police and fire fund.

Sec. 38. Minnesota Statutes 1992, section 353.656, is amended by adding a subdivision to read:

Subd. 6a. [DISABILITY SURVIVOR BENEFITS.] If a member who is receiving a disability benefit under subdivision 1 or 3:

(a) dies before attaining age 65 or within five years of the effective date of the disability, whichever is later, the surviving spouse shall receive a survivor benefit under section 353.657, subdivision 2 or 2a, unless the surviving spouse elected to receive a refund under section 353.32, subdivision 1. The joint and survivor optional annuity under subdivision 2a is based on the minimum disability benefit under subdivision 1 or 3, or the deceased member's allowable service, whichever is greater.

(b) is living at age 65 or five years after the effective date of the disability, whichever is later, the member may continue to receive a normal disability benefit, or the member may elect a joint and survivor optional annuity under section 353.30. The optional annuity is based on the minimum disability benefit under subdivision 1 or 3, or the member's allowable service, whichever is greater. The election of this joint and survivor annuity must occur within 90 days of age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity takes effect the first of the month following the month in which the person attains age 65 or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later.

(c) if there is a dependent child or children under paragraph (a) or (b), the association shall grant a dependent child benefit under section 353.657, subdivision 3.

Sec. 39. Minnesota Statutes 1992, section 353A.08, subdivision 1, is amended to read:

Subdivision 1. [ELECTION OF COVERAGE BY CURRENT RETIREES.] A person who is receiving a service pension, disability benefit, or survivorship benefit is eligible to elect benefit coverage provided under the relevant provisions of the public employees police and fire fund benefit plan or to retain benefit coverage provided under the relief association benefit plan in effect on the effective date of the consolidation. The relevant provisions of the public employees police and fire fund benefit plan for the person electing that benefit coverage ~~shall be~~ are limited to participation in the Minnesota postretirement investment fund for any future postretirement adjustments ~~in based on~~ based on the amount of the benefit or pension payable ~~as of on December 31, if December 31 is the effective date of consolidation, or on the December 1 following the effective date of the consolidation, the date as of which pension or benefit payments are to be paid and the termination of a survivor or disability benefit or suspension of a retirement annuity before the death of the person if other than December 31.~~ The survivorship benefit payable on behalf of any service pension or disability benefit recipient who elects benefit coverage ~~provided under the relevant provisions of the public employees police and fire fund benefit plan must be calculated under the relief association benefit plan in effect on the effective date of the consolidation~~ and is subject to participation in the Minnesota postretirement investment fund for any future postretirement adjustments ~~in~~ based on the amount of the survivorship benefit payable.

By electing the public employees police and fire fund benefit plan, a current service pension or disability benefit recipient who, as of the first January 1 occurring after the effective date of consolidation, has been receiving the pension or benefit for at least seven months, or any survivor benefit recipient who, as of the first January 1 occurring after the effective date of consolidation, has been receiving the benefit on the person's own behalf or in combination with a prior applicable service pension or disability benefit for at least seven months is eligible to receive a partial adjustment payable from the Minnesota postretirement investment fund under section 11A.18, subdivision 9.

The election by any pension or benefit recipient must be made on or before the deadline established by the board of the public employees retirement association in a manner that recognizes the number of persons eligible to make the election and the anticipated time required to conduct any required benefit counseling.

Sec. 40. Minnesota Statutes 1992, section 353A.08, subdivision 3, is amended to read:

Subd. 3. [ELECTION OF COVERAGE BY ACTIVE MEMBERS.] ~~Any A~~ person who is employed as a police officer or as a firefighter other than a volunteer firefighter, whichever applies, by the municipality and is an active member of the relief association ~~shall have~~ has the option to elect to ~~have~~ benefit coverage ~~provided under the relevant provisions of the public employees police and fire fund benefit plan or to retain benefit coverage provided by the relief association benefit plan in effect on the effective date of consolidation.~~ The relevant provisions of the public employee police and fire fund benefit plan for the person electing that benefit coverage ~~shall be~~ are the relevant provisions of the public employee police and fire fund benefit plan applicable to retirement annuities, disability benefits, and survivor benefits, including participation in the Minnesota postretirement investment fund, but excluding any provisions governing the purchase of credit for prior service or making payments in lieu of member contribution deductions applicable to any period which occurred before the effective date of consolidation.

An active member ~~shall be~~ is eligible to make an election at one of the following times:

- (a) ~~on or before the date occurring 180 days after~~ within six months of the effective date of consolidation;
- (b) ~~after~~ between the date on which the active member attains the age of 49 years and six months and ~~before~~ the date on which the active member attains the age of 50 years; or
- (c) on the date on which the active member terminates active employment as ~~a police officer or firefighter for purposes of receiving a service pension or disability benefits, or within 90 days of the date the member terminates active employment and defers receipt of a service pension,~~ whichever applies, ~~with the municipality in which the local relief association subject to consolidation was located.~~

Sec. 41. Minnesota Statutes 1992, section 353A.08, subdivision 5, is amended to read:

Subd. 5. [RETURNING DISABILITANTS; REEMPLOYED ANNUITANTS.] ~~Any A~~ person who is receiving a disability benefit from a consolidating local relief association as of the effective date of the consolidation and who recovers sufficiently from that disability following the effective date of the consolidation to allow for a return to active employment as a police officer or firefighter, whichever applies, with the municipality in which the consolidating relief association was located ~~shall retain~~ retains eligibility to the local relief association benefit plan only and ~~shall is~~ not be entitled to elect the public employees police and fire fund benefit plan as an active member, even if the public employees police and fire fund benefit plan was elected as a benefit recipient.

~~Any A~~ person who becomes disabled following the effective date of the consolidation ~~shall be~~ is entitled to make a benefit plan coverage election as an active member upon the termination of active employment and commencement of the disability benefit and, upon any return to active service, ~~shall retain~~ retains benefit plan coverage by the previously selected benefit plan coverage election.

~~Any A~~ person who retired from a consolidating local relief association ~~before the effective date of the consolidation or retires~~ after the effective date of the consolidation, who has elected coverage by the public employees police and fire fund benefit plan and who returns to active employment with an employing unit covered by the public employees retirement association following the effective date of consolidation ~~shall be~~ is subject to the provisions of section 353.37, ~~subdivision 1.~~

Sec. 42. Minnesota Statutes 1992, section 353A.10, subdivision 4, is amended to read:

Subd. 4. [REFUND OF CERTAIN MEMBER CONTRIBUTION AMOUNTS.] (a) The following persons are entitled to receive a refund of certain member contribution amounts under paragraph (b):

(1) A person who was an active member of a local police or firefighters relief association upon its consolidation with the public employees retirement association, who does not elect the type of benefit coverage provided by the public employees police and fire benefit plan and who begins receipt of a service pension or a disability benefit from the consolidation account, or who defers receipt of a service pension under the local relief association plan upon application for the refund of excess contributions; or

(2) A person who is the surviving spouse, or if none, the surviving minor child, or if none, the designated beneficiary of a person who was an active member of a local police or firefighters relief association upon its consolidation with the fund, who did not elect the type of benefit coverage provided by the public employees police and fire benefit plan and who dies prior to receiving a service pension or a disability benefit from the consolidation account.

(b) The refund of certain member contribution amounts is the amount by which any member contributions made to the consolidation account under section 353A.09, subdivision 4, exceeds the amount of employee or member contributions which would have been payable to the local relief association as provided in the benefit plan in effect on the effective date of consolidation, plus interest at the rate of six percent, compounded quarterly, from the date on which the contribution was made until the first of the month in which the refund is paid.

(c) A refund of certain contribution amounts must occur as soon as practicable following receipt of a valid application from the appropriate person ~~and~~ or the commencement of receipt of the service pension or disability benefit or official notification of death, whichever applies.

Sec. 43. Minnesota Statutes 1992, section 353B.11, subdivision 6, is amended to read:

Subd. 6. [DISCONTINUATION; SURVIVING SPOUSE BENEFIT.] (a) Except as specified in paragraph (b) or (c), a surviving spouse benefit ~~shall terminate~~ terminates upon the death or the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit.

(b) A surviving spouse benefit ~~shall terminate~~ terminates upon the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit but ~~shall recommence~~ recommences at the appropriate amount without any retroactive payments in the event of the termination of the subsequent marriage for any reason for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) ~~Albert Lea police relief association;~~
- (3) Duluth firefighters relief association;
- (4) ~~(3)~~ Minneapolis fire department relief association;
- (5) ~~(4)~~ St. Paul fire department relief association; and
- (6) ~~(5)~~ St. Paul police relief association.

(c) A surviving spouse benefit shall terminate only upon the death of the person entitled to receive or receiving a surviving spouse benefit for the former members of the following consolidating relief associations:

- (1) ~~Albert Lea police relief association;~~
- (2) Anoka police relief association;
- (3) ~~(3)~~ Buhl police relief association;
- (4) ~~(4)~~ Chisholm fire department relief association;
- (5) ~~(5)~~ Chisholm police relief association;
- (6) ~~(6)~~ Crookston fire department relief association;
- (7) ~~(7)~~ Duluth police relief association;
- (8) ~~(8)~~ Faribault fire department relief association;
- (9) ~~(9)~~ Hibbing firefighters relief association;
- (10) ~~(10)~~ Hibbing police relief association;
- (11) ~~(11)~~ Mankato fire department relief association;
- (12) ~~(12)~~ Red Wing fire department relief association;

- (12) (13) Red Wing police relief association;
 (13) (14) Rochester fire department relief association;
 (14) (15) Rochester police relief association;
 (15) (16) St. Cloud fire department relief association;
 (16) (17) St. Louis Park fire department relief association;
 (17) (18) St. Louis Park police relief association;
 (18) (19) South St. Paul firefighters relief association;
 (19) (20) South St. Paul police relief association;
 (20) (21) West St. Paul firefighters relief association;
 (21) (22) Winona fire department relief association; and
 (22) (23) Winona police relief association.

Sec. 44. Minnesota Statutes 1992, section 353C.08, subdivision 1, is amended to read:

Subdivision 1. [DUTY DISABILITY QUALIFICATION REQUIREMENTS.] A local government correctional employee who ~~is less than 55 years of age and who~~ becomes disabled and physically unfit to perform the duties of the position as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty that renders the employee physically or mentally unable to perform the employee's duties, is entitled to a disability benefit based on covered service only in an amount equal to 45 percent of the average salary defined in section 353C.06, subdivision 2, plus an additional 2.5 percent for each year of covered service in excess of 20 years.

Sec. 45. Minnesota Statutes 1992, section 353C.08, subdivision 2, is amended to read:

Subd. 2. [NONDUTY DISABILITY QUALIFICATION REQUIREMENTS.] A local government correctional employee who has at least one year of covered service, and ~~who, before reaching the age of 55,~~ becomes disabled and physically unfit to perform the duties of the position because of sickness or injury occurring while not engaged in covered employment, is entitled to a disability benefit based on covered service. The disability benefit must be computed in the same manner as an annuity under section 353C.06, subdivision 3, and as though the employee had at least ten years of covered correctional service.

Sec. 46. Minnesota Statutes 1992, section 353D.02, is amended to read:

353D.02 [ELECTION OF COVERAGE.]

Eligible elected local government officials may elect to participate in the defined contribution plan after being elected or appointed to elective public office by filing a membership application on a form prescribed by the executive director of the association authorizing contributions to be deducted from the elected official's salary. Participation begins on the first day of the pay period for which the contributions were deducted or, if pay period coverage dates are not provided, the date on which the membership application or contributions are received in the office of the association, whichever is received first, provided further that the membership application is received by the association within 60 days of the receipt of the contributions. ~~If the membership application is not received, the elected official is not a participant in the plan and may request a refund under section 353D.04, subdivision 2.~~ An election to participate in the plan is ~~irrevocable~~ revocable during incumbency.

Each public ambulance service or privately operated ambulance service with eligible personnel that receives an operating subsidy from a governmental entity may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's election must be made within 30 days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it, whichever date is later. An election by a service or an individual is ~~irrevocable~~ revocable.

Sec. 47. Minnesota Statutes 1992, section 353D.04, is amended to read:

353D.04 [CONTRIBUTIONS AND DEDUCTIONS IN ERROR.]

~~Subdivision 1. [CONTRIBUTIONS.]~~ (a) Contributions made by or on behalf of a participating elected local government official must be remitted to the public employees retirement association and credited to the individual account established for the participant.

(b) Ambulance service contributions must be remitted on a regular basis to the association together with any member contributions paid or withheld. Those contributions must be credited to the individual account of each participating member.

~~Subd. 2. [DEDUCTIONS IN ERROR.]~~ The executive director may adopt policies and procedures regarding deductions taken totally or partially in error by the employer from the salary of an elected official, and contributions made by the employer may be refunded upon request to the elected official and the employer.

~~(a) In the case of a total refund, the association shall refund the value of an elected official's account, including investment earnings, the accumulated employee deductions, accumulated employer contributions, less administrative expenses under section 353D.05, subdivision 3.~~

~~(b) In the case of a partial refund, the association shall refund the amount of the actual error, without interest, less the administrative expenses under section 353D.05, subdivision 3, from the employer share.~~

Sec. 48. Minnesota Statutes 1992, section 353D.05, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE EXPENSES.] The executive director of the association shall annually set an amount to recover the costs of the association in administering the public employees defined contribution plan. ~~If that are not met by the amount recovered under section 11A.17 does not meet the annual costs of administering the defined contribution plan, the executive director may assess an additional amount up to two percent of the employer and employee contributions.~~

Sec. 49. Minnesota Statutes 1992, section 353D.07, subdivision 2, is amended to read:

Subd. 2. [PAYMENT OF BENEFITS.] Withdrawal of a benefit based on individual participant contributions and employer contributions plus accrued investment income is payable upon the death or termination of a participant but not at the time an individual revokes membership in the defined contribution plan under section 353D.02. An application by or on behalf of the participant must be filed before any payment of benefits may be made.

Sec. 50. Minnesota Statutes 1992, section 356.302, subdivision 4, is amended to read:

Subd. 4. [PUBLIC SAFETY PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of public safety employee retirement plans is entitled to a combined service disability benefit if the member:

- ~~(1) is less than 55 years old on the date of application for the disability benefit;~~
- ~~(2) has become occupationally disabled;~~
- ~~(3) (2) has credit for allowable service in any combination of public safety employee retirement plans totaling at least one year if the disability is duty-related or totaling at least three years if the disability is not duty-related;~~
- ~~(4) (3) has credit for at least six months of allowable service with the current public safety employee retirement plan before the commencement of the disability; and~~
- ~~(5) (4) is not receiving a retirement annuity or disability benefit from any covered public safety employee retirement plan at the time of the commencement of the disability.~~

Sec. 51. Minnesota Statutes 1992, section 356.453, is amended to read:

356.453 [PURCHASE OF PRIOR SERVICE.]

~~Any~~ A person who is excluded from pension coverage ~~pursuant to~~ under the provisions of Laws 1978, chapter 720, but who subsequently becomes employed in unsubsidized public employment with public pension plan or fund coverage, whether with the same public employer which provided the subsidized employment or another public employer, ~~shall be~~ is entitled to purchase service credit for that period of prior subsidized public employment, other than a period of prior subsidized public employment for which a repayment of a refund ~~pursuant to~~ under section 356.452 is made, with the public pension plan or fund which, except for the exclusion provided for by Laws 1978, chapter 720, would have provided pension coverage for the subsidized employment. Payment ~~shall~~ must include all employee and employer contributions at the rates and on the salary in effect when the subsidized employment was rendered plus interest at the rate of ~~six~~ 8.5 percent per annum compounded annually from the year purchased to the date payment is made; provided, however, that the employer for the unsubsidized employment, the employer for the subsidized employment, or the applicable federal Comprehensive Employment and Training Act prime sponsor from funds provided under the federal Comprehensive Employment and Training Act, as funds permit, may pay the employer contribution and the employer additional contribution, if any, plus interest at the specified rate. The public employer which provided the subsidized employment shall provide whatever documentation of periods of subsidized public employment and the salary received that the pension plan or fund shall require. Payment ~~shall~~ must be made in one lump sum by the date of retirement and no service credit with respect to the payment ~~shall~~ may be granted until payment is received by the pension plan or fund.

Sec. 52. Minnesota Statutes 1992, section 356.61, is amended to read:

356.61 [LIMITATION ON PUBLIC EMPLOYEE RETIREMENT ANNUITIES.]

Notwithstanding any provision of law, bylaws, articles of incorporation, retirement and disability allowance plan agreements or retirement plan contracts to the contrary, no person who has pension or retirement coverage by a public pension plan ~~shall be~~ is entitled to receive a monthly retirement annuity or disability benefit which, at the time of commencement of the retirement annuity or disability benefit, exceeds ~~the lesser of:~~

~~(a) the amount of the final monthly salary of the person; or~~

~~(b) 1/12 of the amount of the annual benefit permitted by the terms of section 415 of the Internal Revenue Code with respect to a participant in a plan qualified under section 401(a) of the Internal Revenue Code, as amended through December 31, 1982.~~

The benefit limitation ~~of clause (b)~~ is to be determined on the date the benefit is initially payable or on the date the employee terminated employment, if earlier. The benefit limitation on any date is the benefit limitation for the limitation year in which the date occurs. The limitations apply only to the annual benefit which is derived from employer contributions. Mandatory and voluntary employee contributions, if any, are treated as a separate defined contribution plan maintained by the employer which is subject to the limitations placed on annual additions to defined contribution plans.

The maximum annual benefit ~~of clause (b)~~ for any limitation year is the lesser of (1) or (2) below:

(1) A dollar limitation of \$90,000, adjusted as of January 1 of each calendar year to the dollar limitation as determined for that year by the commissioner of Internal Revenue. The amount determined for any year will apply to limitation years ending with or within that calendar year.

(2) A compensation limitation of 100 percent of the average of compensation paid or made available to the participant by the employer during those three consecutive calendar years of employment, or actual number of consecutive calendar years of employment if employed less than three consecutive years, which give the highest average. Compensation means any compensation which is includable in the employee's gross income.

A benefit ~~shall be~~ is deemed not to exceed the maximum benefit limitation ~~of clause (b)~~ if:

(1) the retirement benefits payable under the plan and under any other defined benefit plans of the employer do not exceed the \$10,000 limit set in section 415(b)(4) of the Internal Revenue Code for the plan year, or for any prior plan year, and

(2) the employer has not at any time maintained a defined contribution plan in which the employee participated.

A public pension plan is any Minnesota public pension plan or fund which provides pension or retirement coverage for public employees other than volunteer firefighters, including any plan or fund enumerated in sections 356.20, subdivision 2, or 356.30, subdivision 3, any local police or firefighter's relief association to which section 69.77 applies, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained or supported by any governmental subdivision or public body whose revenues are derived from taxation, fees, assessments or from other public sources. ~~Final monthly salary is the hourly rate of compensation received by the person on account of the most recent public employment for the final pay period occurring prior to retirement multiplied by 174.~~

The figure for the monthly retirement annuity or disability benefit to be used for the calculation of this limitation shall must not include any reduction or adjustment required for retirement prior to the normal retirement age or required for the election of an optional annuity.

If the figure for the monthly retirement annuity or disability benefit exceeds the limit contained in this section, the annuity or benefit payable shall must be reduced appropriately.

The managing board of each public pension plan from which a retirement annuity or disability benefit is payable shall, at the time that the retirement annuity or disability benefit commences, contact all other public pension plans to determine whether or not the recipient of the retirement annuity or disability benefit is also receiving or is entitled to receive a retirement annuity or disability benefit from any other public pension plan. If a person is entitled to receive or is receiving a retirement annuity or disability benefit from more than one public pension plan, all retirement annuities or disability benefits from all public pension plans shall must be totaled in determining whether or not the limitation shall apply; ~~provided however, that the limitation shall be based on the highest final monthly salary received by the individual from any plan applies.~~ Any A reduction in the amount of the retirement annuity or disability benefit required pursuant to under this section shall be is made by the public pension plan which provided retirement coverage for the most recent period of service.

Sec. 53. [REPEALER.]

Minnesota Statutes 1992, section 353.656, subdivision 6, is repealed retroactive to October 16, 1992.

Sec. 54. [EFFECTIVE DATE.]

Sections 1 to 18, 20, 22 to 24, 27 to 29, 31, 32, 36, 37, 39 to 43, 46 to 49, and 52 are effective July 1, 1993. Section 30 is effective January 1, 1993. Sections 19, 21, 25, 26, 33, 34, 35, 38, 44, 45, 50 and 53 are effective retroactively to October 16, 1992. Section 51 is effective May 1, 1994.

ARTICLE 5

TEACHERS RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 1992, section 354.35, is amended to read:

354.35 [OPTIONAL ACCELERATED RETIREMENT ANNUITY BEFORE AGE 65.]

Any coordinated member who retires before age 65 may elect to receive an optional accelerated retirement annuity from the association which provides for different annuity amounts over different periods of retirement. The election of this optional accelerated retirement annuity is exercised by making an application to the board on a form provided by the ~~board~~ executive director. The optional accelerated retirement annuity must take the form of an annuity payable for the period before the member attains age 65 in a greater amount than the amount of the annuity calculated under section 354.44 on the basis of the age of the member at retirement, but the optional accelerated retirement annuity must be the actuarial equivalent of the member's annuity computed on the basis of the member's age at retirement. The greater amount must be paid until the retiree reaches age 65 and at that time the payment from the association must be reduced. For each year the retiree is under age 65, up to five percent of the total life annuity required reserves may be used to accelerate the optional retirement annuity under this section. At retirement, members who retire before age 62 may elect to have the age specified in this section be 62 instead of 65. This election is irrevocable and may be made only once on the application form provided by the executive director. The method of computing the optional accelerated retirement annuity provided in this section is established by the board of trustees. In establishing the method of computing the optional accelerated retirement annuity, the board of trustees must obtain the written approval of the commission-retained actuary. The written approval must be a part of the permanent records of the board of trustees.

Sec. 2. Minnesota Statutes 1992, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6, equal to or greater than \$75 dies prior to retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies ~~prior to attaining the age of 65 years~~ before attaining age 65 or reaching the five-year anniversary of the effective date of the disability benefit, whichever is later, the surviving dependent spouse and dependent children of the basic member or former basic member shall be entitled to receive a monthly benefit as follows:

- (a) Surviving dependent spouse 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death
- (b) Each dependent child ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of any dependent child under the age of 22 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed \$1,000 for any one family, and the minimum benefit per family shall not be less than 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent children's benefit shall be reduced pro tanto when any surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable pursuant to this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall receive the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits shall be reduced to an amount equal to the deceased basic member's monthly average salary.

Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to subdivision 2, or may elect to receive a refund of accumulated deductions with interest in a lump sum as provided pursuant to section 354.47, subdivision 1. If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 3. Minnesota Statutes 1992, section 354.48, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] (1) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clauses (1) and (2), is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest on the amount computed as though the teacher were at normal retirement age at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. Any member who applies for a disability benefit after June 30, 1974, and who failed to make an election pursuant to Minnesota Statutes 1971, section 354.145, shall have the disability benefit computed under this clause or clause (2), whichever is larger.

The benefit granted shall be determined by the following:

- (a) the amount of the accumulated deductions;
- (b) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;
- (c) interest for the years from the date the benefit begins to accrue to the date the member attains normal retirement age at the rate of three percent;

(d) annuity purchase rates based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

In addition, a supplementary monthly benefit shall of \$25 to age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later, must be paid to basic members only in accordance with the following table:

Age When Benefit Begins to Accrue	Supplementary Benefit
Under Age 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

(2) The disability benefit granted to members covered under section 354.44, subdivision 6, shall be computed in the same manner as the annuity provided in section 354.44, subdivision 6. The disability benefit shall be the formula annuity without the reduction for each month the member is under normal retirement age when the benefit begins to accrue.

(3) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits shall not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits shall be reduced to an amount equal to the disabled member's average salary.

Sec. 4. Minnesota Statutes 1992, section 354.48, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS AT NORMAL RETIREMENT AGE.] No person shall be entitled to receive both a disability benefit and a retirement annuity provided by this chapter. The disability benefit paid to a person hereunder shall terminate at the end of the month in which the person attains normal retirement age. If the person is still totally and permanently disabled at the beginning of the month next following the month in which the person attains the normal retirement age, the person shall be deemed to be on retirement status and, if the person had elected an optional annuity pursuant to subdivision 3a, shall receive an annuity in accordance with the terms of the optional annuity previously elected, or, if the person had not elected an optional annuity pursuant to subdivision 3a, may at the option of the person elect to receive either a straight life retirement annuity computed pursuant to section 354.44 or a straight life retirement annuity equal to the disability benefit paid prior to the date on which the person attained the age of 65 years attains age 65 or reaches the five-year anniversary of the effective date of the disability benefit, whichever amount is greater later, or elect to receive an optional annuity as provided in section 354.45, subdivision 1. Election of an optional annuity shall must be made prior to the person attaining the normal retirement age within 90 days of age 65 or the five-year anniversary of the effective date of the disability benefit, whichever is later. If an optional annuity is elected, the election shall be effective on the date on which the person attains ~~the normal retirement age and~~ age 65 or reaches the five-year anniversary of the effective date of the disability benefit, whichever is later. The optional annuity shall begin to accrue on the first day of the month next following the month in which the person attains ~~that age 65 or reaches the five-year anniversary of the effective date of the disability benefit,~~ whichever is later.

Sec. 5. [EFFECTIVE DATES.]

Section 1 is effective January 1, 1994. Sections 2 to 4, are effective retroactively to October 16, 1992.

ARTICLE 6

SURVIVING SPOUSE BENEFITS

Section 1. Minnesota Statutes 1992, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee ~~is at least 50 years old and has credit for at least three years allowable service or who has credit for at least 30 years of allowable service, regardless of age,~~ dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the employee may elect to receive, in lieu of the refund with interest provided in subdivision 1, an annuity equal to the joint and 100 percent survivor annuity which the employee could have qualified for had the employee terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity must be computed as provided in sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1, 1a, and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity payable under this subdivision. The annuity must cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse. An amount equal to the excess, if any, of the accumulated contributions credited to the account of the deceased employee in excess of the total of the benefits paid and payable to the surviving spouse must be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of the deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 2. Minnesota Statutes 1992, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member ~~who has attained at least age 50 and has credit for not less than three years of allowable service or who has credit for not less than 30 years of allowable service, regardless of age attained,~~ dies before the annuity or disability benefit begins to accrue under section 353.29, subdivision 7, or 353.33, subdivision 2, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, instead of a refund with interest under subdivision 1, or surviving spouse benefits otherwise payable under section 353.31, an annuity equal to the 100 percent joint and survivor annuity that the member could have qualified for had the member terminated service on the date of death.

Notwithstanding the definition of surviving spouse in section 353.01, subdivision 20, a former spouse of the member, if any, is entitled to a portion of the monthly surviving spouse optional annuity if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under subdivision 1, if provided for in a marriage dissolution decree but not a monthly surviving spouse optional annuity despite the terms of a marriage dissolution decree filed with the association.

The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity must be computed under sections 353.29, subdivisions 2 and 3; 353.30, subdivisions 1, 1a, 1b, 1c, and 5; and 353.31, subdivision 3. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. A member may specify in writing that this subdivision does not apply and that payment may be made only to the designated beneficiary as otherwise provided by this chapter.

Sec. 3. Minnesota Statutes 1992, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member ~~who has attained the age of at least 50 years and has credit for at least three years of allowable service or who has credit for at least 30 years of allowable service irrespective of age~~ is entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to section 354.47, subdivision 1, the

surviving spouse is entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivision 2, 6, or 7, whichever is applicable. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. This benefit accrues from the day following the date of death but may not begin to accrue more than six months before the date the application is filed with the executive director. Sections 354.44, subdivision 6 and 354.60 apply to a deferred annuity payable under this section. The benefit is payable for life.

Sec. 4. [EFFECTIVE DATE.]

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

ARTICLE 7

REPEALER AND EFFECTIVE DATE

Section 1. [REPEALER.]

Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73; 352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; and 352D.05, subdivision 5, are repealed.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; administrative changes, age discrimination act compliance, death-while-active surviving spouse benefit improvements by the Minnesota state retirement system, the public employees retirement association, and teachers retirement association; amending Minnesota Statutes 1992, sections 3A.02, subdivision 1, and by adding a subdivision; 352.01, subdivisions 2b, and by adding a subdivision; 352.03, subdivisions 4, 4a, and 6; 352.04, subdivision 9; 352.113, subdivisions 2, 4, and 7; 352.115, subdivision 8; 352.12, subdivisions 1, 2, 3, 4, 7, 10, and 13; 352.15, subdivision 1a, and by adding subdivisions; 352.22, subdivisions 1 and 2; 352.23; 352.85, subdivision 4; 352.93, subdivision 2a; 352.94; 352.95, subdivisions 1, 2, 3, and 5; 352.951; 352.96, subdivisions 3 and 4; 352B.01, subdivisions 3 and 11; 352B.08, subdivisions 1 and 2a; 352B.10, subdivisions 1, 2, and 5; 352B.101; 352B.105; 352B.11, subdivision 2; 352C.01; 352C.021; 352C.031; 352C.033; 352C.04; 352C.051; 352C.09; 352D.015, subdivision 4; 352D.02, subdivision 3, and by adding a subdivision; 352D.04, subdivision 1; 352D.05, subdivisions 1, 3, and 4; 352D.09, subdivision 5, and by adding subdivisions; 353.01, subdivisions 2, 2a, 2b, 6, 7, 10, 11a, 12, 16, 28, 31, 32, and by adding subdivisions; 353.017; 353.27, subdivision 7; 353.29, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 2, 3, 4, 6, 8, 11, and by adding a subdivision; 353.34, subdivisions 1 and 3; 353.35; 353.37; 353.64, subdivisions 1 and 5a; 353.656, subdivisions 1, 1a, 3, 5, and by adding subdivisions; 353A.08, subdivisions 1, 3, and 5; 353A.10, subdivision 4; 353B.11, subdivision 6; 353C.08, subdivisions 1 and 2; 353D.02; 353D.04; 353D.05, subdivision 3; 353D.07, subdivision 2; 354.35; 354.46, subdivisions 1 and 2; 354.48, subdivisions 3 and 10; 356.302, subdivisions 4 and 6; 356.453; 356.61; and 490.124, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 3A; repealing Minnesota Statutes 1992, sections 3A.06; 352.01, subdivision 7; 352.12, subdivision 5; 352.22, subdivision 9; 352.73; 352B.01, subdivision 2a; 352B.131; 352B.14; 352B.261; 352B.262; 352B.28; 352D.05, subdivision 5; and 353.656, subdivision 6."

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. 608, A bill for an act relating to agriculture; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; proposing coding for new law in Minnesota Statutes, chapter 18.

Reported the same back with the following amendments:

Page 1, line 9, after "offering" insert "certified"

Page 1, line 13, after "of" insert "certified"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 611, A bill for an act relating to health care; creating the children's mental health integrated fund; establishing an integrated service system for delivering mental health services to children; creating local children's mental health collaboratives; extending the statewide task force; appropriating money; amending Minnesota Statutes 1992, sections 245.4873, subdivision 2; and 256B.0625, by adding subdivisions; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 245.

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

The report was adopted.

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

H. F. No. 687, A bill for an act relating to agriculture; requiring aquatic pest control applicators to be licensed; establishing categories of commercial aquatic applicator and certified aquatic applicator; amending Minnesota Statutes 1992, section 18B.32.

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

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 720, A bill for an act relating to town roads; permitting cartways to be established on alternative routes; amending Minnesota Statutes 1992, section 164.08, subdivision 2.

Reported the same back with the following amendments:

Page 2, after line 22, insert:

"Sec. 2. [ESTABLISHMENT OF AN OFFICE OF DEPUTY REGISTRAR OF MOTOR VEHICLES IN DEER RIVER.]

Notwithstanding Minnesota Statutes, section 168.33, and rules adopted by the commissioner of public safety, limiting sites for the office of deputy registrar, the Itasca county auditor may, with the approval of the commissioner of public safety, establish an office of the deputy registrar of motor vehicles in the city of Deer River. All other provisions regarding the appointment and operation of a deputy registrar office under Minnesota Statutes, section 168.33, and Minnesota Rules, chapter 7406, shall apply to the office.

Sec. 3. [EFFECTIVE DATE.]

Section 2 shall become effective the day following final enactment without local approval as provided in Minnesota Statutes, section 645.023, subdivision 1, paragraph (a)."

Delete the title and insert:

"A bill for an act relating to local government; providing conditions for the establishment of town roads; providing for a deputy registrar of motor vehicles; amending Minnesota Statutes 1992, section 164.08, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 783, A bill for an act relating to the city of Albert Lea; actuarial assumptions for the Albert Lea fire department relief association.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 922, A bill for an act relating to burial grounds; providing criminal penalties for the disturbance of human burial grounds; creating civil remedies for the destruction or disturbance of human burial grounds; creating a council of traditional Indian practitioners to make recommendations regarding the management, treatment, and protection of Indian burial grounds and of human remains or artifacts contained in or removed from those grounds; amending Minnesota Statutes 1992, section 307.08, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 307.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 307.08, subdivision 2, is amended to read:

Subd. 2. A person who intentionally, willfully, and knowingly destroys, mutilates, injures, disturbs, or removes human skeletal remains or human ~~burials~~ burial grounds, is guilty of a felony. A person who intentionally, willfully, or knowingly removes any tombstone, monument, or structure placed in any public or private cemetery or unmarked human burial ground, or any fence, railing, or other work erected for protection or ornament, or any tree, shrub, or plant or grave goods and artifacts within the limits of the cemetery or burial ground, and a person who, without authority from the trustees, state archaeologist, or Indian affairs intertribal board, discharges any firearms upon or over the grounds of any public or private cemetery or authenticated and identified Indian burial ground, is guilty of a gross misdemeanor.

Sec. 2. [307.082] [CIVIL ACTIONS.]

A person residing within the state; the attorney general; a political subdivision of the state; an instrumentality or agency of the state; or a partnership, corporation, association, organization, or other entity having shareholders, members, partners, or employees residing within the state may maintain a civil action seeking an injunction, damages, or other appropriate relief against a person who is alleged to have violated section 307.08, subdivision 2. The action must be brought within two years after the plaintiff discovers the violation. The action may be filed in the district court of the county in which the subject burial ground is located or within which the defendant resides."

Delete the title and insert:

"A bill for an act relating to burial grounds; providing criminal penalties for the disturbance of human burial grounds; creating civil remedies for the destruction or disturbance of human burial grounds; amending Minnesota Statutes 1992, section 307.08, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 307."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 931, A bill for an act relating to motor fuels; increasing oxygenate level requirements for gasoline; enhancing capital access program; appropriating money; amending Minnesota Statutes 1992, sections 116.07, subdivision 4a; 116J.876, subdivisions 1, 12, and by adding a subdivision; and 239.791, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 3, line 34, delete "with an average"

Page 3, line 35, delete the new language

Page 4, line 2, delete the new language

Page 4, line 10, reinstate the stricken language and delete "three"

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

The report was adopted.

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

H. F. No. 947, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Sherburne county.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 984, A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13.37, subdivision 2; 13B.04; 15.061; 16B.06, subdivision 2; 16B.101, subdivision 3; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42, subdivisions 1, 2, 3, and 4; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.58, subdivisions 1, 5, and 8; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 13B.04, is amended to read:

13B.04 [REPORT.]

A responsible authority that participates in a matching program shall prepare a report describing matching programs in which the responsible authority has participated during the previous calendar year. The report must be included in a state agency's description of its information systems prepared under section 3.3026, subdivision 3 filed annually with the department of administration.

Sec. 2. Minnesota Statutes 1992, section 15.061, is amended to read:

15.061 [CONSULTANT, PROFESSIONAL AND OR TECHNICAL SERVICES.]

Pursuant to the provisions of section 16B.17, the head of a state department or agency may, with the approval of the commissioner of administration, contract for ~~consultant services and professional and or~~ technical services in connection with the operation of the department or agency. A contract negotiated under this section shall not be subject to the competitive bidding requirements of chapter ~~16~~ 16B.

Sec. 3. Minnesota Statutes 1992, section 16B.06, subdivision 2, is amended to read:

Subd. 2. [VALIDITY OF STATE CONTRACTS.] A state contract or lease is not valid and the state is not bound by it until it has first been executed by the head of the agency which is a party to the contract and has been approved in writing by the commissioner or a delegate, under this section, ~~by the attorney general or a delegate as to form and execution,~~ and by the commissioner of finance or a delegate who shall determine that the appropriation and allotment have been encumbered for the full amount of the contract liability. The head of the agency may delegate the execution of specific contracts or specific types of contracts to ~~a deputy or assistant head within the an~~ agency employee if the delegation has been approved by the commissioner of administration and filed with the secretary of state. A copy of every contract or lease extending for a term longer than one year must be filed with the commissioner of finance.

Sec. 4. Minnesota Statutes 1992, section 16B.17, is amended to read:

16B.17 [CONSULTANTS AND PROFESSIONAL OR TECHNICAL SERVICES.]

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

(a) [CONSULTANT SERVICES.] "Consultant services" "professional or technical services" means services which are intellectual in character; which do not involve the provision of supplies or materials; which include consultation, analysis, evaluation, prediction, planning, or recommendation; and which result in the production of a report or the completion of a task.

(b) [PROFESSIONAL AND TECHNICAL SERVICES.] "~~Professional and technical services~~" means ~~services which are predominantly intellectual in character; which do not involve the provision of supplies or materials; and in which the final result is the completion of a task rather than analysis, evaluation, prediction, planning, or recommendation.~~

Subd. 2. [PROCEDURE FOR CONSULTANT AND PROFESSIONAL AND OR TECHNICAL SERVICES CONTRACTS.] Before approving a proposed state contract for ~~consultant services or professional and or~~ technical services the commissioner must determine, at least, that:

- (1) all provisions of section 16B.19 and subdivision 3 of this section have been verified or complied with;
- (2) the work to be performed under the contract is necessary to the agency's achievement of its statutory responsibilities, and there is statutory authority to enter into the contract;
- (3) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract;

(4) no current state employees will engage in the performance of the contract;

(5) no state agency has previously performed or contracted for the performance of tasks which would be substantially duplicated under the proposed contract; and

(6) the contracting agency has specified a satisfactory method of evaluating and using the results of the work to be performed.

Subd. 3. [DUTIES OF CONTRACTING AGENCY.] Before an agency may seek approval of a ~~consultant or professional and or~~ technical services contract valued in excess of \$5,000, it must certify to the commissioner that:

(1) no state employee is able to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) the services are not available as a product of a prior consultant or professional and technical services contract, and the contractor has certified that the product of the services will be original in character;

(4) reasonable efforts were made to publicize the availability of the contract;

(5) the agency has received, reviewed, and accepted a detailed work plan from the contractor for performance under the contract; and

(6) the agency has developed, and fully intends to implement, a written plan providing for the assignment of specific agency personnel to a monitoring and liaison function; the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services; and

(7) the agency will not allow the contractor to begin work before funds are fully encumbered.

Subd. 4. [REPORTS.] The commissioner shall submit to the governor and the legislature legislative reference library a monthly listing of all contracts for ~~consultant services and for professional and or~~ technical services executed or disapproved in the preceding month. The report must identify the parties and the contract amount, duration, and tasks to be performed. The commissioner shall also issue quarterly reports summarizing the contract review activities of the department during the preceding quarter.

Subd. 5. [CONTRACT TERMS.] A ~~consultant or technical and professional or technical~~ services contract must by its terms permit the agency to unilaterally terminate the contract prior to completion, upon payment of just compensation, if the agency determines that further performance under the contract would not serve agency purposes. If the final product of the contract is ~~to be a written report, no more than three copies of the report, one in camera ready form, shall be submitted to the~~ an agency must obtain copies in the most cost efficient manner. One of the copies must be filed with the legislative reference library.

Sec. 5. Minnesota Statutes 1992, section 16B.19, subdivision 2, is amended to read:

Subd. 2. [~~CONSULTANT, PROFESSIONAL AND OR TECHNICAL~~ PROCUREMENTS.] Every state agency shall for each fiscal year designate for awarding to small businesses at least 25 percent of the value of anticipated procurements of that agency for ~~consultant services or professional and or~~ technical services. The set-aside under this subdivision is in addition to that provided by subdivision 1, but shall otherwise comply with section 16B.17.

Sec. 6. Minnesota Statutes 1992, section 16B.19, subdivision 10, is amended to read:

Subd. 10. [APPLICABILITY.] This section does not apply to construction contracts or contracts for ~~consultant, professional, or~~ technical services under section 16B.17 that are financed in whole or in part with federal funds and that are subject to federal disadvantaged business enterprise regulations.

Sec. 7. Minnesota Statutes 1992, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. Notwithstanding subdivision 6a, paragraph (a), the commissioner may lease land or premises for five up to ten years or less, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. An agency or department head must consult with the chairs of the house appropriations and senate finance committees before entering into any agreement that would cause an agency's rental costs to increase by ten percent or more per square foot or would increase the number of square feet of office space rented by the agency by 25 percent or more in any fiscal year.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available or use of the space is not feasible, prudent, and cost effective compared with available alternatives.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Sec. 8. Minnesota Statutes 1992, section 16B.24, is amended by adding a subdivision to read:

Subd. 9a. [SMOKING PROHIBITED.] Smoking is prohibited in the state office building and in the capitol building.

Sec. 9. Minnesota Statutes 1992, section 16B.27, subdivision 3, is amended to read:

Subd. 3. [COUNCIL.] The governor's residence council consists of the following ~~15~~ 19 members: the commissioner; the spouse, or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; ~~seven~~ 13 persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and ~~four~~ eight public members with four public members' terms being coterminous with the governor who appoints them. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chair and a secretary from among its members. The council expires on June 30, ~~1993~~ 1998.

Sec. 10. Minnesota Statutes 1992, section 16B.32, subdivision 2, is amended to read:

Subd. 2. [ENERGY CONSERVATION GOALS; EFFICIENCY PROGRAM.] (a) The commissioner of administration in consultation with the department of public service, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures of up to \$15,000,000 by July 1, 1996, on state-owned buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency improvements in selected buildings that are calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. Repayments must be interest-free. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could be reduced by at least 25 percent, and ~~climate control energy consumption per square foot could be reduced by at least 15 percent~~ from consumption in the base year of 1990. All agencies participating in the program must report to the commissioner of administration their monthly energy usage, building schedules, inventory of energy-consuming equipment, and other information as needed by the commissioner to manage and evaluate the program.

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

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

- (1) an energy use survey of new or added space state buildings occupy;
- (2) a plan for conserving energy without undertaking any physical alterations of the space;
- (3) recommendations for physical alterations that would enable the agency to conserve additional energy along with an estimate of the cost of the alterations; and
- (4) recommendations for additional legislation needed to achieve the goal along with an estimate of any costs associated with the recommended legislation.

Sec. 11. Minnesota Statutes 1992, section 16B.42, is amended to read:

16B.42 [INTERGOVERNMENTAL INFORMATION SYSTEMS ADVISORY COUNCIL.]

Subdivision 1. [COMPOSITION.] ~~The commissioner of administration shall appoint an intergovernmental information systems advisory council, to serve at the pleasure of the commissioner of administration, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments; seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be is composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, and school districts outside the metropolitan area, and public libraries; (3) one member each from appointed by the state departments of administration, education, human services, revenue, and jobs and training, and the office of strategic and long-range planning and the legislative auditor; (4) one member from the office of the state auditor, appointed by the auditor; and (5) four members from the state community at large. To the extent permitted by available resources the commissioner shall furnish staff and other assistance as requested by the council the assistant commissioner of administration for the information policy office; (6) one member appointed by each of the following organizations: league of Minnesota cities, association of Minnesota counties, Minnesota association of township officers, and Minnesota association of school administrators; and (7) one member of the house of representatives appointed by the speaker, and one member of the senate appointed by the committee on rules and administration. The commissioner of administration shall appoint members under clauses (1) and (2). The terms, compensation, and removal of members of the advisory council shall be as provided in section 15.059, but the council does not expire until June 30, 1993.~~

Subd. 2. [DUTIES.] The council shall: assist the commissioner state and local agencies in developing and updating intergovernmental information systems, including data definitions, format, and retention standards; recommend to the commissioner policies and procedures governing the collection, security, and confidentiality of data; facilitate participation of users during the development of major revisions of intergovernmental information systems; review intergovernmental information and computer systems involving intergovernmental funding; encourage cooperative efforts among state and local governments in developing intergovernmental information systems to meet individual and collective, operational, and external needs; bring about the necessary degree of standardization consistent with local prerogatives; yield fiscal and other information required by state and federal laws and regulations in readily usable form; present local government concerns to state government and state government concerns to local government with respect to intergovernmental information systems; develop and recommend standards and policies for intergovernmental information systems to the information policy office; foster the efficient use of available federal, state, local, and private resources for the development of intergovernmental systems; keep local governments government agencies abreast of the state of the art in information systems; and; prepare guidelines for intergovernmental systems; and assist the commissioner of administration in the development of cooperative contracts for the purchase of information system equipment and software.

Subd. 3. [OTHER DUTIES.] The intergovernmental informations systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership which shall include the assistant commissioner of the information policy office; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems; and (5) appoint committees and task forces, which may include persons other than council members, to assist the council in carrying out its duties.

Subd. 4. [FUNDING.] Appropriations and other funds made available to the council for staff, operational expenses, projects, and grants must be administered through the department of administration are under the control of the council. The council may contract with the department of administration for staff services and administrative support. The council shall reimburse the department for these services. The council may request assistance from other state and local agencies in carrying out its duties. Fees charged to local units of government for the administrative costs of the council and revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations must be credited to the general fund. The unencumbered balance of an appropriation ~~for grants~~ in the first year of a biennium does not cancel but is available for the second year of the biennium.

Sec. 12. Minnesota Statutes 1992, section 16B.465, subdivision 6, is amended to read:

Subd. 6. [REVOLVING FUND.] ~~The statewide telecommunications access and routing system shall operate as part of the intertechnologies revolving fund. Money appropriated to the account for the statewide telecommunications access routing system and fees for communications telecommunications services provided by the statewide telecommunications access and routing system must be deposited in the an account in the intertechnologies revolving fund. Money in the account is appropriated annually to the commissioner to operate the statewide telecommunications access and routing system services.~~

Sec. 13. Minnesota Statutes 1992, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

- (1) to operate a central store and equipment service;
- (2) to operate a central duplication and printing service;
- (3) ~~to purchase postage and related items and to refund postage deposits as necessary to~~ operate the central mailing service, including purchasing postage and related items and refunding postage deposits;
- (4) to operate a documents service as prescribed by section 16B.51;

(5) ~~provide advice and other services to political subdivisions for the management of their telecommunication systems;~~

(6) to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

(7) (6) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;

(8) (7) to provide capitol security services through the department of public safety;

(9) (8) to operate a records center and provide micrographics products and services; and

(10) (9) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 14. Minnesota Statutes 1992, section 16B.48, subdivision 3, is amended to read:

Subd. 3. [INTERTECHNOLOGIES REVOLVING FUND.] Money in the intertechnologies revolving fund is appropriated annually to the commissioner to operate information, ~~records,~~ and telecommunications services, including management, consultation, and design services.

Sec. 15. [16B.482] [REIMBURSEMENT FOR MATERIALS AND SERVICES.]

The commissioner of administration may provide materials and services under chapter 16B to state legislative and judicial branch agencies and to political subdivisions. Legislative and judicial branch agencies and political subdivisions purchasing materials and services from the commissioner of administration shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for costs.

Sec. 16. Minnesota Statutes 1992, section 16B.49, is amended to read:

16B.49 [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters ~~either in the capitol or in adjoining state buildings~~ within the boundaries of the city of St. Paul must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days.

Sec. 17. Minnesota Statutes 1992, section 16B.51, subdivision 2, is amended to read:

Subd. 2. [PRESCRIBE FEES.] The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publications, data, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of finance is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the general services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Sec. 18. Minnesota Statutes 1992, section 16B.51, subdivision 3, is amended to read:

Subd. 3. [SALE OF PUBLICATIONS.] The commissioner may sell official reports, documents, data, and ~~other~~ publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the department of administration and elsewhere within the state service. The commissioner may remit a portion of the price of any publication or data to the agency producing the publication or data. Money that is remitted to an agency is annually appropriated to that agency to discharge the costs of preparing the publications or data.

Sec. 19. [16B.581] [DISTINCTIVE TAX-EXEMPT LICENSE PLATES.]

Vehicles owned or leased by the state of Minnesota shall display distinctive tax-exempt license plates unless otherwise exempted under section 168.012. The commissioner of administration shall design these distinctive plates subject to the approval of the registrar. An administrative fee of \$20 and a license plate fee of \$10 for two plates per vehicle or a license plate fee of \$5 for one plate per trailer is paid at the time of registration. The license plate registration shall be valid for the life of the vehicle or until the vehicle is no longer owned or leased by the state of Minnesota.

When the state of Minnesota applies for distinctive tax-exempt plates on vehicles previously owned by local units of government, it shall pay an administrative fee of \$10 and a plate fee that covers the cost of replacement.

Sec. 20. Minnesota Statutes 1992, section 16B.85, subdivision 1, is amended to read:

Subdivision 1. [ALTERNATIVES TO CONVENTIONAL INSURANCE.] The commissioner may implement programs of insurance or alternatives to the purchase of conventional insurance for areas of risk not subject to collective bargaining agreements, plans established under section 43A.18, or programs established under sections 176.540 to 176.611, except for the department of administration. The mechanism for implementing possible alternatives to conventional insurance is the risk management fund created in subdivision 2.

Sec. 21. Minnesota Statutes 1992, section 94.10, subdivision 1, is amended to read:

Subdivision 1. Before offering any surplus state owned lands for sale, the commissioner of administration may survey such the lands, and if the value thereof is estimated to be \$20,000 or less, may have such lands appraised. If the land is located in the seven-county metropolitan area, the commissioner shall have the lands appraised if the estimated value is in excess of \$20,000 \$40,000. If the land is located outside of the seven-county metropolitan area, the commissioner shall have the land appraised if the estimated value is in excess of \$20,000. The appraisal shall must be made by not less than three appraisers, at least two of whom shall be residents of the county in which the lands are situated an appraiser selected by the commissioner. Each appraiser shall before entering upon the duties of the office take and subscribe an oath that the appraiser will faithfully and impartially discharge the duties as appraiser according to the best of the appraiser's ability and that the appraiser is not interested directly or indirectly in any of the lands to be appraised or the timber or improvements thereon on the land or in the purchase thereof of the land and has entered into no agreement or combination to purchase the same or any part thereof, which oath shall all or part of the land. A copy of the oath must be attached to the report of such the appraisal. Before offering such surplus state owned lands for public sale, such the lands shall must first be offered to the city, county, town, school district, or other public body corporate or politic in which the lands are situated for public purposes, and they may be sold for such public purposes for not less than the appraised value thereof. To determine whether a public body desires to purchase the surplus land, the commissioner of administration shall give a written notice to the governing body of each political subdivision whose jurisdictional boundaries include or are adjacent to the surplus land. If a public body desires to purchase the surplus land, it shall submit a written offer to the commissioner not later than two weeks after receipt of notice, setting forth in detail its reasons for desiring to acquire and its intended use of the land. In the event that more than one public body tenders an offer, the commissioner shall determine which party shall is to receive the property, and shall submit written findings regarding the decision. If lands are offered for sale for such public purposes, and if a public body notifies the commissioner of administration of its desire to acquire such the lands, the public body may have not to exceed not more than two years from the date of the accepted offer to commence payment for the lands in the manner provided by law.

Sec. 22. Minnesota Statutes 1992, section 343.01, is amended by adding a subdivision to read:

Subd. 1a. [MINNESOTA HUMANE SOCIETY; CONTINUATION CONFIRMED.] The Minnesota humane society, also known as the Minnesota society for the prevention of cruelty, is confirmed and continued as a nonprofit organization under chapter 317A.

Sec. 23. Minnesota Statutes 1992, section 343.01, is amended by adding a subdivision to read:

Subd. 1b. [INDEPENDENT ORGANIZATIONS; POWERS OF THE FEDERATED HUMANE SOCIETIES.] (a) The Minnesota humane society, also known as the Minnesota society for the prevention of cruelty, and the Minnesota federated humane societies are not affiliated with each other or with the state of Minnesota.

(b) The Minnesota federated humane societies have the powers given to it under this chapter.

Sec. 24. Minnesota Statutes 1992, section 343.01, subdivision 2, is amended to read:

Subd. 2. [~~NAME OF FEDERATION UNAUTHORIZED USE OF NAMES PROHIBITED.~~] It shall be unlawful for any organization, association, firm or corporation not ~~authorized by~~ named in this chapter to refer to itself as or in any way to use the names Minnesota federated humane societies, Minnesota society for the prevention of cruelty, the Minnesota humane society, or any combination of words or phrases using the above names which would imply that it represents, acts in behalf or is a branch of the society or the federation.

Sec. 25. Minnesota Statutes 1992, section 343.01, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] The federation and the society must each be governed by a board of directors designated in accordance with chapter 317A. The powers, duties, and organization of the federation and the society and other matters for the conduct of the business of the federation and the society shall be as provided in chapter 317A and in the ~~federation's~~ articles of incorporation and bylaws of each organization.

Sec. 26. 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 company 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 of administration~~ if the utility is included in an approved 911 plan and the charges have been certified and approved under subdivision 3. Money remaining in the 911 emergency telephone service account after all other obligations are paid shall not cancel and shall be carried forward to subsequent years and appropriated to the commissioner of administration to provide financial assistance to counties for the improvement of local emergency telephone services. The improvements may include providing access to minimum 911 service for telephone service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the department.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line, including trunk equivalents as designated by the public utilities commission for access charge purposes. The fee must be the same for all customers.

(c) The fee must be collected by each utility providing local exchange telephone service. 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 of the amount to be collected. Utilities must be given a minimum of 45 days notice of fee changes.

Sec. 27. Laws 1979, chapter 333, section 18, is amended to read:

Sec. 18. [ADMINISTRATION]

General Operations and Management	15,136,500	15,595,900
Approved Complement - 956		
General - 485		
Special - 11		
Federal - 7		
Revolving - 453		

The amounts that may be expended from this appropriation for each program are as follows:

Management Services

\$ 3,311,200 \$ 3,493,300

The commissioner of administration shall transfer two positions from management analysis to records management to allow the department to meet its responsibilities for records management. These positions may revert to management analysis when they are no longer needed to meet those responsibilities.

Real Property Management

\$ 7,804,200 \$ 7,780,900

~~The commissioner of administration shall charge the department of transportation and the iron range resources and rehabilitation board for engineering services performed on behalf of these agencies.~~

The unencumbered balance in appropriation accounts 16078:14-11 and 16072:14-11 shall be cancelled on July 1, 1979.

State Agency Services

\$ 1,224,400 \$ 1,222,000

For 1979 - \$169,200

\$169,200 is available as an advance from the general fund to the surplus property revolving fund. Of this amount, \$67,700 is immediately available for payment of outstanding obligations, \$40,000 is immediately available as working capital, and \$61,500 is available for the reduction of obligations incurred between March 1, 1979, and February 29, 1980.

The commissioner of administration shall provide a monthly report to the commissioner of finance consisting of: an operations statement, a balance sheet, an analysis of changes in retained earnings, and a source and use of funds statement. The commissioner of finance is responsible for approving the allotment of the \$61,500 portion of the advance and shall give his approval when potential deficiencies are forecast. If it appears that the \$61,500 portion of the advance will be exhausted prior to January 15, 1980, the commissioner of finance shall promptly notify the governor and the legislative advisory commission of the need for an additional advance.

The commissioner of administration shall by January 15, 1980, provide copies of all monthly reports through the period ending December 31, 1979, to the senate finance committee and the house appropriations committee. The commissioner of finance shall by January 15, 1980, recommend the continuance or discontinuance of the federal surplus property activity to the committee on finance in the senate and the committee on appropriations of the house of representatives.

The advance of \$169,200 shall be returned in full or in increments to the general fund from the surplus property revolving fund when the commissioner of finance determines that retained earnings are in excess of the working capital requirements of the surplus property revolving fund. In the event the surplus property revolving fund is discontinued, any portion of the advance of \$169,200 that has not been returned to the general fund shall, immediately upon liquidation of assets, be paid to the general fund.

Public Services

\$ 1,748,900 \$ 2,053,400

\$37,000 the first year and \$40,700 the second year is for the state contribution to the National Conference of State Legislatures.

\$43,900 each year is for the state contribution to the Council of State Governments.

\$6,500 each year is for the expenses of the Interstate Cooperation Commission.

\$5,000 each year is for the Minnesota state employees band.

General Support

\$ 1,047,800 \$ 1,046,300

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 28. Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended by Laws 1992, chapter 514, section 20, is amended to read:

Subd. 4. Property Management

23,387,000

8,349,000

\$175,000 the first year and \$175,000 the second year from the program's total appropriation are for capitol area repairs and replacements. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

\$3,825,000 the first year and \$3,884,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

The department of administration shall discontinue food service management in the state office building for the biennium ending June 30, 1993. Food service shall be managed by the house rules committee as a pilot project for the biennium.

\$50,000 the first year is for the commissioner of administration to study the potential uses for the Waseca campus. The commissioner shall appoint an advisory committee to assist with the study. The commissioner shall report the findings and recommendations from the study to the board of regents, and the education, appropriations, and finance committees of the legislature by January 15, 1992. The appropriation is available if matched by \$1 of nonstate money for each \$10 of this appropriation. In addition, the board of regents of the University of Minnesota is requested to provide additional funding up to \$50,000 to assist in the cost of the study.

The department of administration in consultation with the capitol area architectural and planning board shall study the historic renovation and potential reuse of the Dahl house and report to the senate finance and house appropriations committees by February 1, 1992.

~~By January 31, 1993,~~ The department of administration shall relocate the state printing ~~operation and related operations~~ from the Ford building to a more suitable location, ~~preferably outside the capitol complex~~ and shall relocate and consolidate offices of the attorney general in the Ford building ~~when the Ford building shall be is remodeled as office space or when a replacement building is constructed on the site.~~

By December 31, 1992, the department of administration shall relocate the office of the state auditor to a location within the capitol complex.

\$350,000 the first year is for developing a framework for an integrated infrastructure management system including the establishment of a data base of building classification standards. The commissioner of administration shall report by January 1, 1992, on the time and cost of continuing the program for fiscal year 1993.

\$961,000 the first year is to improve security at state parking ramps and lots, to be available upon final enactment.

\$13,781,000 is for the costs relating to agency relocation, consolidation, and colocation, to be available upon final enactment.

Sec. 29. [REPEALER.]

Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Sections 3, 4 to 6, and 12 to 15 are effective on July 1, 1993. Sections 1 and 2, 7 to 11, and 16 to 29 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6, and by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; Laws 1987, chapter 394, section 13."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1042, A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 257.69, subdivision 1; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, and 12; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivisions 1 and 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 518.645; 548.09, subdivision 1; 548.091, subdivision 3a; 588.20; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 136A.121, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR GRANTS.] An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the board finds that the applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;
- (3) has met the financial need criteria established in Minnesota Rules;
- (4) is not in default, as defined by the board, of any federal or state student educational loan; and
- (5) is not more than 30 days in arrears for any child support payments owed to a public agency responsible for child support enforcement or, if the applicant is more than 30 days in arrears, is complying with a written payment plan agreement or order for arrearages. An agreement must provide for a repayment of arrearages at no less than 20 percent per month of the amount of the monthly child support obligation or no less than \$30 per month if there is no current monthly child support obligation. Compliance means that payments are made by the payment date.

The director and the commissioner of human services shall develop procedures to implement clause (5).

Sec. 2. Minnesota Statutes 1992, section 214.101, subdivision 1, is amended to read:

Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.] (a) For purposes of this section, "licensing board" means a licensing board or other state agency that issues an occupational license.

(b) If a licensing board receives an order from a court under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court to be in arrears in child support payments, the board shall, within 30 days of receipt of the court order, provide notice to the licensee and hold a hearing. If the board finds that the person is licensed by the board and evidence of full payment of arrearages found to be due by the court is not presented at the hearing, the board shall suspend the license unless it determines that probation is appropriate under subdivision 2. The only issues to be determined by the board are whether the person named in the court order is a licensee, whether the arrearages have been paid, and whether suspension or probation is appropriate. The board may not consider evidence with respect to the appropriateness of the court order or the ability of the person to comply with the order. The board may not lift the suspension until the licensee files with the board proof showing that the licensee is current in child support payments.

Sec. 3. Minnesota Statutes 1992, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] A parent of a child is liable for the amount of assistance furnished under sections 256.72 to 256.87 or under Title IV-E of the Social Security Act or medical assistance under chapter 256, 256B, or 256D to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the ability to pay. Ability to pay must be determined according to chapter 518. The parent's liability is limited to ~~the amount of assistance furnished during~~ the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 4. Minnesota Statutes 1992, section 256.87, subdivision 1a, is amended to read:

Subd. 1a. [CONTINUING SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing support contributions by a parent found able to reimburse the county or state agency. The order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and ~~for five months~~ thereafter. The order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87 or under Title IV-E of the Social Security Act or medical assistance under chapter 256, 256B, or 256D. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 5. Minnesota Statutes 1992, section 256.87, subdivision 3, is amended to read:

Subd. 3. [CONTINUING CONTRIBUTIONS TO FORMER RECIPIENT.] The order for continuing support contributions shall remain in effect following the ~~five-month~~ period after public assistance granted under sections 256.72 to 256.87 is terminated if:

~~(a) the former recipient files an affidavit with the court within five months of the termination of assistance requesting that the support order remain in effect;~~

~~(b) the public authority serves written notice of the filing by mail on the parent responsible for making the support payments at that parent's last known address and notice that the parent may move the court under section 518.64 to modify the order respecting the amount of support or maintenance; and~~

~~(c) unless the former recipient authorizes use of the public authority's collection services files an affidavit with the court requesting termination of the order.~~

Sec. 6. Minnesota Statutes 1992, section 256.87, subdivision 5, is amended to read:

Subd. 5. [CHILD NOT RECEIVING ASSISTANCE.] A parent person or entity having physical and legal custody of a dependent child not receiving assistance under sections 256.72 to 256.87 has a cause of action for child support against the child's absent parent parents. Upon an order to show cause and a motion served on the absent parent, the court shall order child support payments from the absent parent under chapter 518.

Sec. 7. Minnesota Statutes 1992, section 256.978, is amended to read:

256.978 [LOCATION OF PARENTS DESERTING THEIR CHILDREN, ACCESS TO RECORDS.]

Subdivision 1. [REQUEST FOR INFORMATION.] The commissioner of human services, in order to carry out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children locate a person to establish paternity, child support, or to enforce a child support obligation in arrears, may request information reasonably necessary to the inquiry from the records of all departments, boards, bureaus, or other agencies of this state, which shall, notwithstanding the provisions of section 268.12, subdivision 12, or any other law to the contrary, provide the information necessary for this purpose. Employers and utility companies, insurance companies, financial institutions, and labor associations doing business in this state shall provide information reasonably necessary to the commissioner's inquiry upon written request by an agency responsible for child support enforcement regarding individuals owing or allegedly owing a duty to support. A request for this information may be made to an employer when there is reasonable cause to believe that the subject of the inquiry is or was employed by the employer where the request is made. The request must include a statement that reasonable cause exists. Information to be released by utility companies is restricted to place of residence. Information to be released by employers is restricted to place of residence, employment status, and wage information. Information relative to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of support may be requested and used or transmitted by the commissioner pursuant to the authority conferred by this section. The commissioner of human services may make such information be made available only to public officials and agencies of this state and its political subdivisions and other states of the union and their political subdivisions who are seeking to enforce the support liability of parents or to locate parents who have, or appear to have, deserted their children. Any person who, pursuant to this section, obtains information from the department of revenue the confidentiality of which is protected by law shall not divulge the information except to the extent necessary for the administration of the information obtained under this section may not be released except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Subd. 2. [ACCESS TO INFORMATION.] (a) A written request for information by the public authority responsible for child support may be made to:

(1) employers when there is reasonable cause to believe that the subject of the inquiry is or was an employee of the employer. Information to be released by employers is limited to place of residence, employment status, wage information, and social security number;

(2) utility companies when there is reasonable cause to believe that the subject of the inquiry is or was a retail customer of the utility company. Customer information to be released by utility companies is limited to place of residence, home telephone, work telephone, source of income, employer and place of employment, and social security number;

(3) insurance companies when there is an arrearage of child support and there is reasonable cause to believe that the subject of the inquiry is or was receiving funds either in the form of a lump sum or periodic payments. Information to be released by insurance companies is limited to place of residence, home telephone, work telephone, employer, and amounts and type of payments made to the subject of the inquiry;

(4) labor organizations when there is reasonable cause to believe that the subject of the inquiry is or was a member of the labor association. Information to be released by labor associations is limited to place of residence, home telephone, work telephone, and current and past employment information; and

(5) financial institutions when there is an arrearage of child support and there is reasonable cause to believe that the subject of the inquiry has or has had accounts, stocks, loans, certificates of deposits, treasury bills, life insurance policies, or other forms of financial dealings with the institution. Information to be released by the financial institution is limited to place of residence, home telephone, work telephone, identifying information on the type of financial relationships, current value of financial relationships, and current indebtedness of subject with the financial institution.

(b) For purposes of this subdivision, utility companies include companies that provide electrical, telephone, natural gas, propane gas, oil, coal, or cable television services to retail customers. The term financial institution includes banks, savings and loans, credit unions, brokerage firms, mortgage companies, and insurance companies.

Subd. 3. [IMMUNITY.] A person who releases information to the public authority as authorized under this section is immune from liability for release of the information.

Sec. 8. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 5. [PATERNITY ESTABLISHMENT AND CHILD SUPPORT ORDER MODIFICATION BONUS INCENTIVES.] (a) A bonus incentive program is created to increase the number of paternity establishments and modifications of child support orders done by county child support enforcement agencies.

(b) A bonus must be awarded to a county child support agency for each child for which the agency completes a paternity establishment through judicial, administrative, or expedited processes and for each instance in which the agency reviews a case for a modification of the child support order.

(c) The rate of bonus incentive is \$100 for each paternity establishment and \$50 for each review for modification of a child support order.

Sec. 9. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 6. [CLAIMS FOR BONUS INCENTIVE.] (a) The commissioner of human services and the county agency shall develop procedures for the claims process and criteria using automated systems where possible.

(b) Only one county agency may receive a bonus per paternity establishment or child support order modification. The county agency making the initial preparations for the case resulting in the establishment of paternity or modification of an order is the county agency entitled to claim the bonus incentive, even if the case is transferred to another county agency prior to the time the order is established or modified.

(c) Disputed claims must be submitted to the commissioner of human services and the commissioner's decision is final.

(d) For purposes of this section, "case" means a family unit for whom the county agency is providing child support enforcement services.

Sec. 10. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 7. [DISTRIBUTION.] (a) Bonus incentives must be issued to the county agency quarterly, within 45 days after the last day of each quarter for which a bonus incentive is being claimed, and must be paid in the order in which claims are received.

(b) Bonus incentive funds under this section must be reinvested in the county child support enforcement program and a county may not reduce funding of the child support enforcement program by the amount of the bonus earned.

(c) The county agency shall repay any bonus erroneously issued.

(d) A county agency shall maintain a record of bonus incentives claimed and received for each quarter.

Sec. 11. Minnesota Statutes 1992, section 256.9791, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY; REPORTING REQUIREMENTS.] (a) In order for a county to be eligible to claim a bonus incentive payment, the county agency must ~~report to the commissioner, no later than August 1 of each fiscal year, provide the required information for each public assistance case no later than June 30 of each year to determine eligibility. The public authority shall use the information to establish for each county the number of cases as of June 30 of the preceding fiscal year in which (1) the court has established an obligation for coverage by the obligor, and (2) coverage was in effect as of June 30. The ratio resulting when the number of cases reported under (2) is divided by the number of cases reported under (1) shall be used to determine the amount of the bonus incentive according to subdivision 4.~~

(b) A county that fails to ~~submit~~ provide the required information by ~~August 1~~ June 30 of each fiscal year is not eligible for any bonus payments under this section for that fiscal year.

Sec. 12. Minnesota Statutes 1992, section 256.9791, subdivision 4, is amended to read:

Subd. 4. [RATE OF BONUS INCENTIVE.] The rate of the bonus incentive shall be determined according to ~~paragraphs paragraph (a) to (e).~~

(a) When a county agency has identified or enforced coverage ~~in up to and including 50 percent of its cases~~, the county shall receive ~~\$15~~ \$50 for each additional person for whom coverage is identified or enforced.

(b) ~~When a county agency has identified or enforced coverage in more than 50 percent but less than 80 percent of its cases, the county shall receive \$20 for each person for whom coverage is identified or enforced.~~

(c) ~~When a county agency has identified or enforced coverage in 80 percent or more of its cases, the county shall receive \$25 for each person for whom coverage is identified or enforced.~~

(d) Bonus payments according to ~~paragraphs paragraph (a) to (c)~~ are limited to one bonus for each covered person each time the county agency identifies or enforces previously unidentified health insurance coverage and apply only to coverage identified or enforced after July 1, 1990.

Sec. 13. [256.9792] [ARREARAGE COLLECTION PROJECTS.]

Subdivision 1. [ARREARAGE COLLECTIONS.] Two arrearage collection projects are created to increase the revenue to the state and counties, reduce AFDC expenditures for former public assistance cases, and increase payments of arrearages to persons who are not receiving public assistance by submitting cases for arrearage collection to the department of revenue and private collection agencies.

Subd. 2. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Public assistance arrearage only case" means a case where no current support is due and the arrearages are assigned to the public agency under section 256.74, subdivision 5.

(c) "Public authority" means the public authority responsible for child support enforcement.

(d) "Nonpublic assistance arrearage case" means a support case where arrearages have occurred that have not been assigned under section 256.74, subdivision 5.

Subd. 3. [AGENCY PARTICIPATION.] (a) The collection remedy under this section is in addition to and not in substitution for any other remedy available by law to the public authority. The public authority remains responsible for the case even after collection efforts are transferred to the department of revenue or a private agency.

(b) The department of revenue may not claim collections made on a case submitted by the public authority for a state tax offset under chapter 270A as a collection for the purposes of this project.

Subd. 4. [ELIGIBLE CASES.] For public assistance arrearage only cases or nonpublic assistance arrearage cases to be eligible for the collection projects, the criteria in paragraphs (a) to (f) must be met.

(a) Notice must be sent to the debtor, as defined in section 270A.03, subdivision 4, at the debtor's last known address at least 30 days before the date the collections effort is transferred. The notice must inform the debtor that the department of revenue or a private collections agency will use enforcement and collections remedies and may charge a fee of up to 30 percent of the arrearages. The notice must advise the debtor of the right to contest the debt on grounds limited to mistakes of fact. The debtor may contest the debt by submitting a written request for review to the public authority within 21 days of the date of the notice.

(b) The arrearages owed must be based on a court or administrative order.

(c) The arrearages to be collected must be at least \$100.

(d) The public assistance arrearages must be at least 90 days past due and have had no collection in the 90 days before submission, except for federal and state offset collections.

(e) For nonpublic assistance cases, the arrearages must be a docketed judgment under section 548.091.

(f) A public assistance arrearage only case meeting the criteria under this subdivision from a county participating in the collection projects must be submitted for collection.

Subd. 5. [COUNTY PARTICIPATION.] (a) After requesting counties to volunteer for the projects, the commissioner of human services may designate counties to participate in the projects, if needed.

(b) The commissioner of human services shall designate counties that will submit cases to the department of revenue and counties that will submit cases to private collection agencies.

Subd. 6. [FEES.] A collection fee set by the commissioner of human services and the commissioner of revenue not to exceed 30 percent must be charged to the person obligated to pay the arrearages. The collection fee is in addition to the amount owed, and must be retained by the commissioner of revenue to cover the costs of administering the program or by the private collection agency from the proceeds of the collection.

Subd. 7. [CONTRACTS.] (a) The commissioner of human services may contract with the commissioner of revenue or private agencies to implement the projects, charge fees, and exchange necessary information.

(b) The commissioner of human services may provide an advance payment to the commissioner of revenue for collection services to be repaid to the department of human services out of subsequent collections fees.

(c) Summary reports of collections, fees, and other costs charged must be submitted monthly to the state office of child support enforcement.

Subd. 8. [REMEDIES.] The commissioner of revenue may use the tax collection remedies in sections 270.06, clause (7), 270.69 to 270.72, and 290.92, subdivision 23, to collect public assistance arrearages. The statute of limitations provisions in chapter 270 do not apply to public assistance arrearage only cases.

Subd. 9. [PRIORITY OF DEBTS.] For collections under this section, the priority of payment must first be applied to any delinquent tax obligations of the debtor that are owed to the department of revenue and then to public assistance arrearage only cases.

Subd. 10. [DATA.] (a) Notwithstanding section 13.46, the public authority and the commissioner of human services may furnish private data necessary for the collection of arrearages under this section to the commissioner of revenue and private agencies. Notwithstanding section 270B.02, subdivision 1, the commissioner of revenue may furnish private return data necessary for collection of child support arrearages under this section to the commissioner of human services and the public authority.

(b) The provisions of sections 13.03, subdivision 4, dealing with intergovernmental dissemination of data, and 13.05, subdivision 6, dealing with data under contracts, apply to data released under this section.

Sec. 14. Minnesota Statutes 1992, section 257.66, subdivision 3, is amended to read:

Subd. 3. [JUDGMENT; ORDER.] The judgment or order shall contain provisions concerning the duty of support, the custody of the child, the name of the child, visitation privileges with the child, the furnishing of bond or other security for the payment of the judgment, or any other matter in the best interest of the child. Custody and visitation and all subsequent motions related to them shall proceed and be determined under section 257.541. The remaining matters and all subsequent motions related to them shall proceed and be determined in accordance with chapter 518. The judgment or order may direct the appropriate party to pay all or a proportion of the reasonable expenses of the mother's pregnancy and confinement, after consideration of the relevant facts, including the relative financial means of the parents; the earning ability of each parent; and any health insurance policies held by either parent, or by a spouse or parent of the parent, which would provide benefits for the expenses incurred by the mother during her pregnancy and confinement. Remedies available for the collection and enforcement of child support apply to confinement costs and are considered additional child support.

Sec. 15. Minnesota Statutes 1992, section 257.67, subdivision 3, is amended to read:

Subd. 3. Willful failure to obey the judgment or order of the court is a ~~civil~~ contempt of the court. All remedies for the enforcement of judgments apply including those available under chapters 518 and 518C and sections 518C.01 to 518C.36 and 256.871 to 256.878.

Sec. 16. Minnesota Statutes 1992, section 518.14, is amended to read:

518.14 [COSTS AND DISBURSEMENTS AND ATTORNEY FEES.]

In a proceeding under this chapter, the court shall award attorney fees, costs, and disbursements in an amount necessary to enable a party to carry on or contest the proceeding, provided it finds:

- (1) that the fees are necessary for the good-faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;
- (2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and
- (3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

Nothing in this section precludes the court from awarding, in its discretion, additional fees, costs, and disbursements against a party who unreasonably contributes to the length or expense of the proceeding. Fees, costs, and disbursements provided for in this section may be awarded at any point in the proceeding, including a modification proceeding under sections 518.18 and 518.64. The court may adjudge costs and disbursements against either party. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Sec. 17. Minnesota Statutes 1992, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] (a) Unless the obligee has comparable or better group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor to name the minor child as beneficiary on any health and dental insurance plan that is comparable to or better than a number two qualified plan and available to the obligor on a group basis or through an employer or union. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

(b) If the court finds that dependent health or dental insurance is not available to the obligor or obligee on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor (1) to obtain other dependent health or dental insurance, or (2) to be liable for reasonable and necessary medical or dental expenses of the child, or (3) to pay no less than \$50 per month to be applied to the medical and dental expenses of the children or to the cost of health insurance dependent coverage.

(c) If the court finds that the available dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, including any existing or anticipated extraordinary medical expenses, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan. Medical and dental expenses include, but are not limited to, necessary orthodontia and eye care, including prescription lenses.

(d) If the obligor is employed by a self-insured employer subject only to the federal Employee Retirement Income Security Act (ERISA) of 1974, and the insurance benefit plan meets the above requirements, the court shall order the obligor to enroll the dependents within 30 days of the court order effective date or be liable for all medical and dental expenses occurring while coverage is not in effect. If enrollment in the ERISA plan is precluded by exclusionary clauses, the court shall order the obligor to obtain other coverage or make payments as provided in paragraph (b) or (c).

(e) Unless otherwise agreed by the parties, if the court finds that the obligee is not receiving public assistance for the child and has the financial ability to contribute to the cost of medical and dental expenses for the child, including the cost of insurance, the court may order the obligee and obligor to each assume a portion of these expenses based on their proportionate share of their total net income as defined in section 518.54, subdivision 6.

(f) Payments ordered under this section are subject to section 518.611. An obligee who fails to apply payments received to the medical expenses of the dependents may be found in contempt of this order.

Sec. 18. Minnesota Statutes 1992, section 518.171, subdivision 2, is amended to read:

Subd. 2. [SPOUSAL OR EX-SPOUSAL COVERAGE.] The court shall require the obligor to provide dependent health and dental insurance for the benefit of the obligee if it is available at no additional cost to the obligor and in this case the provisions of this section apply.

Sec. 19. Minnesota Statutes 1992, section 518.171, is amended by adding a subdivision to read:

Subd. 2a. [EMPLOYER AND OBLIGOR NOTICE.] If an individual is hired for employment, the employer may request that the individual disclose whether the individual has court-ordered medical support obligations that are required by law to be withheld from income and the terms of the court order, if any. The employer may request that the individual disclose whether the individual has been ordered by a court to provide health and dental dependent insurance coverage. The individual shall disclose this information at the time of hiring. If an individual discloses that medical support is required to be withheld, the employer shall begin withholding according to the terms of the order and pursuant to section 518.611, subdivision 8. If an individual discloses an obligation to obtain health and dental dependent insurance coverage and coverage is available through the employer, the employer shall make all application processes known to the individual upon hiring and enroll the employee and dependent in the plan pursuant to subdivision 3.

Sec. 20. Minnesota Statutes 1992, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] A copy of the court order for insurance coverage shall be forwarded to the obligor's employer or union by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of receiving the effective notice date of the court order, that the insurance has been obtained or that application for insurability has been made;

(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing.

The employer or union shall forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 21. Minnesota Statutes 1992, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, or upon application of the obligor pursuant to the order, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the obligor is enrolled or the least costly plan otherwise available to the obligor that is comparable to a number two qualified plan.

(b) An employer or union that willfully fails to comply with the order is liable for any health or dental expenses incurred by the dependents during the period of time the dependents were eligible to be enrolled in the insurance program, and for any other premium costs incurred because the employer or union willfully failed to comply with the order. An employer or union that fails to comply with the order is subject to contempt under section 41 and is also subject to a fine of \$500 to be paid to the obligee or public authority. Fines paid to the public authority are designated for child support enforcement services.

(c) Failure of the obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 22. Minnesota Statutes 1992, section 518.171, subdivision 6, is amended to read:

Subd. 6. [INSURER REIMBURSEMENT; CORRESPONDENCE AND NOTICE.] (a) The signature of the custodial parent of the insured dependent is a valid authorization to the insurer for purposes of processing an insurance reimbursement payment to the provider of the medical services or to the custodial parent if medical services have been prepaid by the custodial parent.

(b) The insurer shall send copies of all correspondence regarding the insurance coverage to both parents. When an order for dependent insurance coverage is in effect and the obligor's employment is terminated, or the insurance coverage is terminated, the insurer shall notify the obligee within ten days of the termination date with notice of conversion privileges.

Sec. 23. Minnesota Statutes 1992, section 518.171, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF INFORMATION.] When an order for dependent insurance coverage is in effect, the obligor's employer or union, or insurance agent shall release to the obligee or the public authority, upon request, information on the dependent coverage, including the name of the insurer. Notwithstanding any other law, information reported pursuant to section 268.121 shall be released to the public agency responsible for support enforcement that is enforcing an order for medical or dental insurance coverage under this section. The public agency responsible for support enforcement is authorized to release to the obligor's insurer or employer information necessary to obtain or enforce medical support.

Sec. 24. Minnesota Statutes 1992, section 518.171, subdivision 8, is amended to read:

Subd. 8. [OBLIGOR LIABILITY.] ~~The~~ (a) An obligor that who fails to maintain the medical or dental insurance for the benefit of the children as ordered shall be or fails to provide other medical support as ordered is liable to the obligee for any medical or dental expenses incurred from the effective date of the court order, including health and dental insurance premiums paid by the obligee because of the obligor's failure to obtain coverage as ordered. Proof of failure to maintain insurance or noncompliance with an order to provide other medical support constitutes a showing of increased need by the obligee pursuant to section 518.64 and provides a basis for a modification of the obligor's child support order.

(b) Payments for services rendered to the dependents that are directed to the obligor, in the form of reimbursement by the insurer, must be endorsed over to and forwarded to the vendor or custodial parent or public authority when the reimbursement is not owed to the obligor. An obligor retaining insurance reimbursement not owed to the obligor may be found in contempt of this order and held liable for the amount of the reimbursement. Upon written verification by the insurer of the amounts paid to the obligor, the reimbursement amount is subject to all enforcement remedies available under subdivision 10.

Sec. 25. Minnesota Statutes 1992, section 518.171, subdivision 10, is amended to read:

Subd. 10. [ENFORCEMENT.] Remedies available for the collection and enforcement of child support apply to medical support. For the purpose of enforcement, the costs of individual or group health or hospitalization coverage, dental coverage, all medical costs ordered by the court to be paid by the obligor, including health and dental insurance premiums paid by the obligee because of the obligor's failure to obtain coverage as ordered or liabilities established pursuant to subdivision 8, are additional child support.

Sec. 26. Minnesota Statutes 1992, section 518.24, is amended to read:

518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. The obligor is presumed to have an income from a source sufficient to pay the maintenance or support order. A child support or maintenance order constitutes prima facie evidence that the obligor has the ability to pay the award. If the obligor disobeys the order, it is prima facie evidence of contempt.

Sec. 27. Minnesota Statutes 1992, section 518.54, subdivision 4, is amended to read:

Subd. 4. [SUPPORT MONEY; CHILD SUPPORT.] "Support money" or "child support" means:

(1) an award in a dissolution, legal separation, ~~or annulment~~, or parentage proceeding for the care, support and education of any child of the marriage or of the parties to the ~~annulment proceeding~~; or

(2) a contribution by parents ordered under section 256.87.

Sec. 28. Minnesota Statutes 1992, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [SCOPE; PAYMENT TO PUBLIC AGENCY.] (a) This section applies to all proceedings involving an award of child support.

(b) The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement. This includes the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 29. Minnesota Statutes 1992, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (h). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

(b) The court shall derive a specific dollar amount for child support by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 \$550 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401—500	14%	17%	20%	22%	24%	26%	28%
\$501—550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

7500
or the amount
in effect under
paragraph (k)

Guidelines for support for an obligor with a monthly income of ~~\$4,001~~ \$7,501 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of ~~\$4,000~~ \$7,500 or the amount in effect under paragraph (k).

Net Income defined as:

Total monthly income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security Deductions
- (iv) Reasonable Pension Deductions

*Standard Deductions apply-use of tax tables recommended

- (v) Union Dues
- (vi) Cost of Dependent Health Insurance Coverage
- (vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

The court shall review the work related and education related child care costs of the custodial parent and shall allocate the costs to each parent in proportion to each parent's income after the transfer of child support. The cost of child care for purposes of this section is determined by subtracting the amount of any federal and state income tax credits available to a parent from the actual cost paid for child care. The amount allocated for child care expenses is considered child support.

~~(b)~~ (c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph ~~(a)~~ (b), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

~~(4) the amount of the aid to families with dependent children grant for the child or children;~~

~~(5)~~ which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

~~(6)~~ (5) the parents' debts as provided in paragraph ~~(e)~~ (d).

(e) (d) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

~~(d)~~ (e) Any schedule prepared under paragraph (e) ~~(d)~~, clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(e) (f) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

~~(f)~~ Where (g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

~~(g)~~ (h) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(h) (i) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(j) If the child support payments are assigned to the public agency under section 256.74, the court may not deviate downward from the child support guidelines in the establishment of a child support order unless the court specifically finds that the failure to deviate downward would impose an extreme hardship on the obligor.

(k) The dollar amount of the income limit for application of the guidelines must be adjusted on July 1 of every even-numbered year to reflect cost-of-living changes. The supreme court shall select the index for the adjustment from the indices listed in section 518.641. The state court administrator shall make the changes in the dollar amount required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.

Sec. 30. Minnesota Statutes 1992, section 518.551, subdivision 5b, is amended to read:

Subd. 5b. [DETERMINATION OF INCOME.] (a) The parties shall timely serve and file documentation of earnings and income. When there is a prehearing conference, the court must receive the documentation of income at least ten days prior to the prehearing conference. Documentation of earnings and income also includes, but is not limited to, pay stubs for the most recent three months, employer statements, or statement of receipts and expenses if self-employed. Documentation of earnings and income also includes copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment compensation statements, workers' compensation statements, and all other documents evidencing income as received that provide verification of income over a longer period.

(b) In addition to the requirements of paragraph (a), at any time after an action seeking child support has been commenced or when a child support order is in effect, a party or the public authority may require the other party to give them a copy of the party's most recent federal tax returns that were filed with the Internal Revenue Service. The party shall provide a copy of the tax returns within 30 days of receipt of the request unless the request is not made in good faith. Failure of a party, without leave of the court, to provide a true and accurate copy of the tax return as required under this paragraph may be contempt of court. A request under this paragraph may not be made more than once every two years, in the absence of good cause.

(c) If a parent under the jurisdiction of the court does not appear at a court hearing after proper notice of the time and place of the hearing, the court shall set income for that parent based on credible evidence before the court or in accordance with paragraph (e) ~~(d)~~. Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota department of jobs and training under section 268.121.

(e) (d) If the court finds that a parent is voluntarily unemployed or underemployed, child support shall be calculated based on a determination of imputed income. A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that the unemployment or underemployment: (1) is temporary and will ultimately lead to an increase in income; or (2) represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child. Imputed income means the estimated earning ability of a parent based on the parent's prior earnings history, education, and job skills, and on availability of jobs within the community for an individual with the parent's qualifications. If the court is unable to determine or estimate the earning ability of a parent, the court may calculate child support based on full-time employment of 40 hours per week at the federal minimum wage or the Minnesota minimum wage, whichever is higher. If a parent is a recipient of public assistance under sections 256.72 to 256.87 or chapter 256D, or is physically or mentally incapacitated, it shall be presumed that the parent is not voluntarily unemployed or underemployed.

Sec. 31. Minnesota Statutes 1992, section 518.551, is amended by adding a subdivision to read:

Subd. 5d. [EDUCATION TRUST FUND.] If the child support order provides the child with a reasonable standard of living, the parties may agree to designate a sum of money as a trust fund for the costs of post-secondary education.

Sec. 32. Minnesota Statutes 1992, section 518.551, subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support.

An application fee ~~not to exceed~~ of \$25 shall be paid by the person who applies for child support and maintenance collection services, except persons who transfer from public assistance to nonpublic assistance status. Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided. The public authority upon written notice to the obligee shall assess a fee of \$25 to the person not receiving public assistance for each successful federal tax interception. The fee must be withheld prior to the release of the funds received from each interception and deposited in the general fund.

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, United States Code, title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

Sec. 33. Minnesota Statutes 1992, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

The commissioner of human services may designate counties to participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, are required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or represents provides services to a party or parties to the action. These actions must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
- (2) motions to set aside a paternity adjudication or declaration of parentage;
- (3) evidentiary hearing on contempt motions; and
- (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

(b) An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

(c) For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support and maintenance obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

(d) Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, ~~and the county court administrator,~~ and county sheriff shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

(e) Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, ~~acting at the direction of the county attorney,~~ may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

(f) The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

(g) The decision and order of the administrative law judge is appealable to the court of appeals in the same manner as a decision of the district court.

(h) The commissioner of human services shall distribute money for this purpose to counties to cover the costs of the administrative process, including the salaries of administrative law judges. If available appropriations are insufficient to cover the costs, the commissioner shall prorate the amount among the counties.

Sec. 34. Minnesota Statutes 1992, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] Upon petition of an obligee or public agency responsible for child support enforcement, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support payments, the court may direct the licensing board or other licensing agency to conduct a hearing under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

Sec. 35. Minnesota Statutes 1992, section 518.57, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Upon a decree of dissolution, legal separation, or annulment, the court shall make a further order which is just and proper concerning the maintenance of the minor children as provided by section 518.551, and for the maintenance of any child of the parties as defined in section 518.54, as support money, ~~and. The court may make the same~~ any child support order a lien or charge upon the property of the parties ~~to the proceeding, or either of them~~ obligor, either at the time of the entry of the judgment or by subsequent order upon proper application.

Sec. 36. Minnesota Statutes 1992, section 518.57, is amended by adding a subdivision to read:

Subd. 4. [OTHER CUSTODIANS.] If a child resides with a person other than a parent and the court approves of the custody arrangement, the court may order child support payments to be made to the custodian regardless of whether the person has legal custody.

Sec. 37. Minnesota Statutes 1992, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) Notwithstanding any law to the contrary, the order is binding on the employer, trustee, payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers must occur in accordance with a court-ordered payment schedule. An employer, payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2 and section 518.613 and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. The obligor is considered to have paid the amount withheld as of the date the obligor received the remainder of the income. The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement.

(b) Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party.

(c) An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement. An employer or other payor of funds that fails to withhold or transfer funds in accordance with this section is also liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred. An employer or other payor of funds is liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph. An employer or other payor of funds that has failed to comply with the requirements of this section is subject to contempt sanctions under section 41.

Sec. 38. Minnesota Statutes 1992, section 518.613, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Notwithstanding any provision of section 518.611, subdivision 2 or 3, to the contrary, whenever an obligation for child support or maintenance, enforced by the public authority, is initially determined and ordered or modified by the court in a county in which this section applies, the amount of child support or maintenance ordered by the court and any fees assessed by the public authority responsible for child support enforcement must be withheld from the income, regardless of source, of the person obligated to pay the support.

Sec. 39. [518.615] [EMPLOYER CONTEMPT.]

Subdivision 1. [ORDERS BINDING.] Income withholding or medical support orders issued pursuant to sections 518.171, 518.611, and 518.613 are binding on the employer, trustee, or other payor of funds after the order and notice of income withholding or enforcement of medical support has been served on the employer, trustee, or payor of funds.

Subd. 2. [CONTEMPT ACTION.] An obligee or the public agency responsible for child support enforcement may initiate a contempt action against an employer, trustee, or payor of funds, within the action that created the support obligation, by serving an order to show cause upon the employer, trustee, or payor of funds.

The employer, trustee, or payor of funds is presumed to be in contempt:

(1) if the employer, trustee, or payor of funds has intentionally failed to withhold support after receiving the order and notice of income withholding or notice of enforcement of medical support; or

(2) upon presentation of pay stubs or similar documentation showing the employer, trustee, or payor of funds withheld support and demonstration that the employer, trustee, or payor of funds intentionally failed to remit support to the agency responsible for child support enforcement.

Subd. 3. [LIABILITY.] The employer, trustee, or payor of funds is liable to the obligee or the agency responsible for child support enforcement for any amounts required to be withheld that were not paid. The court may enter judgment against the employer, trustee, or payor of funds for support not withheld or remitted. The court may also impose contempt sanctions under chapter 588.

Sec. 40. Minnesota Statutes 1992, section 518.64, subdivision 1, is amended to read:

Subdivision 1. After an order for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on motion of either of the parties, a copy of which is served on the public authority responsible for child support enforcement if payments are made through it, or on motion of the public authority responsible for support enforcement, modify the order respecting the amount of maintenance or support money, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided. A party or the public authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments.

Sec. 41. Minnesota Statutes 1992, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair; or (5) extraordinary medical expenses of the child not provided for under section 518.171.

It is presumed that there has been a substantial change in circumstances under clause (1), (2), or (4) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 42. Minnesota Statutes 1992, section 518.64, subdivision 5, is amended to read:

Subd. 5. [FORM.] The department of human services shall prepare and make available to courts, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order for support or maintenance or for contempt of court. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 43. Minnesota Statutes 1992, section 518.64, subdivision 6, is amended to read:

Subd. 6. [EXPEDITED PROCEDURE.] (a) The public authority may seek a modification of the child support order in accordance with the rules of civil procedure or under the expedited procedures in this subdivision.

(b) The public authority may serve the following documents upon the obligor either by certified mail or in the manner provided for service of ~~a summons~~ other pleadings under the rules of civil procedure:

(i) a notice of its application for modification of the obligor's support order stating the amount and effective date of the proposed modification which date shall be no sooner than 30 days from the date of service;

(ii) an affidavit setting out the basis for the modification under subdivision 2, including evidence of the current income of the parties;

(iii) any other documents the public authority intends to file with the court in support of the modification;

(iv) the proposed order;

(v) notice to the obligor that if the obligor fails to move the court and request a hearing on the issue of modification of the support order within 30 days of service of the notice of application for modification, the public authority will likely obtain an order, ex parte, modifying the support order; and

(vi) an explanation to the obligor of how a hearing can be requested, together with a motion for review form that the obligor can complete and file with the court to request a hearing.

(c) If the obligor moves the court for a hearing, any modification must be stayed until the court has had the opportunity to determine the issue. Any modification ordered by the court is effective on the date set out in the notice of application for modification, but no earlier than 30 days following the date the obligor was served.

(d) If the obligor fails to move the court for hearing within 30 days of service of the notice, the public authority shall file with the court a copy of the notice served on the obligor as well as all documents served on the obligor, proof of service, and a proposed order modifying support.

(e) If, following judicial review, the court determines that the procedures provided for in this subdivision have been followed and the requested modification is appropriate, the order shall be signed ex parte and entered.

(f) Failure of the court to enter an order under this subdivision does not prejudice the right of the public authority or either party to seek modification in accordance with the rules of civil procedure.

(g) The supreme court shall develop standard forms for the notice of application of modification of the support order, the supporting affidavit, the obligor's responsive motion, and proposed order granting the modification.

Sec. 44. [518.585] [NOTICE OF INTEREST ON LATE CHILD SUPPORT.]

Any judgment or decree of dissolution or legal separation containing a requirement of child support and any determination of parentage, order under chapter 518C, order under section 256.87, or order under section 260.251 must include a notice to the parties that section 49 provides for interest to begin accruing on a payment or installment of child support whenever the unpaid amount due is greater than the current support due.

Sec. 45. Minnesota Statutes 1992, section 519.11, is amended to read:

519.11 [ANTENUPTIAL CONTRACT AND POSTNUPTIAL CONTRACTS.]

Subdivision 1. [ANTENUPTIAL CONTRACT.] A man and woman of legal age may enter into an antenuptial contract or settlement prior to solemnization of marriage which shall be valid and enforceable if (a) there is a full and fair disclosure of the earnings and property of each party, and (b) the parties have had an opportunity to consult with legal counsel of their own choice. An antenuptial contract or settlement made in conformity with this section may determine what rights each party has in the nonmarital property, defined in section 518.54, subdivision 5, clauses (a) to (d), upon dissolution of marriage, legal separation or after its termination by death and may bar each other of all rights in the respective estates not so secured to them by their agreement. This section shall not be construed to make invalid or unenforceable any antenuptial agreement or settlement made and executed in conformity with this section because the agreement or settlement covers or includes marital property, if the agreement or settlement would be valid and enforceable without regard to this section.

Subd. 1a. [POSTNUPTIAL CONTRACT.] (a) Spouses who are legally married under the laws of this state may enter into a postnuptial contract or settlement which is valid and enforceable if it:

(1) complies with the requirements for antenuptial contracts or settlements in this section and in the law of this state, including, but not limited to, the requirement that it be procedurally and substantively fair and equitable both at the time of its execution and at the time of its enforcement; and

(2) complies with the requirements for postnuptial contracts or settlements in this section.

(b) A postnuptial contract or settlement that conforms with this section may determine all matters that may be determined by an antenuptial contract or settlement under the law of this state, except that a postnuptial contract or settlement may not determine the rights of any child of the spouses to child support from either spouse.

(c) A postnuptial contract or settlement is valid and enforceable only if at the time of its execution each spouse is represented by separate legal counsel.

(d) A postnuptial contract or settlement is valid and enforceable only if at the time of its execution each of the spouses entering into the contract or settlement has marital property titled in that spouse's name, nonmarital property, or a combination of marital property titled in that spouse's name and nonmarital property with a total value exceeding \$1,200,000.

(e) A postnuptial contract or settlement is not valid or enforceable if either party commences an action for a legal separation or dissolution within two years of the date of its execution.

Subd. 2. [WRITING; EXECUTION.] Antenuptial or postnuptial contracts or settlements shall be in writing, executed in the presence of two witnesses and acknowledged by the parties, executing the same before any officer or person authorized to administer an oath under the laws of this state. ~~The agreement~~ An antenuptial contract must be entered into and executed prior to the day of solemnization of marriage.

Subd. 2a. [AMENDMENT OR REVOCATION.] An antenuptial contract or settlement may be amended or revoked after the marriage of the parties only by a valid postnuptial contract or settlement which complies with this section and with the laws of this state. A postnuptial contract or settlement may be amended or revoked only by a later, valid postnuptial contract or settlement which complies with this section and with the laws of this state.

Subd. 3. [FILING; RECORDING.] An antenuptial or postnuptial contract or settlement which by its terms conveys or determines what rights each has in the other's real property and sets forth the legal description of the real estate granted or affected by the agreement may be filed or recorded in every county where any real estate so described is situated, in the office of the county recorder for the county or in any public office authorized to receive a deed, assignment or other instrument affecting the real estate, for filing or recording.

Subd. 4. [EFFECT OF RECORDING.] Any antenuptial or postnuptial contract or settlement not recorded in the office of the county recorder or other public office authorized to receive the document, where the real property is located, shall be void as against any subsequent purchaser in good faith and for a valuable consideration of the same real property, or any part thereof, whose conveyance is first duly recorded, and as against any attachment levied thereon or any judgment lawfully obtained at the suit of any party against the person in whose name the title to the property appears of record prior to recording of the conveyance.

Subd. 5. [EVIDENCE; BURDEN OF PROOF.] An antenuptial or postnuptial contract or settlement duly acknowledged and attested shall be prima facie proof of the matters acknowledged therein and as to those matters, the burden of proof shall be and rest upon the person contesting the same.

Subd. 6. [EFFECTIVE DATE.] This section shall apply to all antenuptial contracts and settlements executed on or after August 1, 1979, and shall apply to all postnuptial contracts and settlements executed on or after August 1, 1993.

Subd. 7. [EFFECT OF SECTIONS 519.01 TO 519.101.] Nothing in sections 519.01 to 519.101, shall be construed to affect antenuptial or postnuptial contracts or settlements.

Sec. 46. Minnesota Statutes 1992, section 548.09, subdivision 1, is amended to read:

Subdivision 1. [DOCKETING; SURVIVAL OF JUDGMENT.] Except as provided in section 548.091, every judgment requiring the payment of money shall be docketed by the court administrator upon its entry. Upon a transcript of the docket being filed with the court administrator in any other county, the court administrator shall also docket it. From the time of docketing the judgment is a lien, in the amount unpaid, upon all real property in the county then or thereafter owned by the judgment debtor, but it is not a lien upon registered land unless it is also filed pursuant to sections 508.63 and 508A.63. The judgment survives, and the lien continues, for ten years after its entry. An action to renew a child support judgment may be served by first class mail at the last known address of the debtor.

Sec. 47. Minnesota Statutes 1992, section 548.091, subdivision 1a, is amended to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date it is due and is entitled to full faith and credit in this state and any other state. Interest accrues at an annual rate of ten percent from the date the judgment on the payment or installment is entered and docketed under subdivision 3a, at the annual rate provided in section 549.09, subdivision 1 unpaid amount due is greater than the current support due. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision.

Sec. 48. Minnesota Statutes 1992, section 548.091, subdivision 3a, is amended to read:

Subd. 3a. [ENTRY, DOCKETING, AND SURVIVAL OF CHILD SUPPORT JUDGMENT.] Upon receipt of the documents filed under subdivision 2a, the court administrator shall enter and docket the judgment in the amount of the default specified in the affidavit of default. From the time of docketing, the judgment is a lien upon all the real property in the county owned by the judgment debtor. The judgment survives and the lien continues for ten years after the date the judgment was docketed. An action to renew a child support judgment may be served by first class mail at the last known address of the debtor.

Sec. 49. Minnesota Statutes 1992, section 588.20, is amended to read:

588.20 [CRIMINAL CONTEMPTS.]

Every person who shall commit a contempt of court, of any one of the following kinds, shall be guilty of a misdemeanor:

(1) Disorderly, contemptuous, or insolent behavior, committed during the sitting of the court, in its immediate view and presence, and directly tending to interrupt its proceedings, or to impair the respect due to its authority;

(2) Behavior of like character in the presence of a referee, while actually engaged in a trial or hearing, pursuant to an order of court, or in the presence of a jury while actually sitting for the trial of a cause, or upon an inquest or other proceeding authorized by law;

(3) Breach of the peace, noise, or other disturbance directly tending to interrupt the proceedings of a court, jury, or referee;

(4) Willful disobedience to the lawful process or other mandate of a court;

(5) Resistance willfully offered to its lawful process or other mandate;

(6) Contumacious and unlawful refusal to be sworn as a witness, or, after being sworn, to answer any legal and proper interrogatory;

(7) Publication of a false or grossly inaccurate report of its proceedings; or

(8) Willful failure to pay court-ordered child support when the obligor has the ability to pay.

No person shall be punished as herein provided for publishing a true, full, and fair report of a trial, argument, decision, or other proceeding had in court.

Sec. 50. Minnesota Statutes 1992, section 595.02, subdivision 1, is amended to read:

Subdivision 1. [COMPETENCY OF WITNESSES.] Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) An attorney employed by, under contract to, or representing a public authority in connection with a child support enforcement program cannot, without the consent of an individual applying for child support services or the consent of an AFDC recipient whose right to support has been assigned, be examined as to any communication made by the individual applicant or the AFDC recipient to the attorney, or communications made by the attorney to the individual applicant or the AFDC recipient in the course of the attorney's representation of the public authority in connection with a child support enforcement program; nor can an employee of the attorney be examined as to the communication, without the consent of the individual applicant or the AFDC recipient.

(e) (d) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) (e) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) (f) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) (g) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) (h) A registered nurse, psychologist or consulting psychologist shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity.

(h) (i) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) (j) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) (k) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) (l) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) (m) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

~~(m)~~ (n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

Sec. 51. Minnesota Statutes 1992, section 609.375, subdivision 1, is amended to read:

Subdivision 1. Whoever is legally obligated to provide care and support to a spouse who is in necessitous circumstances, or child, whether or not its custody has been granted to another, and knowingly omits and fails without lawful excuse to do so is guilty of ~~nonsupport of the spouse or child, as the case may be a misdemeanor~~, and upon conviction thereof may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$300~~ \$700, or both.

Sec. 52. Minnesota Statutes 1992, section 609.375, subdivision 2, is amended to read:

Subd. 2. If the ~~knowing omission and failure without lawful excuse to provide care and support to a spouse, a minor child, or a pregnant wife~~ violation of subdivision 1 continues for a period in excess of 90 days the person is guilty of a ~~felony~~ gross misdemeanor and may be sentenced to imprisonment for not more than ~~five years~~ one year or to payment of a fine of not more than \$3,000, or both.

Sec. 53. [INCOME WITHHOLDING; SINGLE CHECK SYSTEM CENTRAL DEPOSITORY OR OTHER FISCAL AGENT.]

The commissioner of human services, in consultation with county child support enforcement agencies and other persons with relevant expertise, shall study and make recommendations on: (1) the feasibility of establishing a single check system under which employers who are implementing income withholding may make one combined payment for payments due to public authorities to one public authority or to the commissioner of human services; and (2) the feasibility of establishing a central depository or designating a fiscal agent for receipt of child support payments. The commissioner shall estimate the cost of the single check system and use of a central depository or fiscal agent and the level of fees that would be necessary to make them self-supporting. The commissioner shall report to the legislature by January 15, 1995.

Sec. 54. [ADMINISTRATIVE PROCESS FOR CHILD SUPPORT.]

The commissioner of human services, in consultation with the commissioner's advisory committee for child support enforcement, shall develop a plan to restructure the administrative process for setting, modifying, and enforcing child support under Minnesota Statutes, section 518.551, subdivision 10. The goal of the plan is to implement a state-administered administrative process that is informal, uniform throughout the state, and accessible to parties without counsel. The commissioner shall report to the legislature by January 15, 1994.

Sec. 55. [PURPOSE.]

The purpose of the amendment to Minnesota Statutes 1992, section 518.64, subdivision 2, paragraph (a), dealing with the presumption of a substantial change in circumstances and self-limited income, is to conform to Code of Federal Regulations, title 42, section 303.8(d)(2).

Sec. 56. [REPEALER.]

(a) Minnesota Statutes 1992, section 256.979, is repealed.

(b) Minnesota Statutes 1992, section 609.37, is repealed.

Sec. 57. [EFFECTIVE DATE; APPLICATION.]

(a) Except as otherwise provided in this section, this act is effective August 1, 1993.

(b) Sections 17, 18, and 29 apply to child support and medical support orders entered or modified on or after the effective date.

(c) Sections 49, 51, 52, and 56, paragraph (b), are effective August 1, 1993, and apply to crimes committed on or after that date.

(d) Sections 32 and 33 are effective January 1, 1994.

(e) The provisions of sections 46 and 48 extending the length of child support judgments from ten years to 20 years apply to judgments entered on or after the effective date."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, 12, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 519.11; 548.09, subdivision 1; 548.091, subdivisions 1a and 3a; 588.20; 595.02, subdivision 1; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37."

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1060, A bill for an act relating to agriculture; making technical changes in eligibility for certain rural finance authority loan programs; amending Minnesota Statutes 1992, sections 41B.03, subdivision 3; and 41C.05, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1992, section 41B.02, is amended by adding a subdivision to read:

Subd. 1a. [AMORTIZED RESTRUCTURED LOAN.] "Amortized restructured loan" means a loan after it has been modified pursuant to section 41B.04, subdivision 9, paragraph (d).

Sec. 2. Minnesota Statutes 1992, section 41B.02, subdivision 7, is amended to read:

Subd. 7. [DEFERRED INTEREST.] "Deferred interest" means that portion of the interest on primary principal and secondary principal the payment of which is deferred for the term of the deferred restructured loan. The deferred interest on primary principal may accrue at a different rate from the deferred interest on secondary principal as described in section 41B.04.

Sec. 3. Minnesota Statutes 1992, section 41B.02, is amended by adding a subdivision to read:

Subd. 7a. [DEFERRED RESTRUCTURED LOAN.] "Deferred restructured loan" means a loan after it has been modified pursuant to section 41B.04, subdivision 9, paragraph (a).

Sec. 4. Minnesota Statutes 1992, section 41B.02, subdivision 12, is amended to read:

Subd. 12. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the outstanding balance on a loan covered by section 41B.04 that is equal to the current market value of the property secured by the loan or such lesser amount as may be established by the authority by rule.

Sec. 5. Minnesota Statutes 1992, section 41B.02, subdivision 14, is amended to read:

Subd. 14. [RESTRUCTURED LOAN.] "Restructured loan" means both a deferred restructured loan and an amortized restructured loan after it is modified pursuant to section 41B.04.

Sec. 6. Minnesota Statutes 1992, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [SECONDARY PRINCIPAL.] "Secondary principal" means that portion of the outstanding balance of a deferred restructured loan covered by section 41B.04 that is in excess of the current market value of the property secured by the loan primary principal."

Page 2, line 9, delete "provides justification" and insert "has either a four-year degree in an agricultural program or certification as an adult farm management instructor"

Page 2, after line 12, insert:

"Sec. 8. Minnesota Statutes 1992, section 41B.04, subdivision 9, is amended to read:

Subd. 9. [RESTRUCTURED LOAN AGREEMENT.] (a) For a deferred restructured loan, all payments on the primary and secondary principal ~~of the restructured loan~~, all payments of interest on the secondary principal, and an agreed portion of the interest payable to the eligible agricultural lender on the primary principal must be deferred to the end of the term of the loan.

~~(b) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.~~

(e) Interest on secondary principal must accrue at a below market interest rate.

~~(d) (c)~~ At the conclusion of the term of the restructured loan, the borrower owes primary principal, secondary principal, and deferred interest on primary and secondary principal. However, part of this balloon payment may be forgiven following an appraisal by the lender and the authority to determine the current market value of the real estate subject to the mortgage. If the current market value of the land after appraisal is less than the amount of debt owed by the borrower to the lender and authority on this obligation, that portion of the obligation that exceeds the current market value of the real property must be forgiven by the lender and the authority in the following order:

- (1) deferred interest on secondary principal;
- (2) secondary principal;
- (3) deferred interest on primary principal;
- (4) primary principal as provided in an agreement between the authority and the lender; and
- (5) accrued but not deferred interest on primary principal.

(d) For an amortized restructured loan, there may only be primary principal and interest on the primary principal and an amortized restructured loan must be amortized over a time period and upon terms to be established by the authority by rule.

(e) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.

~~(e) (f)~~ The authority may not participate in refinancing a restructured loan at the conclusion of the restructured loan.

Sec. 9. Minnesota Statutes 1992, section 41B.04, is amended by adding a subdivision to read:

Subd. 17. [APPLICATION AND ORIGINATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application and an origination fee for each loan issued under the loan restructuring program. The origination fee is 1.5 percent of the authority's participation interest in the loan and the application fee is \$50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner for administrative expenses for the loan restructuring program."

Page 2, line 22, delete "or a general partnership" and insert a semicolon

Page 2, delete line 23

Page 2, line 31, delete "or of at least one of the partners if" and insert a semicolon

Page 2, delete line 32

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to agriculture; making technical changes in eligibility for certain rural finance authority loan programs; amending Minnesota Statutes 1992, sections 41B.02, subdivisions 7, 12, 14, 15, and by adding subdivisions; 41B.03, subdivision 3; 41B.04, subdivision 9, and by adding a subdivision; and 41C.05, subdivision 2."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1081, A bill for an act relating to commerce; regulating collection agencies; modifying prohibited practices; requiring notification to the commissioner upon certain employee terminations; repealing inconsistent surety bond and term and fee rules; regulating credit services organizations; modifying registration and bond requirements; modifying enforcement powers; amending Minnesota Statutes 1992, sections 332.37; 332.54, subdivision 1, and by adding subdivisions; 332.55; and 332.59; proposing coding for new law in Minnesota Statutes, chapter 332; repealing Minnesota Rules, parts 2870.1300; and 2870.1600.

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

The report was adopted.

Reding from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1094, A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 8; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 45; 62A; 62H; repealing Minnesota Statutes 1992, sections 72A.45; 72B.07; Minnesota Rules, parts 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 8. [INSPECTION FEES.] Notwithstanding section 13.03, the department of commerce may assess a charge or require a requesting person to pay a fee to inspect data if the department has been assessed a charge for retrieving the information by the statewide system.

Sec. 2. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 9. [SOCIAL SECURITY NUMBERS.] The social security numbers of individuals are private data on individuals and shall not be disclosed.

Sec. 3. [45.015] [PROOF OF MAILING.]

In any provision of law related to the duties and responsibilities entrusted to the commissioner, and unless a different method is specified, when a person is required to provide notice or perform a similar act, this action may be accomplished by mail, and proof of mailing is sufficient to prove compliance with the requirement.

Sec. 4. [45.022] [FEES OTHER THAN EXAMINATION, LICENSING, AND LICENSE RENEWAL FEES.]

In connection with the administration of chapters 45 to 83, 155A, 309, 332, 359, and sections 326.83 to 326.98, where there is no other fee specified the commissioner of commerce shall charge a fee of \$20 to a person requesting licensing information or services that require the commissioner to produce documentation, including but not limited to: duplicate licenses, license histories, license transfers, name changes of licensees, license reactivations and reinstatement, and license certifications.

Sec. 5. Minnesota Statutes 1992, section 45.024, subdivision 2, is amended to read:

Subd. 2. [DELEGATION.] The commissioner of commerce may delegate to a deputy commissioner, assistant commissioner, or director the exercise of the commissioner's statutory powers and duties, including the authority to decide and issue final orders in contested cases, rulemaking proceedings, and other hearings held under chapter 14.

This delegation is in addition to, and does not in any way limit, the commissioner's authority to delegate pursuant to section 15.06, subdivision 6, or any other law.

Sec. 6. Minnesota Statutes 1992, section 59A.12, is amended by adding a subdivision to read:

Subd. 5. Whenever an insurer, after having been advised that an insurance policy has been financed by a premium finance agreement, returns an unearned premium on such a policy, the insurer shall deliver or mail to the policyholder a notice that includes the following information: the amount of premium paid, the term of the policy, the date coverage began and ceased, the amount of the unearned premium, the name of the party receiving the funds, and a statement of the obligation of the premium finance company to return within 30 days of receipt of the unearned premium any amount of the unearned premium in excess of the amount owed by the policyholder to the premium finance company.

Sec. 7. Minnesota Statutes 1992, section 60A.02, is amended by adding a subdivision to read:

Subd. 28. [GROUP INSURANCE.] "Group insurance" means that form of insurance coverage sponsored by:

(1) an employer covering not less than two employees and which may include the employees' dependents, consisting of husband, wife, children, and actual dependents residing in the household, written under a master policy issued to any employer, or group of employers who have joined into an arrangement for the purposes of providing the employees insurance for their individual benefit. Employees' dependents, consisting of husband, wife, children, and actual dependents residing in the same household, are not employees for purposes of this definition except for a spouse employed on a regular full-time basis by the same employer. This clause does not apply to chapter 62L;

(2) an association to provide insurance to its members; or

(3) a creditor to provide life insurance to insure its debtors in connection with real estate mortgage loans, in an amount not to exceed the actual or scheduled amount of their indebtedness.

Sec. 8. Minnesota Statutes 1992, section 60A.03, subdivision 5, is amended to read:

Subd. 5. [EXAMINATION FEES AND EXPENSES.] When any visitation, examination, or appraisal is made by order of the commissioner, or when a desk audit is conducted, the company being examined, visited, audited, or appraised, including, but not limited to, fraternal, township mutuals, reciprocal exchanges, nonprofit service plan corporations, health maintenance organizations, vendors of risk management services licensed under section 60A.23, or self-insurance plans or pools established under section 176.181 or 471.982, shall pay to the department of commerce the necessary expenses of the persons engaged in the examination, visit, appraisal, or desk audits of annual statements and records performed by the department other than on the company premises plus the per diem salary fees of the employees of the department of commerce who are conducting or participating in the examination, visitation, appraisal, or desk audit. The per diem salary fees may be based upon the approved examination fee schedules of the National Association of Insurance Commissioners or otherwise determined by the commissioner. All of these fees and expenses must be paid into the department of commerce revolving fund.

Sec. 9. Minnesota Statutes 1992, section 60A.03, subdivision 6, is amended to read:

Subd. 6. [EXAMINATION REVOLVING FUND.] (1) [REVOLVING FUND CREATED.] There is hereby created the department of commerce examination revolving fund for the purpose of carrying on the examination of foreign and domestic insurance companies.

(2) [MONEY IN REVOLVING FUND.] Such fund shall consist of the \$7,500 appropriated therefor and the money transferred to it as herein provided, which are reappropriated to the commissioner of commerce for the purpose of this subdivision.

(3) [FUND TO BE KEPT IN STATE TREASURY.] Such fund shall be kept in the state treasury and shall be paid out in the manner prescribed by law for money therein.

(4) [PURPOSES FOR WHICH FUND MAY BE EXPENDED.] Such fund shall be used for the payment of per diem salaries and expenses of special examiners and appraisers, and the expenses of the commissioner of commerce, deputy commissioner of commerce, chief examiner, actuary other than a consulting actuary appointed under subdivision 3, clause (3) hereof, regular salaried examiners and other employees of the department of commerce when participating in examinations. Expenses include meals, lodging, laundry, transportation, and mileage, and other examination-related fees and expenses. The salary of regular employees of the division of insurance shall not be paid out of this fund.

(5) [COLLECTIONS TO BE DEPOSITED IN FUND.] All money collected by the division of insurance from insurance companies for fees and expenses of examinations, shall be deposited in the insurance division examination revolving fund.

(6) [PAYMENTS FROM SUCH FUND.] Upon authorization by the commissioner of commerce, the money due each examiner or employee engaged in an examination shall be paid from the insurance division examination revolving fund in the manner prescribed by law.

(7) [EXCESS OVER \$25,000 CANCELED INTO GENERAL FUND.] The balance in such fund on June 30 of each year in excess of \$25,000 shall be forthwith canceled into the general fund.

Sec. 10. Minnesota Statutes 1992, section 60A.052, subdivision 2, is amended to read:

Subd. 2. [SUMMARY SUSPENSION OR REVOCATION OF AUTHORITY OR CENSURE.] If the commissioner determines that one of the conditions listed in subdivision 1 exists, the commissioner may issue an order requiring the insurance company to show cause why any or all of the following should not occur: (1) revocation or suspension of any or all certificates of authority granted to the foreign or domestic insurance company or its agent; (2) censuring of the insurance company; or (3) the imposition of a civil penalty. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. The commissioner may by order summarily suspend or revoke a certificate pending final determination of any order to show cause. If a certificate is suspended or revoked pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the summary order. All hearings shall be conducted in accordance with chapter 14. The insurer or the insurance department of the insurer's state of domicile, if the insurer is under the supervision or control of the insurance department of the insurer's state of domicile acting on behalf of the insurer may waive its right to the hearing. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the insurance company fails to appear at a hearing after having been duly notified of it, the company shall be considered in default, and the proceeding may be determined against the company upon consideration of the order to show cause, the allegations of which may be considered to be true.

Sec. 11. Minnesota Statutes 1992, section 60A.082, is amended to read:

60A.082 [GROUP INSURANCE; BENEFITS CONTINUED IF INSURER CHANGED.]

A person covered under group life, group accidental death and dismemberment, group disability income or group medical expense insurance, shall not be denied benefits to which the person is otherwise entitled solely because of a change in the insurance company writing the coverage or in the group contract applicable to the person. In the case of one or more carriers replacing or remaining in place after one or more plans have been discontinued, each carrier shall accept any person who was covered under the discontinued plan or plans without denial of benefits to which other persons in the group covered by that carrier are entitled. "Insurance company" shall include a service plan corporation under chapter 62C or 62D.

For purposes of satisfying any preexisting condition limitation, the insurance company shall credit the period of time the person was covered by the prior plan, if the person has maintained continuous coverage.

The commissioner shall promulgate rules to carry out this section. Nothing in this section shall preclude an employer, union or association from reducing the level of benefits under any group insurance policy or plan.

Sec. 12. Minnesota Statutes 1992, section 60A.085, is amended to read:

60A.085 [CANCELLATION OF GROUP COVERAGE; NOTIFICATION TO COVERED PERSONS.]

(a) No cancellation of any group life, group accidental death and dismemberment, group disability income, or group medical expense policy, plan, or contract is effective unless the insurer has made a good faith effort to notify all covered persons of the cancellation at least 30 days before the effective cancellation date. For purposes of this section, an insurer has made a good faith effort to notify all covered persons if the insurer has notified all the persons included on the list required by paragraph (b) at the home address given and only if the list has been updated within the last 12 months.

(b) At the time of the application for coverage subject to paragraph (a), the insurer shall obtain an accurate list of the names and home addresses of all persons to be covered. ~~The insurer shall obtain an update of the list at least once during each subsequent 12-month period while the policy, plan, or contract is in force.~~

(c) Paragraph (a) shall not apply if the group policy, plan, or contract is replaced by a substantially similar policy, plan, or contract.

Sec. 13. 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 fraternal and reciprocal exchanges:

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

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

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

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

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

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$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. 14. 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. 15. Minnesota Statutes 1992, section 60A.206, subdivision 3, is amended to read:

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061, and are subject to section 60A.03, subdivision 5, in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm.

Sec. 16. 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 (c), 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. 17. [60A.285] [RECORDS RETENTION.]

An insurer shall retain copies of all underwriting documents, policy forms, and applications for three years from the effective date of the policy. This subdivision does not relieve the insurer of its obligation to produce these documents to the department after the retention period has expired in connection with an enforcement action or administrative proceeding against the insurer from whom the documents are requested, if the insurer has retained the documents. Records required to be retained by this section may be retained in paper, photograph, microprocess, magnetic, mechanical, or electronic media, or by any process which accurately reproduces or forms a durable medium for the reproduction of a record.

Sec. 18. Minnesota Statutes 1992, section 60A.36, is amended by adding a subdivision to read:

Subd. 5. [RESCISSION.] (a) No insurer may rescind or void a contract of liability or property insurance unless there was material misrepresentation, omission, or fraud made by or with the knowledge of the insured in obtaining the contract or in pursuing a claim under the policy.

(b) No misrepresentation shall be material unless knowledge by the insurer of the facts misrepresented or omitted would have led to a refusal by the insurer to make such a contract. In determining the question of materiality, evidence of the practice of the insurer with respect to the acceptance or rejection of similar risks shall be admissible.

(c) For purposes of this section, a representation is a statement as to past or present fact, made to an insurer or the insurer's agent by the applicant as an inducement for issuing a contract of commercial liability or property insurance. A misrepresentation is a false representation, and the facts misrepresented are those facts which make the representation false.

(d) This does not limit the right to cancel the policy prospectively for failure to disclose a condition.

Sec. 19. Minnesota Statutes 1992, section 60C.22, is amended to read:

60C.22 [NOTICE FOR POLICY OR CONTRACT NOT COVERED.]

A policy or contract not covered by the Minnesota Life and Health Insurance Guaranty Association or the Minnesota Insurance Guaranty Association must contain the following notice in 10-point type, stamped in red ink on the policy or contract and the application:

"THIS POLICY OR CONTRACT IS NOT PROTECTED BY THE MINNESOTA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION OR THE MINNESOTA INSURANCE GUARANTY ASSOCIATION. IN THE CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED. ONLY THE ASSETS OF THIS INSURER WILL BE AVAILABLE TO PAY YOUR CLAIM."

This section does not apply to fraternal benefit societies regulated under chapter 64B.

Sec. 20. 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, and partnership license expires on October 31 of the year for which period a license is issued.

(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) for issuing an initial license to an individual agent, \$30 per year;
 - (2) for issuing an initial agent's license to a partnership or corporation, \$100 per year;
 - (3) for issuing an amendment (variable annuity) to a license, \$50 per year;
 - (4) for renewing an amendment, \$25 per year;
 - (5) for renewing an individual agent's license, \$30 per year;
 - (6) for renewing a license issued to a corporation or partnership, \$60 per year;
 - (7) for issuing and renewing a surplus lines agent's license, \$250 per year;
 - (8) for issuing duplicate licenses, \$10.
- (b) Every agent, corporation, and partnership license expires on October 31.

(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.

(e) All fees shall be retained by the commissioner and shall be nonreturnable, except that an overpayment of any fee shall be the subject of a refund upon proper application.

Sec. 21. Minnesota Statutes 1992, section 60K.14, subdivision 4, is amended to read:

Subd. 4. [SUITABILITY OF INSURANCE.] In recommending the purchase of any life, endowment, individual accident and sickness, long-term care, annuity, life-endowment, or Medicare supplement insurance to a customer, an agent must have reasonable grounds for believing that the recommendation is suitable for the customer and must make reasonable inquiries to determine suitability. The suitability of a recommended purchase of insurance will be determined by reference to the totality of the particular customer's circumstances, including, but not limited to, the customer's income, the customer's need for insurance, and the values, benefits, and costs of the customer's existing insurance program, if any, when compared to the values, benefits, and costs of the recommended policy or policies.

Sec. 22. Minnesota Statutes 1992, section 60K.19, subdivision 5, is amended to read:

Subd. 5. [POWERS OF THE ADVISORY TASK FORCE.] (a) Applications for approval of individuals responsible for monitoring course offerings must be submitted to the commissioner on forms prescribed by the commissioner and must be accompanied by a fee of not more than \$100 payable to the state of Minnesota for deposit in the general fund. A fee of ~~\$10~~ \$20 for each hour or fraction of one hour of course approval sought must be forwarded with the application for course approval. If the advisory task force is created, it shall make recommendations to the commissioner regarding the accreditation of courses sponsored by institutions, both public and private, which satisfy the criteria established by this section, the number of credit hours to be assigned to the courses, and rules which may be promulgated by the commissioner. The advisory task force shall seek out and encourage the presentation of courses.

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

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

- (1) lead to a recognized insurance or financial planning professional designation used by agents; and
- (2) conclude with a written examination that is proctored and graded.

Sec. 23. Minnesota Statutes 1992, section 61A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL REQUIRED.] No policy or certificate of life insurance or annuity issued to a group, or multiple employer trust, nor any rider of any kind or description which is made a part thereof shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been approved by the commissioner. In making a determination under this section, the commissioner may require the insurer to provide rates and advertising materials related to policies, certificates, or similar evidence of coverage issued or delivered in this state.

This section applies to a policy, certificate of insurance, or similar evidence of coverage to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section shall not apply to a certificate of insurance or similar evidence of coverage which meets the conditions of section 61A.093, subdivision 2.

Sec. 24. Minnesota Statutes 1992, section 61A.031, is amended to read:

61A.031 [SUICIDE PROVISIONS.]

The sanity or insanity of a person shall not be a factor in determining whether a person committed suicide within the terms of an individual or group life insurance policy or annuity regulating the payment of benefits in the event of the insured's suicide. This section shall not be construed to alter present law but is intended to clarify present law.

Sec. 25. Minnesota Statutes 1992, section 61A.04, is amended to read:

61A.04 [SPENDTHRIFT PROVISIONS.]

In addition to the provisions now required by law to be in the standard form of life insurance policies or annuities issued or delivered in this state, there shall be, when such policy provides for the payment to the beneficiary the proceeds thereof, in either monthly, quarterly, semiannual or annual installments, to continue during the lifetime of the beneficiary, or for a stipulated number of years, whenever requested by the insured under the policy or owner of the annuity, the following provisions:

All rights of the beneficiary to commute, change time of payment or amount of installments, surrender for cash, borrow against or assign for any purpose, are hereby withdrawn and those parts of this policy giving the beneficiary such rights are hereby declared inoperative and void; it being the intent hereof that the beneficiary shall have no right under this contract except to receive the installments at such times and in such amounts as stated in this policy, and all the provisions of this policy in conflict herewith are hereby declared to be inoperative.

This provision may be attached to any policy in the form of a rider thereon, and, when so attached, shall become a part of and form a part of the contract of insurance, evidenced by the policy to all intents and purposes as if set forth at length therein.

Sec. 26. Minnesota Statutes 1992, section 61A.07, is amended to read:

61A.07 [PROHIBITED PROVISIONS.]

No policy of life insurance shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, if it contains a provision:

(1) for forfeiture of the policy for failure to repay any loan on the policy or to pay interest on such loan while the total indebtedness on the policy is less than the loan value thereof; or for forfeiture for failure to repay any such loan or to pay interest thereon, unless such provision contain a stipulation that no such forfeiture shall occur until at least one month after notice shall have been mailed by the company to the last known address of the insured and of the assignee, if any, notice of whose address and contract of the assignment has been filed with the company, at its home office; or

(2) in a life or annuity policy, limiting the time within which any action at law or in equity may be commenced to less than five years after the cause of action shall accrue; or

(3) by which the policy shall purport to be issued or to take effect more than six months before the original application for the insurance was made; or

(4) for any mode of settlement at maturity of less value than the amount insured on the face of the policy plus any dividend additions, less any indebtedness to the company on the policy, and less any premium that may be deducted by the terms of the policy.

Sec. 27. Minnesota Statutes 1992, section 61A.071, is amended to read:

61A.071 [APPLICATIONS.]

No individual life insurance policy, ~~except mass-marketed life insurance as defined in section 72A.13, subdivision 2~~ except life insurance marketed on a direct responses basis, shall be issued or delivered in this state to a person age 65 or older unless a signed and completed copy of the application for insurance is left with the applicant at the time application is made. However, where an individual life policy is marketed on a direct response basis, a copy of any application signed by the applicant shall be delivered to the insured along with, or as part of, the policy.

Sec. 28. Minnesota Statutes 1992, section 61A.073, is amended to read:

61A.073 [LIFE INSURANCE AND ANNUITIES FOR THE BENEFIT OF CHARITY.]

Subdivision 1. [CHARITABLE BENEFICIARY OR OWNER PERMITTED.] Subject to the terms of the policy, an organization described in section 170(c) of the Internal Revenue Code of 1986, as amended through December 31, 1991, shall have an insurable interest in the life of an individual insured under a life insurance policy or annuity, if the organization:

(1) has become the beneficiary or owner of a previously issued policy insuring the life of the individual; or

(2) is the original beneficiary or original owner of a newly issued policy insuring the life of the individual, if the individual signs the application or consents in writing to the issuance of the policy.

Subd. 2. [APPLICABILITY.] This section applies to life insurance policies and annuities issued by life companies and fraternal benefit societies.

Sec. 29. Minnesota Statutes 1992, section 61A.074, subdivision 1, is amended to read:

Subdivision 1. [CORPORATION OR TRUSTEE.] A corporation or the trustee of a trust providing life, annuity, health, disability, retirement, or similar benefits to employees of one or more corporations, and acting in a fiduciary capacity with respect to the employees, retired employees, or their dependents or beneficiaries, has an insurable interest in the lives of employees for whom the benefits are to be provided. The written consent of the insured is required if the insurance purchased under this subdivision is payable to the corporation or to the trustee.

Sec. 30. Minnesota Statutes 1992, section 61A.08, is amended to read:

61A.08 [EXCEPTIONS.]

Sections 61A.02, 61A.03, 61A.07, 61A.23, and 61A.25 shall not, except as expressly provided in this chapter, apply to ~~annuities~~, industrial or group term policies, or to corporations or associations operating on the assessment or fraternal plan, ~~and in every case where a contract provides for both insurance and annuities, sections 61A.02, 61A.03 and 61A.07 shall apply only to that part of the contract which provides for insurance,~~ but every contract issued prior to the operative date specified in section 61A.245 containing a provision for a deferred annuity on the life of the insured only, unless paid for by a single premium, shall provide that, in event of the nonpayment of any premium after three full years' premium shall have been paid, the annuity shall automatically become converted into a paid-up annuity for that proportion of the original annuity as the number of completed years' premiums paid bears to the total number of premiums required under the contract.

Sec. 31. Minnesota Statutes 1992, section 61A.09, subdivision 1, is amended to read:

Subdivision 1. No group life insurance policy or annuity shall be issued for delivery in this state until the form thereof and the form of any certificates issued thereunder have been filed in accordance with and subject to the provisions of section 61A.02. Each person insured under such a group life insurance policy (excepting policies which insure the lives of debtors of a creditor or vendor to secure payment of indebtedness) shall be furnished a certificate of insurance issued by the insurer and containing the following:

(a) Name and location of the insurance company;

(b) A statement as to the insurance protection to which the certificate holder is entitled, including any changes in such protection depending on the age of the person whose life is insured;

(c) Any and all provisions regarding the termination or reduction of the certificate holder's insurance protection;

(d) A statement that the master group policy may be examined at a reasonably accessible place;

(e) The maximum rate of contribution to be paid by the certificate holder;

(f) Beneficiary and method required to change such beneficiary;

(g) In the case of a group term insurance policy if the policy provides that insurance of the certificate holder will terminate, in case of a policy issued to an employer, by reason of termination of the certificate holder's employment, or in case of a policy issued to an organization of which the certificate holder is a member, by reason of termination of membership, a provision to the effect that in case of termination of employment or membership, or in case of termination of the group policy, the certificate holder shall be entitled to have issued by the insurer, without evidence of insurability, upon application made to the insurer within 31 days after ~~the termination of employment or membership~~, and upon payment of the premium applicable to the class of risk to which that person belongs and to the form and amount of the policy at that person's then attained age, a policy of life insurance only, in any one of the forms customarily issued by the insurer except term insurance, in an amount equal to the amount of the life insurance protection under such group insurance policy at the time of such termination; and shall contain a further provision to the effect that upon the death of the certificate holder during such 31-day period and before any such individual policy has become effective, the amount of insurance for which the certificate holder was entitled to make application shall be payable as a death benefit by the insurer.

This section applies to a policy, certificate of insurance, or similar evidence of coverage to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section shall not apply to a certificate of insurance or similar evidence of coverage which meets the conditions of section 61A.093, subdivision 2.

Sec. 32. Minnesota Statutes 1992, section 61A.092, is amended by adding a subdivision to read:

Subd. 6. [APPLICATION.] This section applies to a policy, certificate of insurance, or similar evidence of coverage to a Minnesota resident or issued to provide coverage to a Minnesota resident. This section shall not apply to a certificate of insurance or similar evidence of coverage which meets the conditions of section 61A.093, subdivision 2.

Sec. 33. [61A.093] [CERTIFICATE OF INSURANCE.]

Subdivision 1. A certificate of insurance or similar evidence of coverage issued to a Minnesota resident shall provide coverage for all benefits required to be covered in group policies in Minnesota by this chapter.

This subdivision supersedes any inconsistent provision of this chapter.

A policy of life insurance that is issued or delivered in this state and that covers a person residing in another state may provide coverage or contain provisions that are less favorable to that person than required by this chapter. Less favorable coverages or provisions must meet the requirements that the state in which the person resides would have required had the policy been issued or delivered in that state.

Subd. 2. Subdivision 1 does not apply to certificates issued in regard to a master policy issued outside the state of Minnesota if all of the following are true:

- (1) the policyholder or certificate holder exists primarily for purposes other than to obtain insurance;
- (2) the policyholder or certificate holder is not a Minnesota corporation and does not have its principal office in Minnesota;
- (3) the policy or certificate covers fewer than 25 persons who are residents of Minnesota and the Minnesota residents represent less than 25 percent of all covered persons; and
- (4) on request of the commissioner, the issuer files with the commissioner a copy of the policy and a copy of each form of certificate.

Subd. 3. Section 60A.08, subdivision 4, shall not be construed as requiring a certificate of insurance or similar evidence of insurance that meets the conditions of subdivision 2 to comply with this chapter.

Sec. 34. Minnesota Statutes 1992, section 61A.12, subdivision 1, is amended to read:

Subdivision 1. [PROCEEDS OF LIFE POLICY OR ANNUITY, WHO ENTITLED TO.] When any insurance is effected in favor of another, the beneficiary shall be entitled to its proceeds against the creditors and representatives of the person effecting the same. All premiums paid for insurance in fraud of creditors, with interest thereon, shall inure to their benefit from the proceeds of the policy, if the company be specifically notified thereof, in writing, before payment.

Sec. 35. Minnesota Statutes 1992, section 61A.282, subdivision 2, is amended to read:

Subd. 2. [LENDING OF SECURITIES.] A company may loan securities held by it under this chapter to a broker-dealer registered under the Securities and Exchange Act of 1934 or to a bank which is a member of the Federal Reserve System, under the following conditions:

(a) The market value of loaned securities outstanding at any one time, excluding securities held in a separate account established pursuant to section 61A.14, subdivision 1, or 61A.275, shall not exceed 50 percent of the company's capital and surplus 40 percent of the company's admitted assets as of the December 31 immediately preceding.

(b) The company is limited to no more than two percent of its admitted assets as of the December 31 immediately preceding being subject to lending of securities with any one borrower.

(c) Each loan must be evidenced by a written agreement which provides:

(a) (1) that the loan will be fully collateralized by cash or obligations issued or guaranteed by the United States or an agency or an instrumentality thereof, and that the collateral will be adjusted each business day during the term of the loan to maintain the required collateral in the event of market value changes in the loaned securities or collateral;

(b) (2) that the loan may be terminated by the company at any time, and that the borrower must return the loaned securities or their equivalent within five business days after termination;

(e) (3) that the company has the right to retain the collateral or to use the collateral to purchase securities equivalent to the loaned securities if the borrower defaults under the terms of the agreement; and

(d) (4) that the borrower remains liable for any losses and expenses, not covered by the collateral, which are incurred by the company due to default.

Sec. 36. Minnesota Statutes 1992, section 62A.047, is amended to read:

62A.047 [CHILDREN'S HEALTH SUPERVISION SERVICES AND PRENATAL CARE SERVICES.]

A policy of individual or group health and accident insurance regulated under this chapter, or individual or group subscriber contract regulated under chapter 62C, health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B, issued, renewed, or continued to provide coverage to a Minnesota resident, must provide coverage for child health supervision services and prenatal care services. The policy, contract, or certificate must specifically exempt reasonable and customary charges for child health supervision services and prenatal care services from a deductible, copayment, or other coinsurance or dollar limitation requirement. ~~For individual policies,~~ This section does not prohibit the use of policy waiting periods or preexisting condition limitations for these services. Minimum benefits may be limited to one visit payable to one provider for all of the services provided at each visit cited in this section subject to the schedule set forth in this section. Nothing in this section applies to a commercial health insurance policy issued as a companion to a health maintenance organization contract, a policy designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or a policy that provides only accident coverage.

"Child health supervision services" means pediatric preventive services, appropriate immunizations, developmental assessments, and laboratory services appropriate to the age of a child from birth to age six as defined by Standards of Child Health Care issued by the American Academy of Pediatrics. Reimbursement must be made for at least five child health supervision visits from birth to 12 months, three child health supervision visits from 12 months to 24 months, once a year from 24 months to 72 months.

"Prenatal care services" means the comprehensive package of medical and psychosocial support provided throughout the pregnancy, including risk assessment, serial surveillance, prenatal education, and use of specialized skills and technology, when needed, as defined by Standards for Obstetric-Gynecologic Services issued by the American College of Obstetricians and Gynecologists.

Sec. 37. [62A.105] [COVERAGES; TRANSFERS TO SUBSTANTIALLY SIMILAR PRODUCTS.]

Subdivision 1. [SCOPE.] No individual policy of accident and sickness regulated under this chapter or subscriber contract regulated under chapter 62C shall be issued, renewed, or continued to provide coverage to a Minnesota resident unless it satisfies the requirements of subdivision 2.

Subd. 2. [REQUIREMENT.] If an issuer of policies or plans referred to in subdivision 1 ceases to offer a particular policy or subscriber contract to the general public or otherwise stops adding new insureds to the group of covered persons, the issuer shall allow any covered person to transfer to another substantially similar policy or contract currently being sold by the issuer. The issuer shall permit the transfer without any preexisting condition limitation, waiting period, or other restriction of any type other than those which applied to the insured under the prior policy or contract. This section does not apply to persons who were covered under an individual policy or contract prior to July 1, 1994.

Sec. 38. [62A.136] [DENTAL AND VISION PLANS.]

The following provisions do not apply to health plans providing dental or vision coverage only: sections 62A.041, 62A.047, 62A.149, 62A.151, 62A.152, 62A.154, 62A.155, 62A.26, 62A.28, and 62A.30.

Sec. 39. Minnesota Statutes 1992, section 62A.148, is amended to read:

62A.148 [GROUP INSURANCE; PROVISION OF BENEFITS FOR DISABLED EMPLOYEES.]

No employer or insurer of that employer shall terminate, suspend or otherwise restrict the participation in or the receipt of benefits otherwise payable under any program or policy of group insurance to any covered employee who becomes totally disabled while employed by the employer solely on account of absence caused by such total disability. This includes coverage of dependents of the employee. If the employee is required to pay all or any part of the premium for the extension of coverage, payment shall be made to the employer, by the employee.

Sec. 40. Minnesota Statutes 1992, section 62A.153, is amended to read:

62A.153 [FREE STANDING AMBULATORY SURGICAL CENTERS OUTPATIENT MEDICAL AND SURGICAL SERVICES.]

No policy or plan of health, medical, hospitalization, or accident and sickness insurance regulated under this chapter, or subscriber contract provided by a nonprofit health service plan corporation regulated under chapter 62C that provides coverage for services in a hospital shall be issued, renewed, continued, delivered, issued for delivery or executed in this state, or approved for issuance or renewal in this state by the commissioner of commerce unless the policy, plan or contract specifically provides coverage for a health care treatment or service rendered by a free standing ambulatory surgical center or facilities offering ambulatory medical service 24 hours a day seven days a week, which are not part of a hospital, but have been reviewed and approved by the state commissioner of health to provide the treatment or service, surgery on an outpatient basis at a facility equipped to perform these services, whether or not the facility is part of a hospital. Coverage shall be on the same basis as coverage provided for the same health care treatment or service rendered by in a hospital.

Sec. 41. Minnesota Statutes 1992, section 62A.43, subdivision 4, is amended to read:

Subd. 4. [OTHER POLICIES NOT PROHIBITED.] The prohibition in this section or the requirements of section 62A.31, subdivision 1, against the sale of duplicate Medicare supplement coverage does do not preclude the sale of insurance coverage, such as travel, accident and sickness coverage, the effect or purpose of which is not to supplement Medicare coverage. Notwithstanding this provision, if the commissioner determines that the coverage being sold is in fact Medicare supplement insurance, the commissioner shall notify the insurer in writing of the determination. If the insurer does not thereafter comply with sections 62A.31 to 62A.44, the commissioner may, pursuant to chapter 14, revoke or suspend the insurer's authority to sell accident and health insurance in this state or impose a civil penalty not to exceed \$10,000, or both.

Sec. 42. [62A.49] [HOME CARE SERVICES COVERAGE.]

Subdivision 1. [GENERALLY.] Section 62A.48 does not prohibit the sale of policies, certificates, subscriber contracts, or other evidences of coverage that provide home care services only. This does not, however, remove the requirement that home care service benefits must be provided as part of a long-term care policy pursuant to that section. Home care services only policies may be sold, provided that they meet the requirements set forth in sections 62A.46 to 62A.56, except that they will not have to meet those conditions that relate to long-term care in nursing facilities. Disclosures and representations regarding these policies must be adjusted accordingly to remove references to coverage for nursing home care.

Subd. 2. [PROVIDER NETWORKS AND MANAGED CARE.] Home health care services issued pursuant to this section may be provided through a limited provider network and may employ managed care practices. If these methods are used, they must be adequately disclosed within the policy and any advertisements or representations regarding coverage. Policies may not be sold in areas where there are not sufficient providers to meet the needs of the policyholders located in that area.

Sec. 43. [62A.61] [PREEXISTING CONDITIONS; LIMITATIONS ON CANCELLATIONS, RESCISSIONS, OR RESTRICTIONS ON COVERAGE.]

No insurer may cancel or rescind a health insurance policy or otherwise retroactively restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice. No insurer may prospectively restrict coverage for a preexisting condition of which the application or other information provided by the insured reasonably gave the insurer notice unless the coverage is restricted at the time the policy is issued and the restriction is disclosed in writing to the insured at the time the policy is issued.

Sec. 44. Minnesota Statutes 1992, section 62E.19, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYER LIABILITY.] An employer is liable to the association for the costs of any preexisting conditions of the employer's former employees or their dependents during the first six months of coverage under the state comprehensive health insurance plan under the following conditions:

(1)(i) the employer has terminated or laid off employees and is required to meet the notice requirements under section 268.976, subdivision 3;

(2) (ii) the employer has failed to provide, arrange for, or make available continuation health insurance coverage required to be provided under federal or state law to employees or their dependents; and

(3) (iii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5; or

(4) (2)(i) the employer has terminated or allowed the employer's plan of health insurance coverage to lapse within 90 days prior to the date of termination or layoff of an employee; and

(5) (ii) the employer's former employees or their dependents enroll in the state comprehensive health insurance plan with a waiver of the preexisting condition limitation under section 62E.14, subdivision 4a or 5.

The employer shall pay a special assessment to the association for the costs of the preexisting conditions. The special assessment may be assessed before the association makes the annual determination of each contributing member's liability as required under this chapter. The association may enforce the obligation to pay the special assessment by action, as a claim in an insolvency proceeding, or by any other method not prohibited by law.

If the association makes the special assessment permitted by this subdivision, the association may also make any assessment of contributing members otherwise permitted by law, without regard to the special assessment permitted by this subdivision. Contributing members must pay the assessment, subject to refund or adjustment in the event of receipt by the association of any portion of the special assessment.

Sec. 45. Minnesota Statutes 1992, section 62H.01, is amended to read:

62H.01 [JOINT SELF-INSURANCE EMPLOYEE HEALTH PLAN.]

Any two or more employers, excluding the state and its political subdivisions as described in section 471.617, subdivision 1, who are authorized to transact business in Minnesota may jointly self-insure employee health, dental, ~~or~~ short-term disability benefits, or other benefits permitted under the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq. Joint plans must have a minimum of 100 covered employees and meet all conditions and terms of sections 62H.01 to 62H.08. Joint plans covering employers not resident in Minnesota must meet the requirements of sections 62H.01 to 62H.08 as if the portion of the plan covering Minnesota resident employees was treated as a separate plan. A plan may cover employees resident in other states only if the plan complies with the applicable laws of that state.

A multiple employer welfare arrangement as defined in United States Code, title 29, section 1002(40)(a), is subject to this chapter to the extent authorized by the Employee Retirement Income Security Act of 1974, United States Code, title 29, sections 1001 et seq.

Sec. 46. [62H.10] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 62H.10 to 62H.17, the terms in this section have the meanings given them.

Subd. 2. [AGENT.] "Agent" means an insurance agent as defined under section 60A.02, subdivision 7.

Subd. 3. [ARRANGEMENT.] "Arrangement" means a fund, trust, plan, program, or other mechanism by which a person provides, or attempts to provide, health care benefits to individuals.

Subd. 4. [BROKER.] "Broker" means an agent engaged in brokerage business pursuant to section 60K.08.

Subd. 5. [COLLECTIVELY BARGAINED ARRANGEMENT.] "Collectively bargained arrangement" means an arrangement which provides or represents that it is providing health care benefits or coverage under or pursuant to one or more collective bargaining agreements.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 7. [EMPLOYEE LEASING ARRANGEMENT.] "Employee leasing arrangement" means a labor leasing, staff leasing, employee leasing, contract labor, extended employee staffing or supply, or other arrangement, under contract or otherwise, whereby one business or entity leases or obtains all or a significant number of its workers from another business or entity.

Subd. 8. [EMPLOYEE WELFARE BENEFIT PLAN.] "Employee welfare benefit plan" means a plan, fund, or program established or maintained by an employer or by an employee organization, or by both, to the extent that the plan, fund, or program was established or is maintained for the purpose of providing for its participants or their beneficiaries, through the purchase of insurance or otherwise, medical, surgical, or hospital care or benefits, or benefits in the event of sickness, accident, disability, death, or unemployment.

Subd. 9. [FULLY INSURED BY A LICENSED INSURER.] "Fully insured by a licensed insurer" means that, for all of the health care benefits or coverage provided or offered by or through an arrangement:

- (1) a licensed insurer is directly obligated by contract to provide all of the coverage to or under the arrangement;
- (2) the licensed insurer assumes all of the risk for payment of all covered services or benefits; and
- (3) the liability of the licensed insurer for payment of the covered services or benefits is directly to the individual employee, member, or dependent receiving the health care services.

Subd. 10. [LICENSED INSURER.] "Licensed insurer" means an insurer having a certificate of authority to transact insurance in this state.

Subd. 11. [REPORTABLE MEWA.] "Reportable MEWA" means a person that provides health care benefits or coverage to the employees of two or more employers. Reportable MEWA does not include:

- (1) a licensed insurer;
- (2) an arrangement which is fully insured by a licensed insurer;
- (3) a collectively bargained arrangement;
- (4) an employee welfare benefit plan established or maintained by a rural electric cooperative or a rural telephone cooperative;
- (5) an employee leasing arrangement; or
- (6) a joint self-insurance employee health plan, which includes but is not limited to multiple employee welfare arrangements and multiple employer welfare arrangements (MEWAs), having a certificate of authority to transact insurance in this state pursuant to chapter 62H.

Subd. 12. [RURAL ELECTRIC COOPERATIVE.] "Rural electric cooperative" means:

- (1) an organization that is exempt from tax under United States Code, title 26, section 501(a), and which is engaged primarily in providing electric service on a mutual or cooperative basis; or
- (2) an organization described in United States Code, title 26, section 501(c), paragraph (4) or (6), which is exempt from tax under United States Code, title 26, section 501(a), and at least 80 percent of the members of which are organizations described in clause (1).

Subd. 13. [RURAL TELEPHONE COOPERATIVE.] "Rural telephone cooperative" means an organization described in United States Code, title 26, section 501(c), paragraph (4) or (6), which is exempt from tax under United States Code, title 26, section 501(a), and at least 80 percent of the members of which are organizations engaged primarily in providing telephone service to rural areas of the United States on a mutual, cooperative, or other basis.

Subd. 14. [THIRD PARTY ADMINISTRATOR.] "Third party administrator" means a vendor of risk management services or an entity administering a self-insurance or insurance plan under section 60A.23.

Sec. 47. [62H.11] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING REPORTABLE MEWAS PRIOR TO FILING.]

(a) No agent or broker may solicit, advertise, or market in this state health benefits or coverage from, or accept an application for, or place coverage for a person who resides in this state with, a reportable MEWA unless the agent or broker first files the information required under section 62H.16.

(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market services, health benefits, or coverage of a reportable MEWA unless the agent or broker first files the information required under section 62H.16.

Sec. 48. [62H.12] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING EMPLOYEE LEASING ARRANGEMENTS PRIOR TO FILING.]

(a) No agent or broker may solicit, advertise, or market in this state the services, health benefits, or coverage of an employee leasing arrangement or a person or arrangement which represents itself as an employee leasing arrangement unless the agent or broker first files the information required under section 62H.16.

(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market the services, health benefits, or coverage of an employee leasing arrangement unless the agent or broker first files the information required under section 62H.16.

Sec. 49. [62H.13] [AGENTS AND BROKERS PROHIBITED FROM ASSISTING COLLECTIVELY BARGAINED ARRANGEMENTS PRIOR TO FILING.]

(a) No agent or broker may solicit, advertise, or market in this state health benefits or coverage from, or accept an application for, or place coverage for a person who resides in this state with, a collectively bargained arrangement or an arrangement that represents itself as a collectively bargained arrangement unless the agent or broker first files the information required under section 62H.16.

(b) No agent or broker may solicit another agent or broker to enter into an arrangement to solicit, advertise, or market the health benefits or coverage of a collectively bargained arrangement unless the agent or broker first files the information required under section 62H.16.

Sec. 50. [62H.14] [THIRD PARTY ADMINISTRATORS AND LICENSED INSURERS PROHIBITED FROM ASSISTING REPORTABLE MEWAS PRIOR TO FILING.]

(a) No third party administrator may solicit or effect coverage of, underwrite for, collect charges or premium for, or adjust or settle claims of a resident of this state for, or enter into any agreement to perform any of those functions for, a reportable MEWA that provides coverage to residents of this state unless the third party administrator first files the information required under section 62H.16.

(b) No licensed insurer may solicit or effect coverage of, underwrite for, collect charges or premiums for, adjust or settle claims of a resident of this state for, or enter into any agreement to perform any of those functions for a reportable MEWA that provides coverage to residents of this state unless the insurer first files the information required under section 62H.16.

(c) A licensed insurer which issues or has issued any insurance coverage to a reportable MEWA that covers residents of this state, including, but not limited to, specific or aggregate stop-loss coverage, shall file the information required under section 62H.16 within 30 days after the coverage is issued or within 30 days after the date the reportable MEWA first provides coverage to a resident of this state, whichever is later.

Sec. 51. [62H.15] [LACK OF KNOWLEDGE NOT A DEFENSE.]

(a) Lack of knowledge or intent to deceive with respect to the organization or status of insurance coverage of a reportable MEWA, employee leasing firm, or collectively bargained arrangement is not a defense to a violation of sections 62H.10 to 62H.17.

(b) A filing under sections 62H.10 to 62H.17 is solely for the purpose of providing information to the commissioner. Sections 62H.10 to 62H.17 and a filing under those sections do not authorize or license a reportable MEWA, employee leasing firm, collectively bargained arrangement, or any other arrangement to engage in business in this state if otherwise prohibited by law.

Sec. 52. [62H.16] [INFORMATION REQUIRED TO BE FILED AND KEPT CURRENT.]

(a) An agent, broker, third party administrator, or insurer required to file under sections 62H.10 to 62H.17 shall file all of the following information on a form prescribed by the commissioner:

(1) a copy of the organizational documents of the reportable MEWA, employee leasing firm, or collectively bargained arrangement, including the articles of incorporation and bylaws, partnership agreement, or trust instrument;

(2) a copy of each insurance or reinsurance contract which purports to insure or guarantee all or any portion of benefits or coverage offered by the reportable MEWA, employee leasing firm, or collectively bargained arrangement to a person who resides in this state;

(3) copies of the benefit plan description and other materials intended to be distributed to potential purchasers; and

(4) the names and addresses of all persons performing or expected to perform the functions of a third party administrator for the reportable MEWA, employee leasing firm, or collectively bargained arrangement.

(b) A filing under sections 62H.10 to 62H.17 is ineffective and is not in compliance with those sections if it is incomplete or inaccurate in a material respect.

(c) A person who has made a filing under sections 62H.10 to 62H.17 shall amend the filing within 30 days of the date the person becomes aware, or exercising due diligence should have become aware, of any material change to the information required to be filed. The amended filing shall accurately reflect the material change to the information originally filed.

Sec. 53. [62H.17] [LIABILITY FOR VIOLATION.]

If an arrangement that is an unauthorized insurer fails to pay a claim or loss in this state within the provisions of its contract, a person who violates sections 62H.10 to 62H.17 with respect to the arrangement shall be liable to the insured for the full amount of the claim or loss in the manner provided by the provisions of the insurance contract.

Sec. 54. Minnesota Statutes 1992, section 62I.02, is amended to read:

62I.02 [MINNESOTA JOINT UNDERWRITING ASSOCIATION.]

Subdivision 1. [CREATION.] The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity unable to obtain insurance through ordinary methods if the insurance is required by statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business and serves a public purpose including, but not limited to, liquor liability. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard for the association to offer insurance coverage to a person or entity. For purposes of this subdivision, directors' and officers' liability insurance is considered to be a business necessity and not merely a prudent business practice. The association shall be specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes, developmental achievement centers, group homes, and rehabilitation facilities for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383. Because the activities of certain persons or entities present a risk that is so great, the association shall not offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage. The association shall not offer environmental impairment liability or product liability insurance. The association shall not offer coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty insurance and personal injury liability insurance in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state.

Subd. 2. [DIRECTOR.] The association shall have a board of directors composed of 11 persons chosen as follows: five persons elected by members of the association at a meeting called by the commissioner; three public members, as defined in section 214.02, appointed by the commissioner; and three members, appointed by the commissioner representing groups to whom coverage has been extended by the association. The terms of the members shall be four years. Terms may be staggered so that no more than six members are appointed or elected every two years. Members may serve until their successors are appointed or elected. If at any time no coverage is currently extended by the association, then either additional public members may be appointed to fill these three positions or, at the option of the commissioner, representatives from groups who had previously been covered by the association may serve as directors.

Subd. 3. [REAUTHORIZATION.] The authorization to issue insurance to day care providers, foster parents, foster homes, developmental activity centers, group homes, and rehabilitation facilities for mentally, emotionally, or physically handicapped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383, is valid for a period of two years from the date it was made. The commissioner may reauthorize the issuance of insurance for these groups and other classes of business for additional two-year periods pursuant to sections 62I.21 and 62I.22. This subdivision is not a limitation on the number of times the commissioner may reauthorize the issuance of insurance.

Subd. 4. [LIQUOR LIABILITY.] Policies and contracts of coverage issued under this section for the purposes of providing liquor liability insurance must contain the usual and customary provisions of liability insurance policies, and must contain at least the minimum coverage required by section 340A.409, subdivision 1, or the local governing unit.

Subd. 5. [ACCOUNTS.] For the purposes of administration and assessment, the association shall be divided into two separate accounts: (1) the property and casualty insurance account; and (2) the personal injury liability insurance account.

Sec. 55. Minnesota Statutes 1992, section 62I.03, is amended to read:

62I.03 [DEFINITION.]

Subdivision 1. [SCOPE.] As used in sections 62I.01 to 62I.22 the following terms have the meanings given them in this section.

Subd. 2. [ASSOCIATION.] "Association" means the Minnesota joint underwriting association.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 4. [DIRECT WRITTEN PREMIUMS.] "Direct written premiums" means that amount at column (2), lines 5, 8, 9, 17, 21.2, 22, 23, 24, 25, 26, and 27, page 14, of the annual statement filed annually with the department of commerce pursuant to section 60A.13.

Subd. 5. [DEFICIT.] "Deficit" means, for a particular policy year, that amount by which total paid and outstanding losses and loss adjustment expenses exceed premium revenue, including retrospective premium revenue.

Subd. 6. [NET DIRECT PREMIUMS.] For purposes of liquor liability insurance, "net direct premiums" means gross direct premiums written on personal injury liability insurance, including the liability component of multiple peril package policies as computed by the commissioner, less return premiums for the unused or unabsorbed portions of premium deposits.

Subd. 7. [PERSONAL INJURY LIABILITY INSURANCE.] "Personal injury liability insurance" means insurance described in section 60A.06, subdivision 1, clause (13).

Sec. 56. Minnesota Statutes 1992, section 62I.07, is amended to read:

62I.07 [MEMBERSHIP ASSESSMENTS.]

Subdivision 1. [GENERAL ASSESSMENT.] Each member of the association that is authorized to write property and casualty insurance in the state shall participate in its losses and expenses in the proportion that the direct written premiums of the member on the kinds of insurance in that account bears to the total aggregate direct written premiums written in this state by all members on the kinds of insurance in that account. The members' participation in the association shall be determined annually on the direct written premiums written during the preceding calendar year as reported on the annual statements and other reports filed by the member with the commissioner.

Subd. 2. [PERSONAL INJURY LIABILITY INSURANCE ASSESSMENT.] A member of the association shall participate in its writings, expenses, servicing allowance, management fees and losses in the proportion that the net direct premiums of the member, excluding that portion of premiums attributable to the operation of the association, written during the preceding calendar year on the kinds of insurance in that account bears to the aggregate net direct premiums written in this state by all members on the kinds of insurance in that account. The member's participation in the association shall be determined annually on the basis of net direct premiums written during the preceding calendar year, as reported in the annual statements and other reports filed by the member with the commissioner.

Sec. 57. Minnesota Statutes 1992, section 62I.13, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] To be eligible to participate in the association, an applicant must apply for coverage through the market assistance program, as required by section 62I.08. Except as provided for by subdivision 4, the market assistance program has 30 days from the receipt of the application to secure an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant and if the offer of coverage would not be considered a refusal for purposes of the association, then coverage may not be extended by the association. Eligibility for coverage by the association is also subject to the terms and conditions of subdivisions 2 and 3.

Sec. 58. Minnesota Statutes 1992, section 62I.13, subdivision 2, is amended to read:

Subd. 2. [MINIMUM OF QUALIFICATIONS.] Anyone who is unable to obtain insurance in the private market and who so certifies to the association in the application is eligible to make written application to the association for coverage. Payment of the applicable premium or required portion of it must be paid prior to coverage by the association. An offer of coverage at a rate in excess of the rate that would be charged by the association for similar coverage and risk shall be deemed to be a refusal of coverage for purposes of eligibility for participation in the association. It shall not be deemed to be a written notice of refusal if the rate for coverage offered is less than five percent in excess of the joint underwriting association rates for similar coverage and risk or 20 percent in excess of the joint underwriting association rates for liquor liability coverages. However, the offered rate must also be the rate that the insurer has filed with the department of commerce if the insurer is required to file its rates with the department. If the insurer is not required to file its rates with the department, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

Sec. 59. Minnesota Statutes 1992, section 62I.20, is amended to read:

62I.20 [MERGER OF OTHER PLANS.]

Upon application by the governing body of ~~the liquor liability assigned risk plan authorized by section 340A.409~~ or the joint underwriting association authorized by chapter 62F to be merged with the association, the commissioner shall, if the commissioner deems it appropriate, hold a public hearing in regard to the merger. The commissioner upon motion or upon the motion of any insured under plans shall hold a hearing. Unless it can be shown that the rights of the insured would be adversely affected by the merger or that it would be less efficient or more costly to merge the plans, the commissioner shall consent to the merger. The commissioner shall also consent to the merger at any time there are less than ten insureds in any plan.

Sec. 60. Minnesota Statutes 1992, section 65A.01, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION AND SCOPE.] The printed form of a policy of fire insurance, as set forth in subdivisions 3 and 3a, shall be known and designated as the "Minnesota standard fire insurance policy" to be used in the state of Minnesota. No policy or contract of fire insurance shall be made, issued or delivered by any insurer including reciprocals or interinsurance exchanges or any agent or representative thereof, on any property in this state, unless it shall provide the specified coverage and conform as to all provisions, stipulations, and conditions, with such form of policy, except as provided in ~~section~~ sections 60A.08, subdivision 9; 60A.30 to 60A.35; 65A.06; 65A.29; 72A.20, subdivision 17; and other statutes containing specific requirements that are inconsistent with the form of this policy. Any policy or contract otherwise subject to the provisions of this subdivision, subdivisions 3 and 3a which includes either on an unspecified basis as to coverage or for a single premium, coverage against the peril of fire and coverage against other perils may be issued without incorporating the exact language of the Minnesota standard fire insurance policy, provided: Such policy or contract shall, with respect to the peril of fire, afford the insured all the rights and benefits of the Minnesota standard fire insurance policy and such additional benefits as the policy provides; the provisions in relation to mortgagee interests and obligations in said Minnesota standard fire insurance policy shall be incorporated therein without change; such policy or contract is complete as to its terms of coverage; and, the commissioner is satisfied that such policy or contract complies with the provisions hereof.

Sec. 61. Minnesota Statutes 1992, section 65A.29, subdivision 7, is amended to read:

Subd. 7. [RENEWAL; NOTICE REQUIREMENT.] No insurer shall refuse to renew, or reduce limits of coverage, or eliminate any coverage in a homeowner's insurance policy unless it mails or delivers to the insured, at the address shown in the policy, at least 60 days advance notice of its intention. The notice must contain the specific underwriting or other reason or reasons for the indicated action.

Proof of mailing this notice to the insured at the address shown in the policy is sufficient proof that the notice required by this section has been given.

Sec. 62. Minnesota Statutes 1992, section 65B.49, subdivision 3, is amended to read:

Subd. 3. [RESIDUAL LIABILITY INSURANCE.] (1) Each plan of reparation security shall also contain stated limits of liability, exclusive of interest and costs, with respect to each vehicle for which coverage is thereby granted, of not less than \$30,000 because of bodily injury to one person in any one accident and, subject to said limit for one person, of not less than \$60,000 because of injury to two or more persons in any one accident, and, if the accident has resulted in injury to or destruction of property, of not less than \$10,000 because of such injury to or destruction of property of others in any one accident.

(2) Under residual liability insurance the reparation obligor shall be liable to pay, on behalf of the insured, sums which the insured is legally obligated to pay as damages because of bodily injury and property damage arising out of the ownership, maintenance or use of a motor vehicle if the injury or damage occurs within this state, the United States of America, its territories or possessions, or Canada. A reparation obligor shall also be liable to pay sums which another reparation obligor is entitled to recover under the indemnity provisions of section 65B.53, subdivision 1.

(3) Every plan of reparation security shall be subject to the following provisions which need not be contained therein:

(a) The liability of the reparation obligor with respect to the residual liability coverage required by this clause shall become absolute whenever injury or damage occurs; such liability may not be canceled or annulled by any agreement between the reparation obligor and the insured after the occurrence of the injury or damage; no statement made by the insured or on the insured's behalf and no violation of said policy shall defeat or void said policy.

(b) The satisfaction by the insured of a judgment for such injury or damage shall not be a condition precedent to the right or duty of the reparation obligor to make payment on account of such injury or damage.

(c) The reparation obligor shall have the right to settle any claim covered by the residual liability insurance policy, and if such settlement is made in good faith, the amount thereof shall be deductible from the limits of liability for the accident out of which such claim arose.

(d) Except as provided in subdivision 5a, a residual liability insurance policy shall be excess of a nonowned vehicle policy whether the nonowned vehicle is borrowed or rented, or used for business or pleasure. A nonowned vehicle is one not used or provided on a regular basis.

Sec. 63. Minnesota Statutes 1992, section 72A.20, subdivision 29, is amended to read:

Subd. 29. [HIV TESTS; CRIME VICTIMS.] No insurer regulated under chapter 61A or 62B, or providing health, medical, hospitalization, or accident and sickness insurance regulated under chapter 62A, or nonprofit health services corporation regulated under chapter 62C, health maintenance organization regulated under chapter 62D, or fraternal benefit society regulated under chapter 64B, may:

(1) obtain or use the performance of or the results of a test to determine the presence of the human immune deficiency virus (HIV) antibody performed on an offender under section 611A.19 or performed on a crime victim who was exposed to or had contact with an offender's bodily fluids during commission of a crime that was reported to law enforcement officials, in order to make an underwriting decision, cancel, fail to renew, or take any other action with respect to a policy, plan, certificate, or contract; or

(2) ask an applicant for coverage or a person already covered whether the person has: (i) had a test performed for the reason set forth in clause (1); or (ii) been the victim of an assault or any other crime which involves bodily contact with the offender.

A question that purports to require an answer that would provide information regarding a test performed for the reason set forth in clause (1) may be interpreted as excluding this test. An answer that does not mention the test is considered to be a truthful answer for all purposes. An authorization for the release of medical records for insurance purposes must specifically exclude any test performed for the purpose set forth in clause (1) and must be read as providing this exclusion regardless of whether the exclusion is expressly stated. This subdivision does not affect tests conducted for purposes other than those described in clause (1), including any test to determine the presence of the human deficiency virus (HIV) antibody if such test was performed at the insurer's direction as part of the insurer's normal underwriting requirements.

Sec. 64. Minnesota Statutes 1992, section 72A.201, subdivision 9, is amended to read:

Subd. 9. [STANDARDS FOR COMMUNICATIONS WITH THE DEPARTMENT.] In addition to the acts specified elsewhere in this section and section 72A.20, the following acts by an insurer, adjuster, or a self-insured or self-insurance administrator constitute unfair settlement practices:

- (1) failure to respond, within 15 working days after receipt of an inquiry from the commissioner, about a claim, to the commissioner;
- (2) failure, upon request by the commissioner, to make specific claim files available to the commissioner;
- (3) failure to include in the claim file all written communications and transactions emanating from, or received by, the insurer, as well as all notes and work papers relating to the claim. All written communications and notes referring to verbal communications must be dated by the insurer;
- (4) failure to submit to the commissioner, when requested, any summary of complaint data reasonably required;
- (5) failure to compile and maintain a file on all complaints. If the complaint deals with a loss, the file must contain adequate information so as to permit easy retrieval of the entire file. If the complaint alleges that the company, or agent of the company, or any agent producing business written by the company is engaged in any unfair, false, misleading, dishonest, fraudulent, untrustworthy, coercive, or financially irresponsible practice, or has violated any insurance law or rule, the file must indicate what investigation or action was taken by the company. The complaint file must be maintained for at least four years after the date of the complaint.

For purposes of clause (1), the term insurer includes an agent of the insurer. The insurer must have been sent a copy of any communication to an agent to be held in violation of this provision.

Sec. 65. Minnesota Statutes 1992, section 72A.41, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any company to enter into a contract of insurance as an insurer or to transact insurance business in this state, as set forth in subdivision 2, without a certificate of authority from the commissioner; provided that this subdivision does not apply to: (a) contracts of insurance procured by agents under the authority of sections 60A.195 to 60A.209; (b) contracts of reinsurance and contracts of ocean or wet marine and transportation insurance; (c) transactions in this state involving a policy lawfully solicited, written and delivered outside of this state covering only subjects of insurance not resident, located, or expressly to be performed in this state at the time of issuance and which transactions are subsequent to the issuance of the policy; ~~(d) transactions in this state involving group or blanket insurance and group annuities where the master policy of such groups was lawfully issued and delivered in a state in which the company was authorized to do an insurance business where, except for group annuities, the insurer complies with section 72A.13. The commissioner may require the insurer which has issued such master policy to submit any information as the commissioner reasonably requires in order to determine if probable cause exists to convene a hearing to determine whether the total charges for the insurance to the persons insured are unreasonable in relation to the benefits provided under the policy;~~ (e) transactions in this state involving a policy of insurance or annuity issued prior to July 1, 1967; or ~~(f)~~ (e) contract of insurance procured under the authority of section 60A.19, subdivision 8; or ~~(g)~~ (f) transactions in this state involving contracts of insurance covering property or risks not located in this state.

Sec. 66. Minnesota Statutes 1992, section 72B.03, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT; EXCEPTIONS.] Except as otherwise provided, no person shall act as an independent adjuster, public adjuster, or public adjuster solicitor for money, a commission, or any other thing of value, unless such person shall first obtain from the commissioner a license. No license shall be required for a person:

~~(a) Undergoing a training or education program under the guidance of a licensed adjuster and who is registered with the commissioner for a one year temporary permit;~~

(b) (1) a person acting in a catastrophe or emergency situation, and who has registered with the commissioner for that purpose;

(e) (2) a nonresident adjuster who occasionally is in this state to adjust a single loss; provided, however, that if a nonresident adjusts more than six losses in this state in one year the adjuster must qualify for and receive a nonresident's license as provided in sections 72B.01 to 72B.14, and provided the adjuster's domiciliary state affords a like privilege.

Sec. 67. Minnesota Statutes 1992, section 72B.04, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS.] An applicant for licensing as an adjuster under sections 72B.01 to 72B.14 shall be at least 18 years of age, ~~and shall have one year's training and experience in adjusting insurance claims for damage or loss from risks in the field stated in the application.~~ The applicant shall be competent and trustworthy and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

An applicant for licensing as a public adjuster solicitor under sections 72B.01 to 72B.14 shall be at least 18 years of age, shall be competent and trustworthy, and shall not have been engaged in any practice which would be grounds for suspension or revocation of a license under sections 72B.01 to 72B.14 within the three years next preceding the date of the application.

In the case of any applicant who has been convicted of a felony within the ten years next preceding the date of the application, and who in the judgment of the commissioner, meets the other qualifications, the commissioner may impose the additional requirement of the filing of a bond in accordance with the requirements of section 72B.08, subdivision 8.

Sec. 68. Minnesota Statutes 1992, section 176.181, subdivision 2, is amended to read:

Subd. 2. [COMPULSORY INSURANCE; SELF-INSURERS.] (1) Every employer, except the state and its municipal subdivisions, liable under this chapter to pay compensation shall insure payment of compensation with some insurance carrier authorized to insure workers' compensation liability in this state, or obtain a written order from the commissioner of commerce exempting the employer from insuring liability for compensation and permitting self-insurance of the liability. The terms, conditions and requirements governing self-insurance shall be established by the commissioner pursuant to chapter 14. The commissioner of commerce shall also adopt, pursuant to clause (2)(c), rules permitting two or more employers, whether or not they are in the same industry, to enter into agreements to pool their liabilities under this chapter for the purpose of qualifying as group self-insurers. With the approval of the commissioner of commerce, any employer may exclude medical, chiropractic and hospital benefits as required by this chapter. An employer conducting distinct operations at different locations may either insure or self-insure the other portion of operations as a distinct and separate risk. An employer desiring to be exempted from insuring liability for compensation shall make application to the commissioner of commerce, showing financial ability to pay the compensation, whereupon by written order the commissioner of commerce, on deeming it proper, may make an exemption. An employer may establish financial ability to pay compensation by: ~~(1) providing financial statements of the employer to the commissioner of commerce; or (2) filing a surety bond or bank letter of credit with the commissioner of commerce in an amount equal to the anticipated annual compensation costs of the employer, but in no event less than \$100,000.~~ Upon ten days' written notice the commissioner of commerce may revoke the order granting an exemption, in which event the employer shall immediately insure the liability. As a condition for the granting of an exemption the commissioner of commerce may require the employer to furnish security the commissioner of commerce considers sufficient to insure payment of all claims under this chapter, consistent with subdivision 2b. If the required security is in the form of currency or negotiable bonds, the commissioner of commerce shall deposit it with the state treasurer. In the event of any default upon the part of a self-insurer to abide by any final order or decision of the commissioner of labor and industry directing and awarding payment of compensation and benefits to any employee or the dependents of any deceased employee, then upon at least ten days notice to the self-insurer, the commissioner of commerce may by written order to the state treasurer require the treasurer to sell the pledged and assigned securities or a part thereof necessary to pay the full amount of any such claim or award with interest thereon. This authority to sell may be exercised from time to time to satisfy any order or award of the commissioner of labor and industry or any judgment obtained thereon. When securities are sold the money obtained shall be deposited in the state treasury to the credit of the commissioner of commerce and awards made against any such self-insurer by the commissioner of commerce shall be paid to the persons entitled thereto by the state treasurer upon warrants prepared by the commissioner of commerce and approved by the commissioner of finance out of the proceeds of the sale of securities. Where the security is in the form of a surety bond or personal guaranty the commissioner of commerce, at any time, upon at least ten days notice and opportunity to be heard, may require the surety to pay the amount of the award, the payments to be enforced in like manner as the award may be enforced.

(2)(a) No association, corporation, partnership, sole proprietorship, trust or other business entity shall provide services in the design, establishment or administration of a group self-insurance plan under rules adopted pursuant to this subdivision unless it is licensed pursuant to section 60A.23, subdivision 8, to do so by the commissioner of commerce. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner

of commerce is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner of commerce may issue a license subject to restrictions or limitations, including restrictions or limitations on the type of services which may be supplied or the activities which may be engaged in. The license is for a two-year period.

(b) To assure that group self-insurance plans are financially solvent, administered in a fair and capable fashion, and able to process claims and pay benefits in a prompt, fair and equitable manner, entities licensed to engage in such business are subject to supervision and examination by the commissioner of commerce.

(c) To carry out the purposes of this subdivision, the commissioner of commerce may promulgate administrative rules, including emergency rules, pursuant to sections 14.001 to 14.69. These rules may:

(i) establish reporting requirements for administrators of group self-insurance plans;

(ii) establish standards and guidelines consistent with subdivision 2b to assure the adequacy of the financing and administration of group self-insurance plans;

(iii) establish bonding requirements or other provisions assuring the financial integrity of entities administering group self-insurance plans;

(iv) establish standards, including but not limited to minimum terms of membership in self-insurance plans, as necessary to provide stability for those plans;

(v) establish standards or guidelines governing the formation, operation, administration, and dissolution of self-insurance plans; and

(vi) establish other reasonable requirements to further the purposes of this subdivision. The rules may not require excessive cash payments to a common claims fund by group self-insurers. However, a level of funding in the common claims fund will always be maintained at not less than one year's claim losses paid in the most recent year.

Sec. 69. Minnesota Statutes 1992, section 340A.409, subdivision 2, is amended to read:

~~Subd. 2. [MARKET ASSISTANCE.] The commissioner of commerce shall advise licensees and municipalities subject to the financial responsibility requirements of subdivision 1 of those persons offering insurance coverage. The commissioner of commerce shall establish a program to assist licensees in obtaining insurance coverage. The program shall include a committee appointed by the commissioner of commerce that is representative of insurance carriers and producers, liquor vendors, and the public. No less than one half of the committee members shall represent casualty insurers and surplus lines agents or brokers. The commissioner of commerce or the commissioner's designated representative shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications. If the committee finds that it cannot assist in securing insurance coverage, it shall notify the applicant in writing with a full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of commerce shall, if necessary, establish an assigned risk plan pursuant to subdivision 3. The market assistance plan of the Minnesota joint underwriting association shall assist licensees in obtaining insurance coverage.~~

Sec. 70. Minnesota Statutes 1992, section 340A.409, subdivision 3, is amended to read:

~~Subd. 3. [ASSIGNED RISK PLAN MINNESOTA JOINT UNDERWRITING ASSOCIATION.] (a) The purpose of the assigned risk plan is to Minnesota joint underwriting association shall provide coverage required by subdivision 1 to persons rejected under this subdivision.~~

~~(b) An insurer who offers liquor liability insurance that refuses to write the coverage required by subdivision 1 shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the commissioner of public safety at the time of application for coverage to the assigned risk plan and the market assistance program.~~

~~A written notice of refusal must be provided to any applicant who has requested only liquor liability insurance if the insurer chooses to only offer liquor liability insurance in combination with other types of insurance.~~

A written notice of refusal must be provided by an insurer to any applicant who receives an offer of coverage from that insurer that is in excess of the rate charged by the assigned risk plan for similar coverage and risk. A notice is not required if the rate for the coverage offered is less than 20 percent in excess of the assigned risk plan rates, provided that the offered rate is the rate that the insurer has filed with the commissioner of commerce if the insurer is required to file its rates with the commissioner. If the insurer is not required to file its rates with the commissioner, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

A notice of refusal is not required to be filed if there is not an insurer offering liquor liability insurance in the state.

To be eligible to participate in the assigned risk plan an applicant must apply for coverage through the market assistance program. Application to the market assistance program must be made no later than the time of application to the assigned risk plan. If the market assistance program is unable to secure coverage then coverage may be extended by the assigned risk plan.

(e) The commissioner of commerce may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages must be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13), or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services must possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for are an obligation of the assigned risk plan.

(d) The commissioner of commerce may assess all insurers licensed under section 60A.06, subdivision 1, clause (13), an amount sufficient to fully fund the obligations of the assigned risk plan if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer must be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multiperil, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

(e) Policies and contracts of coverage issued under this subdivision must contain the usual and customary provisions of liability insurance policies, and must contain at least the minimum coverage required by subdivision 1 or the local governing unit.

(f) Assigned risk policies and contracts of coverage are subject to premium tax pursuant to section 60A.15.

(g) Insureds served by the assigned risk plan must be charged premiums based upon a rating plan approved by the commissioner of commerce. Assigned risk premiums must be on an actuarially sound basis. The rating plan approved by the commissioner shall provide for surcharge factors based upon claims reported and losses paid. The commissioner of commerce shall fix the compensation received by the agent of record.

(h) The rating plan may be amended by rule pursuant to chapter 14 or by the following expedited procedures:

(1) Any person may, by written petition served upon the commissioner, request that a hearing be held to amend the rating plan.

(2) The commissioner shall forward a copy of the petition to the chief administrative law judge within three business days of its receipt. The chief administrative law judge shall, within three business days of receipt of the copy of the petition or a request for a hearing by the commissioner, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The hearing date must be set no less than 60 days nor more than 90 days from the date of receipt of the petition by the commissioner.

(3) The commissioner of commerce shall publish a notice of the hearing in the State Register at least 30 days before the hearing date. The notice should be similar to that used for rulemaking under the administrative procedure act. Approval by the administrative law judge of the notice prior to publication is not required.

(4) The hearing and all matters taking place after the hearing are a contested case under chapter 14. Within 45 days from the commencement of the hearing and within 15 days of the completion of the hearing the administrative law judge shall submit a report to the commissioner of commerce. The parties, or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedure to conform with the 45 day requirement.

~~(5) The commissioner shall render a decision within ten business days of the receipt of the administrative law judge's report.~~

~~(6) If all parties to the proceeding agree, any of the previous requirements may be waived or modified.~~

~~(7) A petition for a hearing to amend the rating plan received by the commissioner within 180 days of the date of the commissioner's decision in a prior proceeding to amend the rating plan is invalid and requires no action.~~

~~(b) A liquor vendor shall be denied or terminated from coverage through the assigned risk plan Minnesota joint underwriting association if the liquor vendor disregards safety standards, laws, rules, or ordinances pertaining to the offer, sale, or other distribution of liquor.~~

~~The commissioner may by rule establish other conditions for denial or termination from coverage through the assigned risk plan.~~

~~(j) The commissioner of commerce shall adopt rules needed to implement this subdivision. The rules may include:~~

~~(1) appeal procedures from actions of the assigned risk plan;~~

~~(2) formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of commerce regarding operation of the plan; and~~

~~(3) applicable rating plans and rating standards.~~

Sec. 71. [LIQUOR LIABILITY ASSIGNED RISK PLAN OBLIGATIONS AND LIABILITIES.]

The Minnesota joint underwriting association shall assume the obligations of existing contracts and existing liabilities of the liquor liability assigned risk plan.

Sec. 72. [REVISOR INSTRUCTIONS.]

(a) The revisor shall recodify Minnesota Statutes, section 72A.20, subdivision 4a, as section 72A.201, subdivision 4a.

(b) The revisor shall recodify Minnesota Statutes, section 60A.30 as section 60A.351 and section 60A.31 as section 60A.352 and correct internal references in Minnesota Statutes and Minnesota Rules.

Sec. 73. [REPEALER.]

(a) Minnesota Statutes 1992, sections 72A.45; and 72B.07, are repealed.

(b) Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100, are repealed. The rates set pursuant to these rules shall continue to apply until changed pursuant to Minnesota Statutes, section 62I.06.

Sec. 74. [EFFECTIVE DATE.]

Section 37 is effective August 1, 1993, and applies to policies and plans issued, renewed, or continued on or after that date. Sections 69 to 72 and 73, paragraph (b), are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60C.22; 60K.06; 60K.14,

subdivision 4; 60K.19, subdivision 5; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 45; 60A; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1190, A bill for an act relating to the Minnesota historical society; recodifying the historic sites act of 1965; proposing coding for new law in Minnesota Statutes, chapter 138; repealing Minnesota Statutes 1992, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66.

Reported the same back with the following amendments:

Page 10, line 23, after the second period insert "[138.6691]"

Page 10, after line 25, insert:

"Sec. 11. [138.96] [RECORDED MUSIC CENTER.]

Subdivision 1. [DEFINITION.] "Recorded music center" means an area in the state history center to collect recorded music produced in Minnesota which is made by Minnesota performers and composers.

Subd. 2. [COOPERATION.] The historical society shall coordinate collecting activities relating to this act with other Minnesota archives and libraries.

Subd. 3. [NOTIFICATION.] The historical society shall notify and encourage producers of music, including musical groups, to offer one copy of each recorded music item to the historical society for consideration as an addition to its collections. Items the society accepts for deposit shall be a part of the recorded music center.

Sec. 12. [CARVER'S CAVE STUDY.]

The historical society, in consultation and considering recommendations of the city of St. Paul, the department of natural resources and the Indian affairs council, must review the use and interpretation of Carver's Cave historic place in St. Paul, including the potential for a park, picnic area, historic site, interpretive area, or other appropriate use. The society shall report its findings and recommendations to the economic development, infrastructure and regulation finance committee in the house and the state government division of the finance committee in the senate by February 1, 1994."

Page 10, line 26, delete "11" and insert "13"

Page 11, line 1, delete "12" and insert "14"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing for a recorded music center; requiring a study of Carver's Cave;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1203, A bill for an act relating to state departments and agencies; providing for reports on advisory task forces committees and councils; providing for their expirations; eliminating certain advisory bodies; amending Minnesota Statutes 1992, sections 6.65; 15.059, subdivision 5, and by adding a subdivision; 16B.39, subdivision 1a; 41A.02, subdivision 1; 41A.04, subdivisions 2 and 4; 116J.975; 125.188, subdivision 3; 125.1885, subdivision 3; 129D.16; 148.235, subdivision 2; 246.017, subdivision 2; 246.56, subdivision 2; 256B.0629, subdivision 4; and 256B.433, subdivision 1; 299F.093, subdivision 1; repealing Minnesota Statutes 1992, sections 41.54; 41A.07; 43A.31, subdivision 4; 82.30, subdivision 1; 84.524, subdivisions 1 and 2; 85A.02, subdivision 4; 86A.10, subdivision 1; 116J.645; 116J.984, subdivision 11; 116N.05; 120.064, subdivision 6; 121.87; 145.93, subdivision 2; 148B.20, subdivision 2; 152.02, subdivision 11; 175.008; 184.23; 206.57, subdivision 3; 245.476, subdivision 4; 245.4885, subdivision 4; 256.9745; 256B.0629, subdivisions 1, 2, and 3; 256B.433, subdivision 4; 257.072, subdivision 6; 299F.092, subdivision 9; 299F.097; and 626.5592.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "6.65;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1225, A bill for an act relating to agriculture; providing for surcharges on registered pesticides; amending Minnesota Statutes 1992, section 18E.03, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 18B.01, is amended by adding a subdivision to read:

Subd. 9a. [FIXED LOCATION.] "Fixed location" means all stationary restricted and bulk pesticide facility operations owned or operated by a person located in the same plant location or locality.

Sec. 2. Minnesota Statutes 1992, section 18B.01, is amended by adding a subdivision to read:

Subd. 30a. [SUBSTANTIALLY ALTERING; SUBSTANTIALLY ALTER; SUBSTANTIAL ALTERATION.] "Substantially altering," "substantially alter," or "substantial alteration" means modifying a bulk agricultural chemical storage facility by:

(1) changing the capacity of a safeguard;

(2) adding storage containers in excess of the capacity of a safeguard as required by rule; or

(3) increasing the size of the single largest storage container in a safeguard as approved or permitted by the department of agriculture. This does not include routine maintenance of safeguards, storage containers, appurtenances, piping, mixing, blending, weighing, or handling equipment.

Sec. 3. Minnesota Statutes 1992, section 18B.135, is amended to read:

18B.135 [SALE OF PESTICIDES IN RETURNABLE CONTAINERS AND MANAGEMENT OF UNUSED PORTIONS.]

Subdivision 1. [ACCEPTANCE OF RETURNABLE CONTAINERS.] (a) A person distributing, offering for sale, or selling a pesticide must accept triple-rinsed or power-rinsed empty plastic pesticide containers and the unused portion of pesticide that remains in the original container from a pesticide end user if:

(1) the pesticide was purchased after July 1, ~~1994~~ 1996; and

(2) the empty container is prepared for disposal in accordance with label directions and is returned to the place of purchase within the state; and

(3) a place is collection site has not been designated either in the county or through agreement with other counties for the public to return empty pesticide containers and the unused portion of pesticide for the purpose of recycling or other approved management of pesticide containers.

By February 1 of each year, each county shall notify the commissioner of the county's intention to manage empty pesticide containers.

(b) This subdivision does not prohibit the use of refillable and reusable pesticide containers.

(c) ~~The legislative water commission must prepare a report and make a recommendation to the legislature on the handling of waste pesticide containers and waste pesticides~~ Pesticide containers may not be mixed with other postconsumer plastic recyclables.

(d) Paragraph (a) is not in effect if a practical end market for the pesticide containers collected as determined by the commissioner does not exist.

Subd. 2. [ACCEPTANCE OF UNUSED PORTIONS.] The commissioner shall designate a place in each county to dispose of unused portions of pesticide remaining in the original container from a pesticide end user at least once every three years.

By February 1 of each year, each county shall notify the commissioner of the county's intention to manage unused portions of pesticides in the county. The county may elect to participate in the waste pesticide collection program of the department.

Subd. 3. [RULES.] The commissioner may adopt rules to implement this section, including procedures and standards prescribing the exemption of certain pesticide products and pesticide containers.

Sec. 4. Minnesota Statutes 1992, section 18B.14, subdivision 2, is amended to read:

Subd. 2. [BULK PESTICIDE STORAGE.] (a) A person storing pesticides in containers of a rated capacity of 500 gallons or more for more than ten consecutive days at a bulk pesticide storage facility must obtain a pesticide storage permit from the commissioner as required by rule.

(b) Applications must be on forms provided by the commissioner containing information established by rule. The initial application for a permit must be accompanied by a nonrefundable application fee of \$100 for each location where the pesticides are stored. An application for a facility that includes both fertilizers as regulated under chapter 18C and bulk pesticides as regulated under this chapter shall pay only one application fee of \$100.

(c) The commissioner shall by rule develop and implement a program to regulate bulk pesticides. The rules must include installation of secondary containment devices, storage site security, safeguards, notification of storage site locations, criteria for permit approval, a schedule for compliance, and other appropriate requirements necessary to minimize potential adverse effects on the environment. The rules must conform with existing rules of the pollution control agency.

(d) A person must obtain a permit from the commissioner on forms provided by the commissioner before the person constructs or substantially alters a bulk pesticide storage facility. If an application is incomplete, the commissioner must notify the applicant as soon as possible. The permit must be acted upon within 30 days after receiving a completed application.

(e) An application to substantially alter a facility must be accompanied by a \$50 fee. An application for a facility that includes both fertilizers regulated under chapter 18C and bulk pesticides regulated under this chapter shall pay only one application fee of \$50.

(f) An additional ~~application~~ fee of \$250 must be paid by ~~an applicant~~ a person who begins construction of, or substantially alters, a bulk pesticide agricultural chemical storage facility before a permit is issued by the commissioner. ~~The fee under this paragraph may not be charged if the permit is not acted upon within 30 days after receiving a completed application, except that the \$250 additional fee may not be assessed if the person submits a permit application with the required fee to the commissioner before completing the construction or substantial alteration.~~

Sec. 5. Minnesota Statutes 1992, section 18B.31, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), ~~a person no individual may not distribute at wholesale or retail or possess offer for sale or sell a restricted use pesticides or bulk pesticides with an intent to distribute them to an ultimate pesticide to a pesticide end user from any fixed location~~ without a pesticide dealer license.

(b) ~~The A pesticide dealer license requirement does not apply to~~ is not required for:

(1) a licensed commercial applicator, noncommercial applicator, or structural pest control applicator who uses restricted use pesticides only as an integral part of a pesticide application service;

(2) a federal, state, county, or municipal agency using restricted use pesticides for its own programs; ~~or~~

(3) a licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in the pharmacist's, physician's, dentist's, or veterinarian's practice; ~~or~~

(4) a person at a fixed location that is not used to offer for sale or sell restricted use or bulk pesticides including, but not limited to, warehouses or other storage sites.

(c) A licensed pesticide dealer may sell restricted use pesticides only to an applicator licensed or certified by the commissioner, unless a sale is allowed by rule.

(d) A pesticide dealer license is required for an individual not located in Minnesota who offers for sale or sells a restricted use or bulk pesticide to a pesticide end user located in Minnesota.

(e) Only one pesticide dealer license is required per fixed location from which an individual offers for sale or sells a restricted use or bulk pesticide to an end user.

Sec. 6. Minnesota Statutes 1992, section 18B.36, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training that meets or exceeds United States Environmental Protection Agency standards to certify private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies and must be a minimum of three hours in duration.

(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, which must include an examination as determined by the commissioner, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of three calendar years from the applicant's nearest birthday including the first year of certification, and expires December 31 of the third year.

(c) The commissioner shall issue a private applicator card to a private applicator.

Sec. 7. Minnesota Statutes 1992, section 18B.37, subdivision 2, is amended to read:

Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. Noncommercial applicators must keep records of restricted use pesticides. The record must include the:

- (1) date of the pesticide use;
 - (2) time the pesticide application was completed;
 - (3) brand name of the pesticide, the United States Environmental Protection Agency registration number, and dosage used;
 - (4) number of units treated;
 - (5) temperature, wind speed, and wind direction;
 - (6) location of the site where the pesticide was applied;
 - (7) name and address of the customer;
 - (8) name and signature of applicator, name of company, license number of applicator, and address of applicator company; and
 - (9) any other information required by the commissioner.
- (b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.
- (c) All information for this record requirement must be contained in a single page document for each pesticide application, except a map may be attached to identify treated areas. For the rights-of-way and wood preservative categories, the required record may not exceed five pages. An invoice containing the required information may constitute the required record. The commissioner shall make sample forms available to meet the requirements of this paragraph.
- (d) A commercial applicator must give a copy of the record to the customer ~~when the application is completed.~~
- (e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

Sec. 8. Minnesota Statutes 1992, section 18C.005, subdivision 13, is amended to read:

Subd. 13. [GRADE.] "Grade" means the percentage of total nitrogen (N), available phosphorus (P) or ~~phosphoric acid (P₂O₅)~~ phosphate (P₂O₅), and soluble potassium (K) or soluble potash (~~K₂O~~) (K₂O) stated in whole numbers in the same terms, order, and percentages as in the guaranteed analysis except the grade of bone meals, manures, and similar raw materials may be stated in fractional units, and specialty fertilizers may be stated in fractional units of less than one percent of total nitrogen, available phosphorus or ~~phosphoric acid~~ phosphate, and soluble potassium or soluble potash.

Sec. 9. Minnesota Statutes 1992, section 18C.005, subdivision 35, is amended to read:

Subd. 35. [SUBSTANTIALLY ALTERING; SUBSTANTIALLY ALTER; SUBSTANTIAL ALTERATION.] "Substantially altering," "substantially alter," or "substantial alteration" means modifying a bulk agricultural chemical storage facility by:

- (1) changing the capacity of a safeguard;
- (2) ~~adding additional safeguards or storage containers, or changing existing storage containers, safeguards, appurtenances, or piping, in excess of the capacity of a safeguard as required by rule;~~

(3) increasing the size of the largest storage container in a safeguard as approved or permitted by the department of agriculture; or

(4) adding or changing anhydrous ammonia storage containers or adding ammonia loading or unloading stations. This does not include routine maintenance of existing safeguards, storage containers, appurtenances, and piping, or of existing mixing, blending, weighing, and or handling equipment. For dry bulk fertilizer, a person may decrease storage capacity without a substantial alteration permit and may increase storage capacity up to 150 tons per location annually without a substantial alteration permit.

Sec. 10. Minnesota Statutes 1992, section 18C.115, subdivision 2, is amended to read:

Subd. 2. [ADOPTION OF NATIONAL STANDARDS.] Applicable national standards contained in the ~~1989~~ 1993 official publication, number ~~42~~ 46, of the association of American plant food control officials including the rules and regulations, statements of uniform interpretation and policy, and the official fertilizer terms and definitions, and not otherwise adopted by the commissioner, may be adopted as fertilizer rules of this state.

Sec. 11. Minnesota Statutes 1992, section 18C.211, subdivision 1, is amended to read:

Subdivision 1. [N, P, AND K NUTRIENT CONTENT STATED.] (a) Until the commissioner prescribes the alternative form of guaranteed analysis, it must be stated as provided in this subdivision.

(b) A guaranteed analysis must state the percentage of plant nutrient content, if claimed, in the following form:

"Total Nitrogen (N)	.....	percent
Available Phosphoric Acid (P ₂ O ₅)		
Phosphate (P ₂ O ₅)	.....	percent
Soluble Potash (K ₂ O) (K ₂ O)	.....	percent"

(c) For unacidulated mineral phosphatic materials and basic slag, bone, tankage, and other organic phosphate materials, the total phosphoric acid phosphate or degree of fineness may also be stated.

Sec. 12. Minnesota Statutes 1992, section 18C.215, subdivision 2, is amended to read:

Subd. 2. [BLENDED AND MIXED FERTILIZER.] (a) A distributor who blends or mixes fertilizer to a customer's order without a guaranteed analysis of the final mixture must furnish each purchaser with an invoice or delivery ticket in written or printed form showing the net weight and guaranteed analysis of each of the materials used in the mixture.

~~(b) The invoice or delivery ticket must accompany the delivery.~~

(e) Records of invoices or delivery tickets must be kept for five years after the delivery or application.

Sec. 13. Minnesota Statutes 1992, section 18C.305, subdivision 2, is amended to read:

Subd. 2. [PERMIT FEES.] (a) An application for a new facility must be accompanied by a nonrefundable application fee of \$100 for each location where fertilizer is stored.

(b) An application to substantially alter a facility must be accompanied by a nonrefundable \$50 fee.

~~(c) In addition to the fees under paragraphs (a) and (b), a~~ An additional fee of \$250 must be paid by an applicant a person who begins construction of, or substantial alteration substantially alters a bulk agricultural chemical storage facility before a permit is issued by the commissioner, except that the \$250 additional fee may not be assessed if the person submits a permit application with the required fee to the commissioner before completing the construction or substantial alteration.

(d) An application for a facility that includes both fertilizers, as regulated under this chapter, and pesticides as regulated under chapter 18B shall pay only one application fee of \$100.

Sec. 14. Minnesota Statutes 1992, section 18D.103, is amended by adding a subdivision to read:

Subd. 3. [EXCEPTION.] A responsible party or an owner of property is not required to report an incident to the commissioner under this section if the amount of pesticide involved in the release is less than the maximum amount of the pesticide that, consistent with its label, can be applied to one acre of agricultural crop land unless the release occurred into or near surface or groundwater.

Sec. 15. Minnesota Statutes 1992, section 18D.105, is amended by adding a subdivision to read:

Subd. 3a. [PASSIVE BIOREMEDIATION.] Passive bioremediation must be used for pesticide cleanups whenever an assessment of the site determines that there is a low potential risk to public health and the environment. The assessment may include the soil types involved, leaching potential, underlying geology, proximity to ground and surface water, and soil half-life of the pesticides.

Sec. 16. Minnesota Statutes 1992, section 18E.03, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded; and

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) by the board to reimburse the commissioner for board staff and other administrative costs up to \$200,000 per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Sec. 17. Minnesota Statutes 1992, section 18E.03, subdivision 5, is amended to read:

Subd. 5. [FEE AFTER 1990.] (a) The response and reimbursement fee for calendar years after calendar year 1990 consists of the surcharges in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually as required under subdivision 3. The amount of the surcharges shall be proportionate to the surcharges in subdivision 4.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the registration application fee under section 18B.26, subdivision 3, as a percent of gross sales of the pesticide in the state and sales of the pesticide for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based upon percent of annual gross sales is less than \$10. Pesticides that are sanitizers or disinfectants that are exempted from surcharges are ineligible for reimbursement or payment under this chapter. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant properly documents the sale locations and the distributors.

(c) The commissioner shall impose a fee per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the application fee of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7;

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, a political subdivision of the state, the federal government, or an agency of the federal government; and

(6) a surcharge for licensed lawn service applicators under chapter 18B or 18C, to be imposed on license application fees.

(e) If a person has more than one license for a site, only one surcharge may be imposed to cover all the licenses for the site.

(f) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

Sec. 18. Minnesota Statutes 1992, section 21.85, subdivision 10, is amended to read:

Subd. 10. [COMMISSIONER MAY ALTER REQUIREMENTS IN EMERGENCIES.] In the event of acute shortages of any seed or seeds, or the occurrence of other conditions which in the opinion of the commissioner create an emergency which would make impractical the enforcement of any requirement of sections 21.80 to 21.92 relating to the percentage of purity and, weed seed content, and the variety name of any seed or seeds, the commissioner may temporarily change and alter any requirement relating to percentage of purity and, weed seed content, and the variety name for the duration of the emergency.

Sec. 19. Minnesota Statutes 1992, section 325F.19, subdivision 7, is amended to read:

Subd. 7. "Presenting a clear and present danger" means known to cause physical damage to structure or health hazards to occupants through continuing direct contact or release of hazardous substances as defined in section ~~24.33~~ 115B.02.

Sec. 20. [OILSEED PROCESSING; FEASIBILITY.]

The commissioner of agriculture shall conduct a study of the feasibility of developing a producer-controlled oilseed production facility to process canola, crambe, and other grains. Consideration shall be given to grants, loans, tax incentives, and bonding. The commissioner shall work with AURI, the University of Minnesota, and other interested parties. The commissioner shall report the findings of the study to the house and senate agriculture committees by January 15, 1994.

Sec. 21. [APPROPRIATIONS.]

\$53,500 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, for operation of the tractor and machinery safety training for Minnesota youth program.

Sec. 22. [REPEALER.]

Minnesota Statutes 1992, sections 18B.07, subdivision 3; 18C.211, subdivision 3; 18C.215, subdivision 3; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; 24.42; 25.46; and 25.47, are repealed.

Sec. 23. [EFFECTIVE DATE.]

Section 3 is effective July 1, 1996."

Delete the title and insert:

"A bill for an act relating to agriculture; authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; exempting certain pesticides from the ACRRRA surcharge; appropriating money; repealing the hazardous substance labeling act; amending Minnesota Statutes 1992, sections 18B.01, by adding subdivisions; 18B.135; 18B.14, subdivision 2; 18B.31, subdivision 1; 18B.36, subdivision 2; 18B.37, subdivision 2; 18C.005, subdivisions 13 and 35; 18C.115, subdivision 2; 18C.211, subdivision 1; 18C.215, subdivision 2; 18C.305, subdivision 2; 18D.103, by adding a subdivision; 18D.105, by adding a subdivision; 18E.03, subdivisions 2 and 5; 21.85, subdivision 10; 325F.19, subdivision 7; repealing Minnesota Statutes 1992, sections 18B.07, subdivision 3; 18C.211, subdivision 3; 18C.215, subdivision 3; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; 24.42; 25.46; and 25.47."

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

The report was adopted.

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

H. F. No. 1424, A bill for an act relating to pollution control; exempting certain storage tanks from notification, environmental protection, and tank installer training and certification requirements; amending Minnesota Statutes 1992, section 116.47.

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

The report was adopted.

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

H. F. No. 1529, A bill for an act relating to state government; reorganizing, consolidating, and restructuring state agencies and departments; requiring establishment of worker participation committees before agency restructuring; creating the department of environmental protection and conservation, the board of environmental review, and the office of assistance and public advocacy; transferring all powers and duties of the pollution control agency, the department of natural resources, the environmental quality board, the board of water and soil resources, the office of waste management, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response compensation board; transferring certain powers and duties of the departments of agriculture, health, public safety, trade and economic development, and transportation; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1992, sections 15A.081, subdivision 1; and 43A.045; proposing coding for new law as Minnesota Statutes, chapters 100A; and 100B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [REORGANIZATION; GOALS.]

The legislature finds that it may be desirable to reorganize state services relating to the protection of the environment, protection of farmland, and the management of natural resources to achieve the following goals:

- (1) sustainable development throughout all regions of the state and all sectors of the economy;
- (2) improved delivery of services;
- (3) a preventive approach to environmental degradation;
- (4) citizen participation in all relevant decision-making processes and at meaningful points in the processes; and
- (5) progressively less air, land, and water pollution.

Sec. 2. [REORGANIZATION; OUTCOMES.]

Any reorganization must achieve the following outcomes:

- (1) increased citizen access to pertinent, understandable information relating to environmental protection, farmland protection, and natural resources management;
- (2) better citizen representation, access, and information through an office of public information and advocacy;
- (3) an ecosystem-based, integrated service delivery system that includes the elimination of multiple access points to receive the same or related services;
- (4) the flexibility to enable state and local governments to coordinate and cooperate as well as identify and address existing and emerging environmental issues of state, national, and international import; and
- (5) a commitment to staff development resources sufficient to implement the reorganization.

Sec. 3. [LEGISLATIVE TASK FORCE ON STATE ADMINISTRATIVE ENVIRONMENTAL STRUCTURE.]

Subdivision 1. [TASK FORCE.] A legislative task force on administrative environmental structure is created to recommend to the legislature an organizational structure for the state that best implements the environmental policy of the state and delineates the responsibility of state government in relation to that policy. The task force will consist of ten members, five appointed by the speaker of the house of representatives and five appointed by the rules and administration subcommittee on committees of the senate. At least two members from each chamber must be members of the minority party in that chamber. The task force shall elect one member from each chamber to serve as cochair of the task force who shall alternately preside over hearings, unless they agree otherwise.

The house research department, senate counsel and research, and other legislative staff offices shall provide staff for the commission.

Subd. 2. [DUTIES.] (a) In accordance with the environmental policy codified in Minnesota Statutes, section 116D.02, subdivision 1, the responsibility of state government in relation to that policy codified in Minnesota Statutes, section 116D.02, subdivision 2, and the actions required of state agencies under Minnesota Statutes, section 116D.03, the task force shall:

- (1) examine all recent analyses, critiques, studies, and recommendations related to state administrative environmental structure that have been completed by June 1, 1993, including, but not limited to, the commission on reform and efficiency study and recommendations relating to environmental structure, structures in other states and proposals made by the governor, members of the legislature, state agencies, or other groups;

(2) gather information from interested groups or individuals that may not have participated in the available analyses, critiques, studies, and recommendations; and

(3) by December 15, 1993, prepare a proposal for legislation that the task force determines will best organize the implementation, administration, and enforcement of the state's environmental policy in an efficient, accessible, and environmentally sustainable and economically viable manner and will best recognize the responsibility of state government in relation to that policy.

(b) In developing its proposal, the task force shall seek to achieve:

(1) a structure based on interdisciplinary, integrated resource management in order to protect and enhance the physical environment of the state;

(2) a structure that promotes and maintains a system that meets the needs of the present without compromising the ability of future generations to meet their own needs and that incorporates a process for change in which the use of natural and other resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs;

(3) a structure that facilitates the protection of the diversity of plant and animal life in Minnesota;

(4) a flexible structure that enables state agencies to identify and address existing and emerging environmental issues of state, national, and international import;

(5) an integrated approach based on ecosystems for the delivery of services, including decentralization of service delivery;

(6) increased citizen access to pertinent, understandable information and procedures for implementation and enforcement of environmental protection and natural resources management;

(7) meaningful citizen participation in all relevant policy and decision-making processes;

(8) a structure that recognizes legitimate conflicts of interest and provides for their resolution;

(9) clarity of the mission of all state agencies in light of the state's environmental policy and the responsibility and accountability of those agencies in relation to that policy;

(10) a preventive approach to environmental degradation;

(11) a balanced system of regulatory controls, financial incentives, technical assistance, and educational components to achieve environmental goals and compliance with law; and

(12) a structure that can identify and capture cost savings where those savings can be made without reducing the ability to implement and enforce the state's environmental policy.

(c) The proposal must include provisions to ensure continuity of services, as smooth a transition as possible if structural changes are recommended, and meaningful public employee and public agency participation in determining and implementing future administrative environmental structures.

Subd. 3. [PUBLIC HEARINGS.] As soon as possible after development of the proposal, the task force shall distribute the proposal to all interested persons and shall hold hearings throughout the state designed to gather responses to the proposal from all perspectives. Hearings must be held in convenient locations and at convenient times to maximize the ability of the public to participate in the hearings.

Subd. 4. [FINAL LEGISLATIVE PROPOSAL.] The task force shall revise the proposal, as it determines advisable, and shall issue a final proposal by February 15, 1994, for consideration by the legislature during the 1994 legislative session. The task force is abolished effective May 1, 1994.

Sec. 4. [EMPLOYEE PARTICIPATION COMMITTEE.]

(a) Before any restructuring of executive branch agencies, a committee including representatives of employees and employers within each affected agency must be established and be given adequate time to perform the functions prescribed by paragraph (b). Each exclusive representative of employees shall select a committee member from each of its bargaining units in each affected agency. The head of each agency shall select an employee member from each unit of employees not represented by an exclusive representative. The agency head shall also appoint one or more committee members to represent the agency. The number of members appointed by the agency head, however, may not exceed the total number of members representing bargaining units.

(b) A committee established under paragraph (a) shall:

- (1) identify tasks related to agency reorganization and adopt plans for addressing those tasks;
- (2) identify other employer and employee issues related to reorganization and adopt plans for addressing those issues;
- (3) adopt detailed plans for providing retraining for affected employees; and
- (4) guide the implementation of the reorganization.

Sec. 5. [EXAMINATION OF AGENCIES' MISSION, POWERS, AND DUTIES.]

Subdivision 1. [AGENCIES.] The mission, powers, and duties of the department of natural resources, the board of water and soil resources, the office of waste management, the pollution control agency, the environmental quality board, the harmful substances compensation board, the petroleum tank release compensation board, and the agricultural chemical response board shall be examined by the task force.

Subd. 2. [POWERS AND DUTIES.] (a) The following powers and duties of the department of agriculture shall be examined:

- (1) regulation of fertilizers, soil amendments, agricultural liming, and plant amendments under Minnesota Statutes, chapter 18C;
- (2) pesticide control under Minnesota Statutes, chapter 18B;
- (3) agriculture chemical incident response and cleanup under Minnesota Statutes, chapter 18D;
- (4) chemical incident reimbursement under Minnesota Statutes, chapter 18E;
- (5) urban forest promotion under Minnesota Statutes, section 17.86;
- (6) mosquito abatement under Minnesota Statutes, sections 18.041 to 18.161;
- (7) groundwater protection under Minnesota Statutes, chapter 103H; and
- (8) oil and hazardous substance discharge preparedness under Minnesota Statutes, chapter 115E.

(b) The following powers and duties of the department of health shall be examined:

- (1) the water well program under Minnesota Statutes, chapter 103I;
- (2) the safe drinking water program under Minnesota Statutes, sections 144.381 to 144.387;
- (3) health risk assessment under Minnesota Statutes, section 115B.17, subdivision 10;
- (4) domestic water supply protection under Minnesota Statutes, sections 144.35 to 144.37;
- (5) asbestos contractor licensing under Minnesota Statutes, sections 326.70 to 326.81;

- (6) public health laboratory regulation under Minnesota Statutes, section 144.98;
- (7) lead abatement under Minnesota Statutes, sections 144.871 to 144.879;
- (8) hazardous substance exposure under Minnesota Statutes, section 145.94;
- (9) mosquito research under Minnesota Statutes, section 144.95;
- (10) water supply monitoring and health assessments under Minnesota Statutes, section 473.845, subdivision 2; and
- (11) health risk limits under Minnesota Statutes, section 103H.201.
- (c) The following powers and duties of the department of trade and economic development shall be examined:
- (1) energy loans under Minnesota Statutes, sections 216C.36 and 216C.37;
- (2) outdoor recreation grants under Minnesota Statutes, section 116J.406; and
- (3) environmental permit coordination under Minnesota Statutes, sections 116C.22 to 116C.34.
- (d) The following powers and duties of the department of public service shall be examined: energy conservation under Minnesota Statutes, sections 216C.01 to 216C.35 and 216C.373 to 216C.381.
- (e) The following powers and duties of the department of transportation shall be examined:
- (1) oil and hazardous substance discharge preparedness under Minnesota Statutes, chapter 115E; and
- (2) hazardous waste shipment and licensing under Minnesota Statutes, sections 221.033 to 221.036 and 221.172.
- (f) The powers and duties of the metropolitan council relating to metropolitan solid and hazardous waste under Minnesota Statutes, sections 473.801 to 473.849, shall be examined.

Sec. 6. [BUDGET FOR NEXT BIENNIUM.]

The budget may not require the layoff of classified or unclassified employees in departments and agencies included under section 5 that are covered by a collective bargaining agreement except as provided in a plan negotiated under Minnesota Statutes, chapter 179A, that provides options to layoff for employees who would be affected. The governor's budget must conform to any reorganization plan enacted by the legislature in 1994 in response to recommendations submitted by the task force under section 3. If no reorganization plan is enacted in 1994, the governor's budget must take into account the reorganization recommendations of the task force, as well as any additional or alternative recommendations of the governor.

Sec. 7. [APPROPRIATION.]

\$..... is appropriated from the general fund to the legislative coordinating commission for the purposes of section 1.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government; reviewing the possible reorganization and consolidation of agencies and departments with environmental and natural resource functions; creating a legislative task force; requiring establishment of worker participation committees before possible agency restructuring; appropriating money."

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1551, A bill for an act relating to courts; authorizing the commissioner of revenue to disclose certain tax information to the court for purposes of determining public defender eligibility; providing for funding of a screener-collector position in the eighth judicial district; authorizing payment of fines and other financial obligations of criminal defendants by credit card; appropriating money; amending Minnesota Statutes 1992, sections 270B.14, by adding a subdivision; 357.021, subdivision 1a; and 609.101, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Pages 1 to 4, delete sections 2, 3, 4, and 5

Delete the title and insert:

"A bill for an act relating to courts; authorizing the commissioner of revenue to disclose certain tax information to the court for purposes of determining public defender eligibility; amending Minnesota Statutes 1992, section 270B.14, by adding a subdivision."

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 258, 318, 489, 520, 543, 574, 608, 687, 720, 783, 922, 947, 984, 1081, 1094, 1203 and 1424 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 198 and 605 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Sarna introduced:

H. F. No. 1708, A bill for an act relating to insurance; automobile; regulating commercial automobile insurance coverage; prohibiting the use of certain information by insurers; amending Minnesota Statutes 1992, section 72A.20, by adding a subdivision.

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

Rice, for the Committee on Economic Development, Infrastructure and Regulation Finance, introduced:

H. F. No. 1709, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

Asch, McCollum and Greiling introduced:

H. F. No. 1710, A bill for an act relating to the legislature; compensation of legislators; amending Minnesota Statutes 1992, section 3.099, subdivision 1.

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

Kelley and Rhodes introduced:

H. F. No. 1711, A bill for an act relating to railroads; prohibiting trains failing to meet federal noise regulations from movement at night in cities and towns; imposing a penalty; amending Minnesota Statutes 1992, sections 218.041, subdivision 2; and 219.97, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 219.

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

Orfield introduced:

H. F. No. 1712, A bill for an act relating to crimes; providing that prosecution for the crime of fleeing a peace officer by means of a motor vehicle is not a bar to prosecution of any other crime contemporaneously committed; amending Minnesota Statutes 1992, section 609.035.

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

Reding and Haukoos introduced:

H. F. No. 1713, A bill for an act relating to crimes; permitting the advertising of games of chance and lotteries legally operated under the laws of another jurisdiction; permitting the conduct and advertising of games of chance and lotteries by certain business, charitable, religious, social, or commercial organizations where the game is clearly occasional and ancillary to the primary business or activity of the organization; amending Minnesota Statutes 1992, section 609.761, by adding a subdivision.

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

Sarna introduced:

H. F. No. 1714, A bill for an act relating to taxation; property; reducing the class rates for noncommercial seasonal recreational residential property; amending Minnesota Statutes 1992, sections 273.13, subdivision 25; and 273.1398, subdivision 1.

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

Lynch introduced:

H. F. No. 1715, A bill for an act relating to health; regulating health maintenance organizations; requiring coverage for speech apraxia and severe phonological disorder; proposing coding for new law in Minnesota Statutes, chapter 62D.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Rukavina; Anderson, I.; Rest; Long and Blatz introduced:

H. F. No. 1716, A bill for an act relating to taxation; extending the date by which property qualifies for homestead treatment; amending Minnesota Statutes 1992, section 273.124, subdivision 9; repealing Minnesota Statutes 1992, section 273.124, subdivision 16.

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

Lourey, Neary, Trimble, Rhodes and McCollum introduced:

H. F. No. 1717, A resolution memorializing the President and Congress to establish new priorities in spending and budgeting policies.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Elections.

Lourey, Solberg and Jennings introduced:

H. F. No. 1718, A bill for an act relating to state forests; granting counties a 50 percent share of state forest income; appropriating funds for payment; affirming counties rescission of agreements for forest land management; amending Minnesota Statutes 1992, section 89.035; proposing coding for new law in Minnesota Statutes, chapter 89.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

S. F. Nos. 394, 485, 589, 663, 361, 406, 409, 452, 582 and 629.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 250, 270, 431 and 700.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 394, A bill for an act relating to financial institutions; permitting contracts between financial institutions to accept deposits and honor withdrawals; proposing coding for new law in Minnesota Statutes, chapter 47.

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

S. F. No. 485, A bill for an act relating to the city of Faribault; providing for the civil service status of certain officers.

The bill was read for the first time.

Rodosovich moved that S. F. No. 485 and H. F. No. 812, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 589, A bill for an act relating to the St. Anthony Falls heritage board; permitting the mayor of Minneapolis and the chair of the Hennepin board of commissioners to designate a representative to the board; amending Minnesota Statutes 1992, section 138.763, subdivision 1.

The bill was read for the first time.

Rice moved that S. F. No. 589 and H. F. No. 680, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 663, A bill for an act relating to elections; authorizing the filing officer to keep from the ballot the name of a person who is a convicted felon, under guardianship, or found incompetent; amending Minnesota Statutes 1992, section 204B.10, by adding a subdivision.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Elections.

S. F. No. 361, A bill for an act relating to public safety; extending existence of Minnesota advisory council on fire protection systems; amending Minnesota Statutes 1992, section 299M.02, subdivision 1.

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

S. F. No. 406, A bill for an act relating to local government; authorizing a local unit of government which self-insures health benefits for employees to enroll employees of the exclusive representative of its employees in those plans; amending Minnesota Statutes 1992, section 471.617, by adding a subdivision.

The bill was read for the first time.

Huntley moved that S. F. No. 406 and H. F. No. 444, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 409, A bill for an act relating to retirement; Minneapolis employees retirement fund; amending Minnesota Statutes 1992, sections 422A.05, subdivisions 1 and 2a; 422A.08, subdivision 5, and by adding a subdivision; and 422A.101, subdivision 1.

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

S. F. No. 452, A bill for an act relating to civil commitment; clarifying time limitations for appeal under the civil commitment act; amending Minnesota Statutes 1992, section 253B.23, subdivision 7.

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

S. F. No. 582, A bill for an act relating to motor vehicles; extending validity period of nonresident temporary vehicle permits; amending Minnesota Statutes 1992, section 168.091, subdivision 1.

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

S. F. No. 629, A bill for an act relating to public employment; permitting interest arbitration on retired public employee group insurance coverage for units of essential employees; amending Minnesota Statutes 1992, section 179A.16, subdivision 9.

The bill was read for the first time.

Johnson, R., moved that S. F. No. 629 and H. F. No. 819, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 250, A bill for an act relating to cities; limiting the service of charter commission members; fixing procedures for charter amendments; amending Minnesota Statutes 1992, sections 410.05, subdivision 2; and 410.12, subdivision 3.

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

S. F. No. 270, A bill for an act relating to elections; changing certain margins requiring automatic recounts; amending Minnesota Statutes 1992, section 204C.35, subdivision 1.

The bill was read for the first time.

Opatz moved that S. F. No. 270 and H. F. No. 516, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 431, A bill for an act relating to public administration; providing that government records may be stored on optical imaging systems and retained in that format only; amending Minnesota Statutes 1992, sections 15.17, subdivision 1; and 138.17, by adding a subdivision.

The bill was read for the first time.

Bishop moved that S. F. No. 431 and H. F. No. 318, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 700, A bill for an act relating to horse racing; permitting two class A licenses within the seven-county metropolitan area; permitting the state fair to apply for a pari-mutuel horse racing license; permitting distributions from the breeders' fund for Minnesota-bred horses racing in other racing jurisdictions; amending Minnesota Statutes 1992, sections 240.06, subdivisions 5 and 5a; 240.09, subdivision 1; and 240.18, subdivision 1.

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

CONSENT CALENDAR

H. F. No. 1528 was reported to the House.

Lasley moved that H. F. No. 1528 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 259, A bill for an act relating to local government; providing for the publication of certain accounts and delinquent property tax information; amending Minnesota Statutes 1992, sections 281.13; 281.23, subdivision 3; and 375.17.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 785, A bill for an act relating to retirement; survivor benefits payable by the Minneapolis police relief association; amending Minnesota Statutes 1992, section 353B.11, subdivisions 4 and 5; and Laws 1992, chapters 454, section 3; and 471, article 1, section 10, subdivision 1; repealing Laws 1992, chapter 454, section 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bishop	Carruthers	Davids	Dorn	Garcia
Anderson, I.	Beard	Blatz	Clark	Dawkins	Erhardt	Girard
Anderson, R.	Bergson	Brown, C.	Commers	Dehler	Evans	Goodno
Asch	Bertram	Brown, K.	Cooper	Delmont	Farrell	Greenfield
Battaglia	Bettermann	Carlson	Dauner	Dempsey	Frerichs	Greiling

Gruenes	Johnson, V.	Lourey	Neary	Pelowski	Smith	Wagenius
Gutknecht	Kahn	Luther	Nelson	Perit	Solberg	Waltman
Hasskamp	Kalis	Lynch	Ness	Pugh	Sparby	Weaver
Haukoos	Kelso	Macklin	Olson, K.	Reding	Stanius	Wejcman
Hausman	Kinkel	Mahon	Olson, M.	Rest	Steensma	Welle
Holsten	Klinzing	Mariani	Onnen	Rhodes	Sviggum	Wenzel
Hugoson	Koppendrayner	McCollum	Opatz	Rice	Swenson	Winter
Huntley	Krinkie	McGuire	Orenstein	Rodosovich	Tomassoni	Wolf
Jacobs	Krueger	Milbert	Orfield	Rukavina	Tompkins	Worke
Jaros	Lasley	Molnau	Osthoff	Sarna	Trimble	Workman
Jefferson	Leppik	Morrison	Ostrom	Seagren	Tunheim	Spk. Long
Jennings	Lieder	Mosel	Ozment	Sekhon	Van Dellen	
Johnson, A.	Limmer	Munger	Pauly	Simoneau	Vellenga	
Johnson, R.	Lindner	Murphy	Pawlenty	Skoglund	Vickerman	

The bill was passed and its title agreed to.

H. F. No. 807, A bill for an act relating to retirement; the Minneapolis fire department relief association; setting service pension rates; amending Minnesota Statutes 1992, section 352B.07, subdivision 3; repealing Laws 1971, chapter 542.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 893, A bill for an act relating to local government; specifying the prosecuting attorney for certain offenses; amending Minnesota Statutes 1992, section 487.25, subdivision 10.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 951, A bill for an act relating to the city of Duluth; authorizing the transfer of money from the gas division account in the public utility fund to the general fund; amending Laws 1951, chapter 507, section 1, as amended.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 964, A bill for an act relating to public safety; authorizing commissioner of public safety to apply for federal natural disaster assistance funds; amending Minnesota Statutes 1992, section 12.221.

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 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Krinkie

The bill was passed and its title agreed to.

H. F. No. 1182, A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Dempsey	Gutknecht	Johnson, R.	Lieder	Molnau
Anderson, I.	Brown, K.	Dorn	Hasskamp	Johnson, V.	Limmer	Morrison
Anderson, R.	Carlson	Erhardt	Haukoos	Kahn	Lindner	Mosel
Asch	Carruthers	Evans	Hausman	Kalis	Lourey	Munger
Battaglia	Clark	Farrell	Holsten	Kelso	Luther	Murphy
Bauerly	Commers	Frerichs	Hugoson	Kinkel	Lynch	Neary
Beard	Cooper	Garcia	Huntley	Klinzing	Macklin	Nelson
Bergson	Dauner	Girard	Jacobs	Koppendraye	Mahon	Ness
Bertram	Dauids	Goodno	Jaros	Krinkie	Mariani	Olson, K.
Bettermann	Dawkins	Greenfield	Jefferson	Krueger	McCollum	Olson, M.
Bishop	Dehler	Greiling	Jennings	Lasley	McGuire	Ornen
Blatz	Delmont	Gruenes	Johnson, A.	Leppik	Milbert	Opatz

Orenstein	Pelowski	Rodosovich	Smith	Tomassoni	Wagenius	Wolf
Orfield	Perlt	Rukavina	Solberg	Tompkins	Waltman	Worke
Osthoff	Pugh	Sarna	Sparby	Trimble	Weaver	Workman
Ostrom	Reding	Seagren	Stanius	Tunheim	Wejcman	Spk. Long
Ozment	Rest	Sekhon	Steensma	Van Dellen	Welle	
Pauly	Rhodes	Simoneau	Sviggum	Vellenga	Wenzel	
Pawlenty	Rice	Skoglund	Swenson	Vickerman	Winter	

The bill was passed and its title agreed to.

H. F. No. 1228, A bill for an act relating to retirement; public employees retirement association and Minneapolis employees retirement fund; providing for the retention of pension coverage for certain transferred employees.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1408, A bill for an act relating to agriculture; redefining terms in the plant pest act; exempting certain nonprofit organizations from the requirement for a nursery stock dealer certificate; amending Minnesota Statutes 1992, section 18.46, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Asch	Beard	Bettermann	Brown, C.	Carruthers	Cooper
Anderson, I.	Battaglia	Bergson	Bishop	Brown, K.	Clark	Dauner
Anderson, R.	Bauerly	Bertram	Blatz	Carlson	Commers	Davids

Dawkins	Hasskamp	Kinkel	McCollum	Orfield	Seagren	Vellenga
Dehler	Haukoos	Klinzing	McGuire	Osthoff	Sekhon	Vickerman
Delmont	Hausman	Koppendrayer	Milbert	Ostrom	Simoneau	Wagenius
Dempsey	Holsten	Krinkie	Molnau	Ozment	Skoglund	Waltman
Dorn	Hugoson	Krueger	Morrison	Pauly	Smith	Weaver
Erhardt	Huntley	Lasley	Mosel	Pawlenty	Solberg	Wejzman
Evans	Jacobs	Leppik	Munger	Pelowski	Sparby	Welle
Farrell	Jaros	Lieder	Murphy	Perlt	Stanius	Wenzel
Frerichs	Jefferson	Limmer	Neary	Pugh	Steenasma	Winter
Garcia	Jennings	Lindner	Nelson	Reding	Sviggum	Wolf
Girard	Johnson, A.	Lourey	Ness	Rest	Swenson	Worke
Goodno	Johnson, R.	Luther	Olson, K.	Rhodes	Tomassoni	Workman
Greenfield	Johnson, V.	Lynch	Olson, M.	Rice	Tompkins	Spk. Long
Greiling	Kahn	Macklin	Onnen	Rodosovich	Trimble	
Gruenes	Kalis	Mahon	Opatz	Rukavina	Tunheim	
Gutknecht	Kelso	Mariani	Orenstein	Sarna	Van Dellen	

The bill was passed and its title agreed to.

H. F. No. 1474, A bill for an act relating to county records; providing for the use of certain fees; amending Minnesota Statutes 1992, section 357.18, by adding a subdivision.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 186, A bill for an act relating to marriage dissolution; requiring more information on the notice to a public authority; amending Minnesota Statutes 1992, section 518.551, subdivision 5.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 903, A bill for an act relating to public employees; authorizing a local police civil service commission to adopt rules allowing the striking of a name on the civil service eligible register after a one-year period; amending Minnesota Statutes 1992, section 419.06.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 281, A bill for an act relating to agriculture; board of animal health; regulating the imposition and collection of civil penalties; amending Minnesota Statutes 1992, section 35.95, subdivisions 1 and 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Stanius

The bill was passed and its title agreed to.

S. F. No. 789, A bill for an act relating to the city of St. Paul; validating an approval of special laws.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Evans	Holsten	Kinkel	Macklin	Ness
Anderson, I.	Carruthers	Farrell	Hugoson	Klinzing	Mahon	Olson, K.
Anderson, R.	Clark	Frerichs	Huntley	Koppendrayer	Mariani	Olson, M.
Asch	Commers	Garcia	Jacobs	Krinkie	McCollum	Onnen
Battaglia	Cooper	Girard	Jaros	Krueger	McGuire	Opatz
Bauerly	Dauner	Goodno	Jefferson	Lasley	Milbert	Orenstein
Beard	Dauids	Greenfield	Jennings	Leppik	Molnau	Orfield
Bergson	Dawkins	Greiling	Johnson, A.	Lieder	Morrison	Osthoff
Bertram	Dehler	Gruenes	Johnson, R.	Limmer	Mosel	Ostrom
Bettermann	Delmont	Gutknecht	Johnson, V.	Lindner	Munger	Ozment
Bishop	Dempsey	Hasskamp	Kahn	Lourey	Murphy	Pauly
Blatz	Dorn	Haukoos	Kalis	Luther	Neary	Pawlenty
Brown, K.	Erhardt	Hausman	Kelso	Lynch	Nelson	Pelowski

Perl	Rodosovich	Skoglund	Sviggum	Van Dellen	Wejcman	Workman
Pugh	Rukavina	Smith	Swenson	Vellenga	Welle	Spk. Long
Reding	Sarna	Solberg	Tomassoni	Vickerman	Wenzel	
Rest	Seagren	Sparby	Tompkins	Wagenius	Winter	
Rhodes	Sekhon	Stanius	Trimble	Waltman	Wolf	
Rice	Simoneau	Steensma	Tunheim	Weaver	Worke	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Anderson, I., from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today, Monday, April 12, 1993:

H. F. Nos. 554, 824, 454, 592, 667, 806, 889, 477, 504, 622, 1523, 994, 1095, 1153, 157, 945, 1428, 104, 1404, 129 and 670.

SPECIAL ORDERS

H. F. No. 643 was reported to the House.

Luther moved to amend H. F. No. 643, the first engrossment, as follows:

Page 13, delete lines 6 to 13

Re-number the remaining sections in sequence

The motion prevailed and the amendment was adopted.

H. F. No. 643, A bill for an act relating to commerce; making technical changes in the department's enforcement powers; regulating cosmetology; prescribing powers and duties; setting fees; amending Minnesota Statutes 1992, sections 45.011, subdivision 1, and by adding a subdivision; 45.027, subdivisions 1, 2, 5, 6, and 8; 155A.03, subdivision 1; 155A.05; 155A.06; 155A.07, subdivisions 2, 4, 7, and 8; 155A.08, subdivisions 2 and 5; 155A.09, subdivisions 2, 5, 6, and 9; 155A.10; 155A.14; 155A.15; and 155A.16; proposing coding for new law in Minnesota Statutes, chapter 155A; repealing Minnesota Statutes 1992, sections 155A.11; 155A.12; 155A.13; and 155A.18; Minnesota Rules, parts 2642.0310, subparts 3, 4, and 5; 2642.0330, subparts 3 and 4; 2642.0800; 2642.0810; 2644.0310, subparts 2, 3, and 4; 2644.0800; and 2644.0810.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Brown, C.	Cooper	Dempsey	Garcia	Hasskamp
Anderson, I.	Bergson	Brown, K.	Dauner	Dorn	Girard	Haukoos
Anderson, R.	Bertram	Carlson	Dauids	Erhardt	Goodno	Hausman
Asch	Bettermann	Carruthers	Dawkins	Evans	Greiling	Holster
Battaglia	Bishop	Clark	Dehler	Farrell	Gruenes	Huntley
Bauerly	Blatz	Commers	Delmont	Frerichs	Gutknecht	Jacobs

Jaros	Krinkie	Mariani	Olson, E.	Perl	Smith	Vellenga
Jefferson	Krueger	McCollum	Olson, K.	Pugh	Solberg	Wagenius
Jennings	Lasley	McGuire	Olson, M.	Reding	Sparby	Waltman
Johnson, A.	Leppik	Milbert	Ornen	Rest	Starius	Weaver
Johnson, R.	Lieder	Molnau	Opatz	Rhodes	Steensma	Wejcman
Johnson, V.	Limmer	Morrison	Orenstein	Rice	Sviggum	Welle
Kahn	Lindner	Mosel	Orfield	Rodosovich	Swenson	Wenzel
Kalis	Lourey	Mungel	Ostrom	Rukavina	Tomassoni	Winter
Kelso	Luther	Murphy	Ozment	Sarna	Tompkins	Wolf
Kinkel	Lynch	Neary	Pauly	Seagren	Trimble	Worke
Klinzing	Macklin	Nelson	Pawlenty	Sekhon	Tunheim	Workman
Koppendrayer	Mahon	Ness	Pelowski	Skoglund	Van Dellen	Spk. Long

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

H. F. No. 554 was reported to the House.

Krinkie moved to amend H. F. No. 554, the first engrossment, as follows:

Page 2, after line 31 insert:

"Sec. 7. [REPEALER.]

Minnesota Statutes 1992, section 326.991, is repealed."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Orenstein raised a point of order pursuant to rule 3.09 that the Krinkie amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

The question recurred on the Krinkie amendment and the roll was called. There were 45 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Molnau	Onnen	Sviggum	Wolf
Bettermann	Girard	Johnson, V.	Morrison	Pauly	Swenson	Worke
Commers	Goodno	Krinkie	Mosel	Pawlenty	Tompkins	Workman
Dauids	Gruenes	Leppik	Nelson	Seagren	Van Dellen	
Dehler	Gutknecht	Limmer	Ness	Smith	Vickerman	
Dempsey	Haukoos	Lindner	Olson, K.	Stanius	Waltman	
Erhardt	Holsten	Lynch	Olson, M.	Steensma	Weaver	

Those who voted in the negative were:

Anderson, I.	Clark	Huntley	Krueger	Neary	Rhodes	Vellenga
Anderson, R.	Cooper	Jacobs	Lasley	Olson, E.	Rice	Wagenius
Asch	Dauner	Jaros	Lieder	Opatz	Rodosovich	Wejzman
Battaglia	Dawkins	Jefferson	Lourey	Orenstein	Rukavina	Welle
Bauerly	Delmont	Jennings	Luther	Orfield	Sarna	Wenzel
Beard	Dorn	Johnson, A.	Macklin	Osthoff	Sekhon	Winter
Bergson	Evans	Johnson, R.	Mahon	Ostrom	Simoneau	Spk. Long
Bertram	Farrell	Kahn	Mariani	Ozment	Skoglund	
Bishop	Garcia	Kalis	McCollum	Pelowski	Solberg	
Brown, C.	Greenfield	Kelso	McGuire	Perlt	Sparby	
Brown, K.	Greiling	Kinkel	Milbert	Pugh	Tomassoni	
Carlson	Hasskamp	Klinzing	Munger	Reding	Trimble	
Carruthers	Hausman	Koppendraye	Murphy	Rest	Tunheim	

The motion did not prevail and the amendment was not adopted.

Frerichs was excused for the remainder of today's session.

H. F. No. 554, A bill for an act relating to occupations and professions; authorizing actions against lapsed licenses; requiring roofers to be licensed by the state; providing for temporary licenses and fees; amending Minnesota Statutes 1992, sections 45.027, by adding a subdivision; and 326.83, subdivisions 4, 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

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 80 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Carruthers	Jacobs	Leppik	Murphy	Rice	Trimble
Anderson, R.	Clark	Jaros	Lieder	Neary	Rodosovich	Tunheim
Asch	Dawkins	Jefferson	Lourey	Opatz	Rukavina	Vellenga
Battaglia	Delmont	Johnson, A.	Luther	Orenstein	Sarna	Wagenius
Bauerly	Dorn	Johnson, R.	Lynch	Orfield	Sekhon	Weaver
Beard	Evans	Kahn	Mahon	Osthoff	Simoneau	Wejzman
Bergson	Farrell	Kelso	Mariani	Ozment	Skoglund	Welle
Bertram	Garcia	Kinkel	McCollum	Pelowski	Smith	Spk. Long
Bishop	Greenfield	Klinzing	McGuire	Perlt	Solberg	
Blatz	Greiling	Koppendraye	Milbert	Pugh	Sparby	
Brown, K.	Hausman	Krueger	Mosel	Rest	Tomassoni	
Carlson	Huntley	Lasley	Munger	Rhodes	Tompkins	

Those who voted in the negative were:

Abrams	Dehler	Hasskamp	Krinkie	Olson, E.	Reding	Vickerman
Bettermann	Dempsey	Haukoos	Limmer	Olson, K.	Seagren	Waltman
Brown, C.	Erhardt	Holsten	Lindner	Olson, M.	Stanius	Wenzel
Commers	Girard	Hugoson	Molnau	Onnen	Steensma	Winter
Cooper	Goodno	Jennings	Morrison	Ostrom	Sviggum	Wolf
Dauner	Gruenes	Johnson, V.	Nelson	Pauly	Swenson	Worke
Dauids	Gutknecht	Kalis	Ness	Pawlenty	Van Dellen	Workman

The bill was passed and its title agreed to.

Anderson, I., moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Hausman moved that the name of Johnson, A., be added as an author on H. F. No. 971. The motion prevailed.

Trimble moved that the name of Sekhon be added as an author on H. F. No. 1190. The motion prevailed.

Orenstein moved that the names of Vellenga, Hausman and Trimble be added as authors on H. F. No. 1319. The motion prevailed.

Hausman moved that the name of Sekhon be added as an author on H. F. No. 1529. The motion prevailed.

Krueger moved that the name of Wenzel be added as an author on H. F. No. 1700. The motion prevailed.

Sekhon moved that H. F. No. 1277 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Judiciary. The motion prevailed.

Evans moved that H. F. No. 1373 be recalled from the Committee on Commerce and Economic Development and be re-referred to the Committee on Taxes. The motion prevailed.

Wenzel moved that H. F. No. 960 be returned to its author. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Tuesday, April 13, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

THIRTY-FOURTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 13, 1993

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

Prayer was offered by Father Fred Mertz, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Kahn was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Olson, M., 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. 270 and H. F. No. 516, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Opatz moved that S. F. No. 270 be substituted for H. F. No. 516 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 406 and H. F. No. 444, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Huntley moved that S. F. No. 406 be substituted for H. F. No. 444 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 431 and H. F. No. 318, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bishop moved that the rules be so far suspended that S. F. No. 431 be substituted for H. F. No. 318 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 485 and H. F. No. 812, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Rodosovich moved that S. F. No. 485 be substituted for H. F. No. 812 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 589 and H. F. No. 680 which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rice moved that the rules be so far suspended that S. F. No. 589 be substituted for H. F. No. 680 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 629 and H. F. No. 819, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Johnson, R., moved that S. F. No. 629 be substituted for H. F. No. 819 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 147, A bill for an act relating to retirement; increasing the individual retirement account plans employer contribution rate; permitting certain persons to have employer contributions transferred from the teachers retirement association to the individual retirement account plan; amending Minnesota Statutes 1992, sections 354B.04, subdivisions 1 and 2; and 354B.05, subdivision 1; and Laws 1990, chapter 570, article 3, section 11; proposing coding for new law in Minnesota Statutes, chapter 354B.

Reported the same back with the following amendments:

Page 2, delete sections 3 and 4

Page 3, line 16, strike "no" and insert "less than one year of"

Page 3, line 29, delete "5" and insert "3" and delete "6" and insert "4"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "sections" and insert "section"

Page 1, line 8, delete "and 354B.05, subdivision 1,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 690, A bill for an act relating to retirement; public employees retirement association; disability benefits; reducing the reduction in benefits to coordinate them with amounts received under workers' compensation law for certain former employees.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 768, A bill for an act relating to retirement; Minnesota state retirement system; authorizing a purchase of service credit by a former grain inspector.

Reported the same back with the following amendments:

Page 1, line 8, delete "(a)"

Page 1, delete lines 17 to 25 and insert:

"must be considered eligible to receive a retirement annuity, upon reaching normal retirement age, from the general state employees retirement plan of the Minnesota state retirement system, notwithstanding the length of service vesting requirement in effect on the date of termination of state service by the person."

Page 2, delete lines 1 to 36

Page 3, delete lines 1 to 19

Page 3, line 20, delete "3" and insert "2"

Page 3, line 21, delete "purchasing" and insert "described in"

Page 3, line 22, delete "service credit under"

Page 3, delete lines 28 to 30

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 147, 690 and 768 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 270, 406, 431, 485, 589 and 629 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Olson, K.; Winter; Mosel; Kalis and Ostrom introduced:

H. F. No. 1719, A bill for an act relating to natural resources; appropriating money to the commissioner of natural resources for the Swan Lake and Heron Lake projects; land acquisition and development.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Jefferson, Lieder and Morrison introduced:

H. F. No. 1720, A bill for an act relating to metropolitan government; requiring at least one member of metropolitan transit commission to be disabled user of transit system; amending Minnesota Statutes 1992, section 473.404, subdivision 2.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Cooper; Brown, C.; Solberg; Nelson and Davids introduced:

H. A. No. 8, A proposal to study the issue of part-time peace officers in certain cities.

The advisory was referred to the Committee on Local Government and Metropolitan Affairs.

Cooper; Brown, C.; Dauner; Nelson and Davids introduced:

H. A. No. 9, A proposal to conduct a study on permitting certain contracts by counties for audits.

The advisory was referred to the Committee on Local Government and Metropolitan Affairs.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

H. F. No. 111, A bill for an act relating to highways; designating the B. E. Grottm memorial highway in Jackson county; amending Minnesota Statutes 1992, section 161.14, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olson, K., moved that the House concur in the Senate amendments to H. F. No. 111 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 111, A bill for an act relating to highways; designating the B. E. Grottum memorial highway in Jackson county and the Wally Nelson highway; amending Minnesota Statutes 1992, section 161.14, by adding subdivisions.

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

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONSENT CALENDAR

H. F. No. 1528 was reported to the House.

Lasley moved that H. F. No. 1528 be continued on the Consent Calendar. The motion prevailed.

S. F. No. 605, A bill for an act relating to the veterans homes board; requiring the board to apply for certain federal funding.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 198, A bill for an act relating to local improvements; setting limits for certain contract requirements; amending Minnesota Statutes 1992, section 429.041, subdivisions 1 and 2.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

SPECIAL ORDERS

Anderson, I., moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Orfield moved that his name be stricken as an author on H. F. No. 465. The motion prevailed.

Beard moved that the name of Trimble be shown as chief author on H. F. No. 877. The motion prevailed.

Bauerly moved that the name of Hausman be added as an author on H. F. No. 1201. The motion prevailed.

Beard moved that the name of Milbert be shown as chief author on H. F. No. 1335. The motion prevailed.

Orfield moved that his name be stricken as an author on H. F. No. 1675. The motion prevailed.

Rest moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Wednesday, April 7, 1993, when the vote was taken on the Sparby amendment to H. F. No. 163, the third engrossment." The motion prevailed.

Skoglund moved that H. F. No. 437 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance. The motion prevailed.

Rest moved that H. F. No. 931 be recalled from the Committee on Taxes and be re-referred to the Committee on Environment and Natural Resources Finance. The motion prevailed.

Bertram moved that H. F. No. 1030 be returned to its author. The motion prevailed.

Limmer moved that H. F. No. 1031 be returned to its author. The motion prevailed.

Olson, E., moved that H. F. No. 1032 be returned to its author. The motion prevailed.

Girard moved that H. F. No. 1033 be returned to its author. The motion prevailed.

Sparby moved that H. F. No. 1034 be returned to its author. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Wednesday, April 14, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION -- 1993

THIRTY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 14, 1993

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

Prayer was offered by Peg Chamberlin, Minnesota Food Share, Minneapolis, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Carruthers, Pawlenty and Welle were excused.

Munger was excused until 2:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Wolf 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.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 13, 1993

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 233, relating to the military; clarifying the use by the governor of the military forces.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> No.	<i>H.F.</i> No.	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> 1993	<i>Date Filed</i> 1993
313		23	5:02 p.m. April 13	April 14
99		24	5:05 p.m. April 13	April 14
98		25	5:08 p.m. April 13	April 14
434		26	5:10 p.m. April 13	April 14
	233	27	5:12 p.m. April 13	April 14

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 167, A bill for an act relating to economic development; creating Minnesota Business Finance, Inc. to provide capital for commercial borrowers through the Small Business Administration; providing for powers and duties of a board of directors and employees; transferring funds from the certified development company established under the department of trade and economic development to the new corporation; proposing coding for new law as Minnesota Statutes, chapter 116S; repealing Minnesota Statutes 1992, sections 41A.065 and 116J.985.

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

The report was adopted.

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

H. F. No. 726, A bill for an act relating to health; asbestos abatement; modifying provisions relating to asbestos-related work, licenses, and fees; providing penalties; amending Minnesota Statutes 1992, sections 326.71, subdivisions 3, 4, 5, 6, 8, and by adding subdivisions; 326.72; 326.73; 326.74; 326.75; 326.76; 326.78; 326.785; 326.79; 326.80; and 326.81; repealing Minnesota Statutes 1992, sections 326.71, subdivision 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ASBESTOS ABATEMENT

Section 1. Minnesota Statutes 1992, section 144.876, is amended by adding a subdivision to read:

Subd. 4. [LICENSE BOND REQUIRED.] A person applying for an initial license as a lead abatement contractor must submit to the commissioner, at the time of license application, a corporate surety bond for \$10,000 or an irrevocable letter of credit for \$10,000 approved by the commissioner. The license bond or irrevocable letter of credit must be conditioned to pay the commissioner on unlawful performance of work in the state under sections 144.871 to 144.879. The license bond or irrevocable letter of credit must be for the benefit of persons injured or suffering financial loss by reason of failure of performance. The term of the license bond or irrevocable letter of credit must be concurrent with the term of the license. The license bond must be in lieu of all other license bonds required by any local unit of government. The license bond must be written by a corporate surety licensed to do business in the state and must include the name of the person and the lead abatement contractor who is responsible for all the work performed by the person. The commissioner may charge a \$40 fee for filing a license bond or irrevocable letter of credit.

Sec. 2. Minnesota Statutes 1992, section 326.71, subdivision 3, is amended to read:

Subd. 3. [ASBESTOS-CONTAINING MATERIAL.] "Asbestos-containing material" means material that contains more than one percent asbestos by weight microscopic visual estimation by area.

Sec. 3. Minnesota Statutes 1992, 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 the United States Environmental Protection Agency's requirement of 260 lineal feet of friable asbestos asbestos-containing material on pipes or, 160 square feet of friable asbestos 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. 4. Minnesota Statutes 1992, section 326.71, is amended by adding a subdivision to read:

Subd. 4a. [ASBESTOS INSPECTOR.] "Asbestos inspector" means an individual who inspects a site for the presence and condition of asbestos-containing material, or who reinspects a site to assess the condition of previously identified asbestos-containing material or the presence of other asbestos-containing material.

Sec. 5. Minnesota Statutes 1992, section 326.71, is amended by adding a subdivision to read:

Subd. 4b. [ASBESTOS MANAGEMENT ACTIVITY.] "Asbestos management activity" means the performance of periodic inspections to determine the existence and condition of asbestos-containing material, the development of site specific written programs for the maintenance of asbestos-containing material in a condition which prevents the release of asbestos fibers, the development of site specific written programs governing response procedures in the event of an asbestos fiber release episode, and the development of project specifications for asbestos-related work projects.

Sec. 6. Minnesota Statutes 1992, section 326.71, is amended by adding a subdivision to read:

Subd. 4c. [ASBESTOS MANAGEMENT PLANNER.] "Asbestos management planner" means an individual who develops a written site specific asbestos-containing material maintenance plan and a written site specific asbestos fiber release episode response plan addressing asbestos-containing material at the site.

Sec. 7. Minnesota Statutes 1992, section 326.71, is amended by adding a subdivision to read:

Subd. 4d. [ASBESTOS PROJECT DESIGNER.] "Asbestos project designer" means an individual who designs the asbestos-related work project specifications.

Sec. 8. Minnesota Statutes 1992, section 326.71, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of health and the commissioner's authorized delegates.

Sec. 9. Minnesota Statutes 1992, section 326.71, subdivision 6, is amended to read:

Subd. 6. [CONTRACTING ENTITY.] "Contracting entity" means a public or private body, board, natural person, corporation, partnership, proprietorship, joint venture, fund, authority, or similar entity that contracts with an employer or a person to do asbestos-related work for the benefit of the contracting entity.

Sec. 10. Minnesota Statutes 1992, section 326.71, subdivision 8, is amended to read:

Subd. 8. [EMPLOYER PERSON.] "Employer Person" means an individual, body, board, corporation, partnership, proprietorship, joint venture, fund, authority, or similar entity directly or indirectly employing an employee. This term also applies to private employers and to the state, its political subdivisions, and any boards, commissions, schools, institutions, or authorities created or recognized by them.

Sec. 11. Minnesota Statutes 1992, section 326.72, is amended to read:

326.72 [ASBESTOS LICENSE.]

Subdivision 1. [WHEN LICENSE REQUIRED.] An employer or other A person within the state intending to directly perform or cause to be performed through subcontracting or similar delegation any asbestos-related work either for financial gain or with respect to the employer's or person's own property shall first apply for and obtain a license from the commissioner. The license shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and give the name and address of the employer or person to whom it is issued.

The domiciled owner of a single family residence is not required to hold a license or pay a project permit fee to conduct asbestos-related work in the domiciled residence.

Subd. 2. [DISPLAY OF LICENSE.] Licensees shall post a ~~sign with the words, in letters four or more inches high, "licensed by the state of Minnesota for asbestos work"~~ project permit, obtained from the commissioner after compliance with the provisions of section 326.74 and rules promulgated under section 326.78, in a conspicuous place outside of the asbestos abatement work area. The actual license or a copy certified by the commissioner shall be readily available at the work site for inspection by the commissioner, other public officials charged with the health, safety, and welfare of the state's citizens, and the contracting entity.

Sec. 12. Minnesota Statutes 1992, section 326.73, is amended to read:

326.73 [EMPLOYEE ASBESTOS CERTIFICATIONS.]

Subdivision 1. [ASBESTOS-RELATED WORK CERTIFICATION.] Before an employee individual performs asbestos-related work, the employee individual shall first obtain a certificate from the commissioner certifying that the employee individual is qualified to perform the work. No certificate shall be issued unless the employee individual has shown evidence of training or experience in the general commercial building construction trades, has taken a course of training in asbestos control and removal, passed an examination in those subjects, and demonstrated to the commissioner the ability to perform asbestos-related work safely in accordance with the current state-of-the-art technology. The commissioner shall specify the course of training necessary. The certificate issued by the commissioner shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and contain the name and address of the employee individual to whom it is issued. The certificate shall be carried by the employee individual and be readily available for inspection by the commissioner, other public officials charged with the health, safety, and welfare of the state's citizens, and the contracting entity.

Subd. 2. [ASBESTOS INSPECTOR CERTIFICATION.] Before an individual performs an asbestos inspection, the individual shall first obtain a certificate from the commissioner. The commissioner shall issue an asbestos inspector certificate to an individual who has shown evidence of completion of training on asbestos inspection specified by the commissioner in rule, passed an examination in that subject, and has shown evidence of experience as required by rule. The certificate issued by the commissioner shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and contain the name and address of the individual to whom it is issued.

Subd. 3. [ASBESTOS MANAGEMENT PLANNER CERTIFICATION.] Before an individual develops an asbestos management plan, the individual shall first obtain a certificate from the commissioner. The commissioner shall issue an asbestos management planner certificate to an individual who has shown evidence of completion of training on asbestos management plan development specified by the commissioner in rule, passed an examination in that subject, and has shown evidence of experience as required by rule. The certificate issued by the commissioner shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and contain the name and address of the individual to whom it is issued.

Subd. 4. [ASBESTOS PROJECT DESIGNER CERTIFICATION.] Before an individual designs an asbestos-related work project, the individual shall first obtain a certificate from the commissioner. The commissioner shall issue an asbestos project designer certificate to an individual who has shown evidence of completion of training on asbestos project design specified by the commissioner in rule, passed an examination in that subject, and has shown evidence of experience as required by rule. The certificate issued by the commissioner shall be in writing, be dated when issued, contain an expiration date, be signed by the commissioner, and contain the name and address of the individual to whom it is issued.

Sec. 13. Minnesota Statutes 1992, section 326.74, is amended to read:

326.74 [REPORTING ASBESTOS WORK.]

An employer, At least five calendar days before engaging in beginning any asbestos-related work, shall give written notice shall be given to the commissioner of the project by the person holding the license issued under section 326.72, subdivision 1. The notice shall contain the following information:

- (1) a brief description of the work to be performed;
- (2) the name of the contracting entity;

- (3) the location and address of the project work site;
- (4) the approximate duration of the project;
- (5) the approximate amount of the asbestos involved in the project;
- (6) the name of any project manager; and
- (7) other information required by the commissioner.

Sec. 14. Minnesota Statutes 1992, section 326.75, is amended to read:

326.75 [FEES.]

Subdivision 1. [LICENSING FEE.] ~~An employer or other~~ A person required to be licensed under section 326.72 shall, before receipt of the license and before causing asbestos-related work to be performed, pay the commissioner an annual license fee of \$100.

Subd. 2. [CERTIFICATION FEE.] ~~Employees~~ An individual required to be certified under section ~~326.72~~ 326.73, subdivision 1, shall, ~~before performing asbestos-related work~~, pay the commissioner a certification fee of \$50 before the issuance of the certificate. The commissioner may establish by rule fees required before the issuance of asbestos inspector, asbestos management planner, and asbestos project designer certificates required under section 326.73, subdivisions 2, 3, and 4.

Subd. 3. [PERMIT FEE.] One calendar day before beginning asbestos-related work, ~~an employer~~ 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.

Subd. 3a. [ASBESTOS-RELATED TRAINING COURSE FEE.] The commissioner shall establish by rule a fee to be paid by a training course provider upon application for approval or renewal of approval of each asbestos-related training course required for certification or registration.

Subd. 4. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the general fund.

Sec. 15. Minnesota Statutes 1992, section 326.76, is amended to read:

326.76 [DUTIES OF CONTRACTING ENTITIES.]

A contracting entity intending to have asbestos-related work or asbestos management activity performed for its benefit shall include in the specifications and contracts for the work a requirement that the work be performed by contractors and subcontractors licensed or certified by the commissioner under sections 326.70 to 326.81 and in accordance with rules prescribed by the commissioner related to asbestos abatement and asbestos management activity. No contracting entity shall allow asbestos-related work or asbestos management activity to be performed for its benefit unless it has seen that the ~~employer~~ person has a valid license or certificate. A contracting entity's failure to comply with this section does not relieve ~~an employer~~ a person from any of its responsibilities under sections 326.70 to 326.81.

Sec. 16. Minnesota Statutes 1992, section 326.78, is amended to read:

326.78 [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [RULEMAKING.] The commissioner shall adopt and begin enforcement of rules necessary to implement sections 326.70 to 326.81. The rules adopted shall not be duplicative of rules adopted by the commissioner of the department of labor and industry. The rules shall include rules in the following areas:

- (1) application, enclosure, removal, and encapsulation procedures;
- (2) license and certificate qualification requirements;

- (3) examinations for obtaining a license and certificate;
- (4) training necessary for ~~employee~~ individual certification;
- (5) qualifications for managers of asbestos abatement projects;
- (6) abatement and asbestos management activity specifications;
- (7) any contractor bonding and insurance requirements deemed necessary by the commissioner;
- (8) license and certificate issuance and revocation procedures;
- (9) suspension or revocation of licenses or certificates;
- (10) license and certificate suspension and revocation criteria;
- (11) cleanup standards;
- (12) continuing education requirements; and
- (13) other rules necessary to implement sections 326.70 to 326.81.

Subd. 2. [ISSUANCE OF LICENSES AND CERTIFICATES.] The commissioner may issue licenses to ~~employers~~ persons and certificates to individuals who meet the criteria in sections 326.70 to 326.82 and the commissioner's rules. Licenses and certificates shall be valid for at least 12 months, except that the initial certificate will be issued to expire one year after the completion date on the approved training course diploma.

Subd. 3. [DELEGATION.] The commissioner may, in writing, delegate the inspection and enforcement authority granted in sections 326.70 to 326.82 to other state agencies regulating asbestos.

Subd. 4. [ACCESS TO INFORMATION AND PROPERTY.] (a) Any person who the commissioner has reason to believe is engaged in asbestos-related work or asbestos management activity, or who is the owner of real property where the asbestos-related work or asbestos management activity is being undertaken, when requested by the commissioner, or any member, employee, or agent thereof who is authorized by the commissioner, shall furnish the commissioner any information that the person may have or may reasonably obtain that is relevant to the asbestos-related work or asbestos management activity within five working days of the request.

(b) The commissioner or any person authorized by the commissioner, upon presentation of credentials, and with reason to believe that violation of sections 326.70 to 326.82 may be occurring, may:

(1) examine and copy any books, papers, records, memoranda, or data related to the asbestos-related project of any person who has a duty to provide information to the ~~department~~ commissioner under paragraph (a); and

(2) enter upon any public or private property to take action authorized by this section including obtaining information from any person who has a duty to provide the information under paragraph (a), and conducting surveys or investigations.

Subd. 5. [SUBPOENAS.] In matters under investigation by or pending before the commissioner under sections 326.70 to 326.82, the commissioner may issue subpoenas and compel the attendance of witnesses and the production of papers, books, records, documents, and other relevant evidentiary material. A person failing or refusing to comply with the subpoena or order may, upon application by the commissioner to the district court in any district, be ordered by the court to comply with the order or subpoena. The commissioner may also administer oaths and affirmations to witnesses. Depositions may be taken within or without the state in the manner provided by law for the taking of depositions in civil actions. A subpoena or other process or paper may be served upon any person anywhere within the state by an officer authorized to serve subpoenas in civil actions, with the same fees and mileage costs paid, and in the manner as prescribed by law, for process of the state district courts. Fees and mileage and other costs of persons subpoenaed by the commissioner shall be paid in the manner prescribed for proceedings in district court.

Subd. 6. [CEASE AND DESIST ORDER.] (a) The commissioner may issue an order requiring ~~an employer~~ a person to cease asbestos-related work or asbestos management activity if the commissioner determines that a condition exists that poses an immediate danger to the public health. For purposes of this subdivision, an immediate danger to the public health exists if the commissioner determines that:

- (1) air quality standards are being exceeded;
- (2) asbestos-related work or asbestos management activity is being undertaken in a manner violative of applicable state or federal law;
- (3) the employer person or an employee individual working at the project site is not licensed or certified, or in possession of a current license or certificate, as the case may be; or
- (4) the employer asbestos-related work has not been reported the project under section 5 to the commissioner as required under section 326.74 and rules prescribed by the commissioner.

(b) The order is effective for a maximum of 60 days. Following issuance of the order, the commissioner shall provide the contractor or individual with an opportunity for a hearing under the contested case provisions of chapter 14. At the hearing, the commissioner shall decide whether to rescind, modify, or reissue the previously made order. A modified or reissued order is effective for a maximum of 60 days from the date of modification or reissuance.

Subd. 7. [ORDER FOR CORRECTIVE ACTION.] ~~After notice and opportunity for hearing under the contested case provisions of chapter 14, the~~ (a) Commissioner may issue an order requiring anyone violating sections 326.70 to 326.82 or a rule of the commissioner to take corrective action as the commissioner determines will accomplish the purpose of the project and prevent future violation. The order for corrective action shall contain a date state the conditions that constitute the violation, the specific law or rule violated, and the time by which the violation must be corrected.

(b) If the person believes that the information contained in the commissioner's order for corrective action is in error, the person may ask the commissioner to reconsider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within seven calendar days of receipt of the order and:

- (1) specify which parts of the order for corrective action are alleged to be in error;
- (2) explain why they are in error; and
- (3) provide documentation to support the allegation of error.

The commissioner shall respond to requests made under this provision within 15 calendar days after receipt of the request. A request for reconsideration does not stay the order for corrective action. After reviewing the request for reconsideration, the commissioner may provide additional time to comply with the order if necessary. The commissioner's disposition of a request for reconsideration is final.

Subd. 8. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, the commissioner may bring an action for injunctive relief in the district court in Ramsey county or, at the commissioner's discretion, in the district court in the county in which ~~an~~ asbestos-related work or asbestos management activity is being undertaken to halt the work or an activity connected with it. A temporary restraining order or other injunctive relief may be granted by the court in the proceeding if continuation of the work or an activity connected with it would result in an imminent risk of harm to any person.

Subd. 9. [PENALTIES.] (a) A person who violates any of the requirements of sections 326.70 to 326.81 or any requirement, rule, or order issued under those sections is subject to a civil penalty of not more than \$10,000 per day of violation. Penalties may be recovered in a civil action in the name of the state brought by the attorney general.

(b) The commissioner may issue an order assessing a penalty of not more than \$10,000 per violation to any person who violates any of the requirements of sections 326.70 to 326.81 or any requirement, rule, or order issued under those sections. A person subject to an administrative penalty order may request a contested case hearing under chapter 14 within 20 days from date of receipt of the penalty order. If the penalty order is not contested within 20 days of receipt, it becomes final and may not be contested.

(c) The amount of the penalty shall be based on the past history of same or similar violations, the severity of violation, the culpability of the person, and other relevant factors. The history of past violations shall include previous violations received by the person licensed as a different entity.

(d) Penalties assessed under sections 326.70 to 326.81 shall be paid to the commissioner for deposit in the general fund. Unpaid penalties shall be increased to 125 percent of the original assessed amount if not paid within 60 days after the penalty order becomes final. After 60 days interest shall accrue on the unpaid penalty balance at the rate established in section 549.09.

Sec. 17. Minnesota Statutes 1992, section 326.785, is amended to read:

326.785 [ASBESTOS CONTAINMENT BARRIERS.]

Notwithstanding Minnesota Rules, part ~~7005.1616~~ 4620.3500, subpart 4, item B, subitem (5), containment barriers, in the case of tunnel abatement enclosures, are limited to double critical barriers.

Sec. 18. Minnesota Statutes 1992, section 326.79, is amended to read:

326.79 [MISDEMEANOR PENALTY.]

A person who:

(1) hinders or delays the commissioner or the commissioner's authorized representative in the performance of the duty to enforce sections 326.70 to 326.81;

(2) undertakes asbestos-related work without a license or with a revoked, expired, or suspended license;

(3) refuses to make a license or certificate accessible to either the commissioner or the commissioner's authorized representative;

(4) uses an employee who does not have a certificate to do asbestos-related work;

(5) fails to report asbestos-related work as required by section 326.74;

(6) undertakes asbestos-related work or asbestos management activity for which the person is not qualified under department rules prescribed by the commissioner; ~~or~~

(7) makes a material false statement related to a license, certificate, report, or other document required under sections 326.70 to 326.81; or

(8) knowingly uses or possesses a false license or certificate, or makes, alters, or forges a license or certificate

is guilty of a misdemeanor and may be sentenced to payment of a fine of not more than \$700, imprisonment for not more than 30 days, or both, for each violation.

Sec. 19. Minnesota Statutes 1992, section 326.80, is amended to read:

326.80 [SUSPENSIONS; REVOCATIONS; DENIALS.]

As an alternative, or in addition to, the criminal or any other penalties provided in section ~~326.79~~ sections 326.70 to 326.81, the commissioner or the commissioner's designee may refuse to grant an initial license or certificate, or may suspend or revoke a license or certificate for repeated or serious violations of sections 326.70 to 326.81; violations of any requirement, rule, or order issued under those sections; violations of state or federal laws or regulations related to enclosure, repair, removal, encapsulation, or disposal of asbestos or asbestos management activity; violations of other Minnesota laws that indicate that the person is not fit to conduct asbestos-related work or asbestos management activity; where final agency action has been taken against a person in connection with asbestos-related work or asbestos management activity in another state or jurisdiction; or where the person has been convicted of a criminal violation in connection with asbestos-related work or asbestos management activity in another state or jurisdiction. Any proceeding conducted under this section must be in accordance with procedures adopted by rule by the commissioner and the contested case procedures of chapter 14.

Sec. 20. Minnesota Statutes 1992, section 326.81, is amended to read:

326.81 [DISCRIMINATION; SANCTIONS.]

~~An employer~~ A person who discriminates against or otherwise sanctions an employee who complains to or cooperates with the commissioner in administering sections 326.70 to 326.81 is guilty of a misdemeanor.

Sec. 21. [REPEALER.]

Minnesota Statutes 1992, section 326.71, subdivision 7, is repealed.

ARTICLE 2

HEALTH ENFORCEMENT CONSOLIDATION

Section 1. Minnesota Statutes 1992, section 103I.345, subdivision 1, is amended to read:

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to a special account:

- (1) all money recovered by the commissioner under section 103I.341;
- (2) all money paid under section ~~103I.705~~ 144.99 or under any agreement, stipulation, or settlement resolving an enforcement action brought by the commissioner;
- (3) all interest attributable to investment of money credited to the account; and
- (4) all money received in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purposes of the account.

Sec. 2. Minnesota Statutes 1992, section 116.75, is amended to read:

116.75 [CITATION.]

Sections 116.76 to ~~116.83~~ 116.82 may be cited as the "infectious waste control act."

Sec. 3. Minnesota Statutes 1992, section 116.76, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 116.76 to ~~116.83~~ 116.82.

Sec. 4. Minnesota Statutes 1992, section 116.77, is amended to read:

116.77 [COVERAGE.]

Sections 116.75 to ~~116.83~~ 116.82 and 609.671, subdivision 10, cover any person, including a veterinarian, who generates, treats, stores, transports, or disposes of infectious or pathological waste but not including infectious or pathological waste generated by households, farm operations, or agricultural businesses. Except as specifically provided, sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious or pathological waste.

Sec. 5. Minnesota Statutes 1992, section 116.82, subdivision 3, is amended to read:

Subd. 3. [LOCAL ENFORCEMENT.] Sections 116.76 to 116.81 may be enforced by a county by delegation of enforcement authority granted to the commissioner of health and the agency in section ~~116.83~~ 144.99. Separate enforcement actions may not be brought by a state agency and a county for the same violations. The state or county may not bring an action that is being enforced by the federal Office of Safety and Health Administration.

Sec. 6. Minnesota Statutes 1992, section 144.71, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY.] The purpose of sections 144.71 to ~~144.76~~ 144.74 is to protect the health and safety of children in attendance at children's camps.

Sec. 7. [144.989] [TITLE; CITATION.]

Sections 144.989 to 144.993 may be cited as the "health enforcement consolidation act of 1993."

Sec. 8. [144.99] [ENFORCEMENT.]

Subdivision 1. [REMEDIES AVAILABLE.] The provisions of chapters 1031 and 157 and sections 115.71 to 115.82; 116.76 to 116.81; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.121; 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.

Subd. 2. [ACCESS TO INFORMATION AND PROPERTY.] The commissioner or an employee or agent authorized by the commissioner, upon presentation of credentials, may:

(a) examine and copy any books, papers, records, memoranda, or data of any person subject to regulation under the statutes listed in subdivision 1; and

(b) enter upon any property, public or private, for the purpose of taking any action authorized under statutes, rules, or other actions listed in subdivision 1 including obtaining information from a person who has a duty to provide information under the statutes listed in subdivision 1, taking steps to remedy violations, or conducting surveys or investigations.

Subd. 3. [CORRECTION ORDERS.] (a) The commissioner may issue correction orders that require a person to correct a violation of the statutes, rules, and other actions listed in subdivision 1. The correction order must state the deficiencies that constitute the violation; the specific statute, rule, or other action violated; and the time by which the violation must be corrected.

(b) If the person believes that the information contained in the commissioner's correction order is in error, the person may ask the commissioner to reconsider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within seven calendar days after receipt of the order, and:

- (1) specify which parts of the order for corrective action are alleged to be in error;
- (2) explain why they are in error; and
- (3) provide documentation to support the allegation of error.

The commissioner must respond to requests made under this paragraph within 15 calendar days after receiving request. A request for reconsideration does not stay the correction order; however, after reviewing the request for reconsideration, the commissioner may provide additional time to comply with the order if necessary. The commissioner's disposition of a request for reconsideration is final.

Subd. 4. [ADMINISTRATIVE PENALTY ORDERS.] The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of the statutes, rules, and other actions listed in subdivision 1. The procedures in section 144.991 must be followed when issuing administrative penalty orders. Except in the case of repeated or serious violations, the penalty assessed in the order must be forgiven, other than the costs associated with reinspection if the person who is subject to the order demonstrates in writing to the commissioner before the 31st day after receiving the order that the person has corrected the violation or has developed a corrective plan acceptable to the commissioner. The maximum amount of administrative penalty orders is \$10,000 for all violations identified in an inspection or review of compliance.

Subd. 5. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, the commissioner may bring an action for injunctive relief in the district court in Ramsey county or, at the commissioner's discretion, in the district court in the county in which a violation of the statutes, rules, or other actions listed in subdivision 1 has occurred to enjoin the violation.

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. 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.

Subd. 7. [PLAN FOR USE OF ADMINISTRATIVE PENALTIES AND CEASE AND DESIST AUTHORITY.] The commissioner of health shall prepare a plan for using the administrative penalty and cease and desist authority in this section. The commissioner shall provide a 30-day period for public comment on the plan. The plan must be finalized by December 1, 1993, and be reviewed every two years with a 30-day period for public comment. The plan is not subject to chapter 14.

Subd. 8. [DENIAL OR REFUSAL TO REISSUE PERMITS, LICENSES, REGISTRATIONS, OR CERTIFICATES.] (a) The commissioner may deny or refuse to renew an application for a permit, license, registration, or certificate required under the statutes or rules cited in subdivision 1, if the applicant has any unresolved violations related to the activity for which the permit, license, registration, or certificate was issued.

(b) The commissioner may also deny or refuse to renew a permit, license, registration, or certificate required under the statutes or rules cited in subdivision 1 if the applicant has a persistent pattern of violations related to the permit, license, registration, or certificate, or if the applicant submitted false material information to the department in connection with the application.

(c) The commissioner may condition the grant or renewal of a permit, license, registration, or certificate on a demonstration by the applicant that actions needed to assure compliance with the requirements of the statutes listed in subdivision 1 have been taken, or may place conditions on or issue a limited permit, license, registration, or certificate as a result of previous violations by the applicant.

Subd. 9. [SUSPENSION OR REVOCATION OF PERMITS, LICENSES, REGISTRATIONS, OR CERTIFICATES.] The commissioner may suspend, place conditions on, or revoke a permit, license, registration, or certificate issued under the statutes or rules cited in subdivision 1 for serious or repeated violations of the requirements in the statutes, rules, or other actions listed in subdivision 1 that apply to the permit, license, registration, or certificate, or if the applicant submitted false material information to the department in connection with the permit, license, registration, or certificate.

Subd. 10. [HEARINGS RELATED TO DENIAL, REFUSAL TO RENEW, SUSPENSION, OR REVOCATION OF A PERMIT, LICENSE, REGISTRATION, OR CERTIFICATE.] If the commissioner proposes to deny, refuses to renew, places conditions on, suspends, or revokes a permit, license, registration, or certificate under subdivision 8 or 9, the commissioner must first notify the person against whom the action is proposed to be taken and provide the person an opportunity to request a hearing under the contested case provisions of chapter 14. If the person does not request a hearing by notifying the commissioner within 20 days after receipt of the notice of proposed action, the commissioner may proceed with the action without a hearing.

Subd. 11. [MISDEMEANOR PENALTIES.] A person convicted of violating a statute or rule listed in subdivision 1 is guilty of a misdemeanor.

Sec. 9. [144.991] [ADMINISTRATIVE PENALTY ORDER PROCEDURE.]

Subdivision 1. [AMOUNT OF PENALTY; CONSIDERATIONS.] (a) In determining the amount of a penalty under section 144.99, subdivision 4, the commissioner may consider:

- (1) the willfulness of the violation;
- (2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;
- (3) the history of past violations;
- (4) the number of violations;
- (5) the economic benefit gained by the person by allowing or committing the violation; and
- (6) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(b) For a violation after an initial violation, the commissioner shall, in determining the amount of a penalty, consider the factors in paragraph (a) and the:

- (1) similarity of the most recent previous violation and the violation to be penalized;
- (2) time elapsed since the last violation; and
- (3) number of previous violations.

Subd. 2. [CONTENTS OF ORDER.] An order assessing an administrative penalty under section 144.99, subdivision 4, must include:

- (1) a concise statement of the facts alleged to constitute a violation;
- (2) a reference to the section of the statute, rule, variance, order, stipulation agreement, or term or condition of a permit that has been violated;
- (3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and
- (4) a statement of the person's right to review of the order.

Subd. 3. [CORRECTIVE ORDER.] (a) The commissioner may issue an order assessing a penalty and requiring the violations cited in the order to be corrected within 30 calendar days from the date the order is received.

(b) The person to whom the order was issued shall provide information to the commissioner before the 31st day after the order was received demonstrating that the violation has been corrected or developed a corrective plan acceptable to the commissioner. The commissioner shall determine whether the violation has been corrected and notify the person subject to the order of the commissioner's determination.

Subd. 4. [PENALTY.] (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or developed a corrective plan acceptable to the commissioner, the penalty must be forgiven other than the costs associated with reinspection. Unless the person requests review of the order under subdivision 5 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under paragraph (b), if the person subject to the order has provided information to the commissioner that the commissioner determines is not sufficient to show the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that will not be forgiven after the corrective action is taken. The penalty is due by 31 days after the order was received unless review of the order under subdivision 5 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty was received.

Subd. 5. [EXPEDITED ADMINISTRATIVE HEARING.] (a) Within 30 days after receiving an order or within 20 days after receiving notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing, utilizing the procedures of Minnesota Rules, parts 1400.8510 to 1400.8612, to review the commissioner's action. The hearing request must specifically state the reasons for seeking review of the order. The person to whom the order is directed and the commissioner are the parties to the expedited hearing. The commissioner must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the commissioner unless the parties agree to a later date.

(b) All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision. The office of administrative hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations about the commissioner's action to the commissioner within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 2, the amount of the penalty is unreasonable.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the agency by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the commissioner may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person to whom an order is issued may, within those five days, comment to the commissioner on the recommendations and the commissioner will consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) If a hearing has been held and a final order issued by the commissioner, the penalty shall be paid by 30 days after the date the final order is received unless review of the final order is requested under sections 14.63 to 14.69. If review is not requested or the order is reviewed and upheld, the amount due is the penalty, together with interest accruing from the date the order is final at the rate established in section 549.09.

Subd. 6. [MEDIATION.] In addition to review under subdivision 5, the commissioner is authorized to enter into mediation concerning an order issued under this section if the commissioner and the person to whom the order is issued both agree to mediation.

Subd. 7. [ENFORCEMENT.] (a) The attorney general may proceed on behalf of the state to enforce penalties that are due and payable under this section in any manner provided by law for the collection of debts.

(b) The attorney general may petition the district court to file the administrative order as an order of the court. At any court hearing, the only issues parties may contest are procedural and notice issues. Once entered, the administrative order may be enforced in the same manner as a final judgment of the district court.

(c) If a person fails to pay the penalty, the attorney general may bring a civil action in district court seeking payment of the penalties, injunctive, or other appropriate relief including monetary damages, attorneys' fees, costs, and interest.

Subd. 8. [REVOCAION AND SUSPENSION OF PERMIT, LICENSE, REGISTRATION, OR CERTIFICATE.] If a person fails to pay a penalty owed under this section, the agency has grounds to revoke or refuse to reissue or renew a permit, license, registration, or certificate issued by the department.

Subd. 9. [CUMULATIVE REMEDY.] The authority of the agency to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law, except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order. The payment of a penalty does not preclude the use of other enforcement provisions, under which penalties are not assessed, in connection with the violation for which the penalty was assessed.

Sec. 10. [144.992] [FALSE INFORMATION.]

A person subject to any of the requirements listed in section 144.99, subdivision 1, may not make a false material statement, representation, or certification in; omit material information from; or alter, conceal, or fail to file or maintain a notice, application, record, report, plan, or other document required under the statutes, rules, or other actions listed in section 144.99, subdivision 1.

Sec. 11. [144.993] [RECOVERY OF LITIGATION COSTS AND EXPENSES.]

In any judicial action brought by the attorney general for civil penalties, injunctive relief, or an action to compel performance pursuant to the authority cited in section 144.99, subdivision 1, if the state finally prevails, and if the

proven violation was willful, the state, in addition to other penalties provided by law, may be allowed an amount determined by the court to be the reasonable value of all or part of the litigation expenses incurred by the state. In determining the amount of the litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.

Sec. 12. Minnesota Statutes 1992, section 145A.07, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENTS TO PERFORM DUTIES OF COMMISSIONER.] (a) The commissioner of health may enter into an agreement with any board of health to delegate all or part of the licensing, inspection, reporting, and enforcement duties authorized under sections 144.12; 144.381 to 144.387; 144.411 to 144.417; 144.71 to 144.76 ~~144.74~~; 145A.04, subdivision 6; provisions of chapter 156A pertaining to construction, repair, and abandonment of water wells; chapter 157; and sections 327.14 to 327.28.

(b) Agreements are subject to subdivision 3.

(c) This subdivision does not affect agreements entered into under Minnesota Statutes 1986, section 145.031, 145.55, or 145.918, subdivision 2.

Sec. 13. Minnesota Statutes 1992, section 326.37, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. ~~Violation of the rules shall be a misdemeanor.~~

The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 14. Minnesota Statutes 1992, section 327.16, subdivision 6, is amended to read:

Subd. 6. [DENIAL OF CONSTRUCTION.] If the application to construct or make alterations upon a manufactured home park or recreational camping area and the appurtenances thereto or a primary license to operate and maintain the same is denied by the state commissioner of health, the commissioner shall so state in writing giving the reason or reasons for denying the application. If the objections can be corrected the applicant may amend the application and resubmit it for approval, and if denied the applicant may appeal from the decision of the state commissioner of health as provided in section ~~327.18~~ 144.99, subdivision 10.

Sec. 15. Minnesota Statutes 1992, section 327.20, subdivision 2, is amended to read:

Subd. 2. [HEALTH AND SAFETY.] The state department of health may prescribe such rules for the operation and maintenance of manufactured home parks or recreational camping areas and for safeguarding the health and safety of persons occupying licensed manufactured home parks and recreational camping areas as the department shall deem to be necessary and expedient. Such rules pertaining to health and safety shall have the force and effect of law, ~~and any violation thereof shall constitute a misdemeanor, and upon conviction therefor the offender may be punished as otherwise provided by law.~~

Sec. 16. [MODEL ORDINANCE.]

The department of health, in consultation with the attorney general, must by August 1, 1994, develop and make available to local governments who manage delegated environmental health programs a model ordinance for an administrative penalty order process similar to the process established in sections 144.99 and 144.991.

Sec. 17. [REPEALER.]

Minnesota Statutes 1992, sections 1031.701; 1031.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 157.081; 326.43; 326.53, subdivision 2; 326.63; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2, are repealed.

Delete the title and insert:

"A bill for an act relating to health; modifying provisions relating to asbestos abatement, licenses, and fees; consolidating and modifying enforcement remedies; providing penalties; amending Minnesota Statutes 1992, sections 103I.345, subdivision 1; 116.75; 116.76, subdivision 1; 116.77; 116.82, subdivision 3; 144.71, subdivision 1; 144.876, by adding a subdivision; 145A.07, subdivision 1; 326.37, subdivision 1; 326.71, subdivisions 3, 4, 5, 6, 8, and by adding subdivisions; 326.72; 326.73; 326.74; 326.75; 326.76; 326.78; 326.785; 326.79; 326.80; 326.81; 327.16, subdivision 6; and 327.20, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1992, sections 103I.701; 103I.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 157.081; 326.43; 326.53, subdivision 2; 326.63; 326.71, subdivision 7; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2."

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

The report was adopted.

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

H. F. No. 952, A bill for an act relating to game and fish; color of outer clothing required in firearms deer zones; amending Minnesota Statutes 1992, section 97B.071.

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

The report was adopted.

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

H. F. No. 980, A bill for an act relating to local government; enabling local government units to obtain waivers of state rules and laws; providing grants to local government units to encourage cooperation, achieve specified outcomes, and design service budget management models; creating a board of local government innovation and cooperation; appropriating money; amending Minnesota Statutes 1992, sections 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1; 465.83; and 465.87, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465.

Reported the same back with the following amendments:

Page 2, line 5, delete "one member" and insert "two members"

Page 2, line 7, delete "one member" and insert "two members"

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

The report was adopted.

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

H. F. No. 1072, A bill for an act relating to health; modifying provisions relating to unlicensed mental health practitioners and sellers of hearing instruments; establishing enforcement provisions; providing penalties; amending Minnesota Statutes 1992, sections 148B.66, by adding a subdivision; 148B.70, subdivision 3; 153A.14, by adding a subdivision; 153A.15, subdivision 1; and 153A.19, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 214.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 27, delete "after July 1," and insert "under this section after October 1,"

Page 4, line 9, delete "less" and insert "only."

Page 4, delete lines 10 and 11

Page 6, after line 16, insert:

"Sec. 6. [EFFECTIVE DATE.]

Sections 1, 2, 3, and 5 are effective October 1, 1993, and apply to crimes committed on or after that date."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 6, delete everything after "sections"

Page 1, line 7, delete "subdivision;"

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1180, A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for voluntary commitments by health plans and providers to limit the rate of growth in total revenues; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.09, subdivisions 2, 5, and 8; 62J.15, subdivisions 1 and 2; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, and 7; 62J.33; 62L.02, subdivisions 16, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 4 and 6; 62L.09, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2 and 5; 136A.1357, subdivisions 1 and 4; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9353, subdivisions 2, 3, 5, and 6; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, 7, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivision 1; 295.55, subdivision 4; 295.58; and 295.59; proposing coding for new law in Minnesota Statutes, chapters 16B; 62J; 62N; 62O; 256; and 295; repealing Minnesota Statutes 1992, sections 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; and Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Reported the same back with the following amendments:

Page 41, line 35, delete "20" and insert "21"

Page 42, line 17, delete "three" and insert "four"

Page 42, line 19, after the comma insert "one member representing the department of commerce,"

Page 42, after line 23, insert:

"No more than 11 members of the board of directors may be of one gender. Appointing authorities must consult with each other to assure compliance with this requirement. Appointing authorities shall consult with each other to attempt to assure geographical balance."

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

The report was adopted.

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

H. F. No. 1199, A bill for an act relating to state government; the legislative commission on employee relations; modifying provisions relating to certain plans; ratifying certain salaries and a bargaining agreement; requiring certain reports and documents; amending Minnesota Statutes 1992, sections 15A.083, subdivision 4; and 43A.18, subdivision 4; repealing Minnesota Statutes 1992, section 43A.24, subdivision 3.

Reported the same back with the following amendments:

Page 3, after line 18, insert:

"Subd. 3. [CHANCELLOR; TECHNICAL COLLEGE BOARD.] The salary of \$92,800 for the chancellor of the technical college system, approved by the legislative commission on employee relations on December 22, 1992, is ratified."

"Subd. 4. [DIRECTOR; HIGHER EDUCATION COORDINATING BOARD.] The salary of \$93,350 for the director of the higher education coordinating board, approved by the legislative commission on employee relations on December 22, 1992, is ratified."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1225, A bill for an act relating to agriculture; authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; exempting certain pesticides from the ACRRRA surcharge; appropriating money; repealing the hazardous substance labeling act; amending Minnesota Statutes 1992, sections 18B.01, by adding subdivisions; 18B.135; 18B.14, subdivision 2; 18B.31, subdivision 1; 18B.36, subdivision 2; 18B.37, subdivision 2; 18C.005, subdivisions 13 and 35; 18C.115, subdivision 2; 18C.211, subdivision 1; 18C.215, subdivision 2; 18C.305, subdivision 2; 18D.103, by adding a subdivision; 18D.105, by adding a subdivision; 18E.03, subdivisions 2 and 5; 21.85, subdivision 10; 325F.19, subdivision 7; repealing Minnesota Statutes 1992, sections 18B.07, subdivision 3; 18C.211, subdivision 3; 18C.215, subdivision 3; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; 24.42; 25.46; and 25.47.

Reported the same back with the following amendments:

Pages 9 and 10, delete sections 14 and 15

Page 12, line 11, after "a" insert "\$25"

Page 13, after line 16, insert:

"Sec. 19. [REPORT ON AGRICULTURAL PESTICIDE CONTAINERS AND WASTE AGRICULTURAL PESTICIDES.]

The commissioner shall prepare a report with recommendations to the legislature by January 1, 1995, and a second report by January 1, 1997, on the handling of empty pesticide containers and unused portions of agricultural pesticides used for the production of food, feed, or fiber crop use using the following criteria:

- (1) the minimization of the disposal of agricultural pesticide containers and waste agricultural pesticides;
- (2) the collection and recycling of agricultural pesticide containers;
- (3) the collection and disposal of waste agricultural pesticides; and
- (4) recommendations for the internalization of the management costs for waste agricultural pesticides and agricultural pesticide containers amongst agricultural pesticide manufacturers, distributors, and retailers."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "requiring a report;"

Page 1, delete line 13

Page 1, line 14, delete "subdivision;"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1286, A bill for an act relating to commerce; regulating prize notices; requiring certain disclosures by solicitors; providing for reimbursement in certain cases; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [325F.755] [PRIZE NOTICES AND SOLICITATIONS.]

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

(a) "Prize" means a gift, award, or other item or service of value that is offered or awarded to a participant in a real or purported contest, competition, sweepstakes, puzzle, drawing, scheme, plan, or other selection process.

(b) "Retail value" of a prize means:

(1) a price at which the sponsor can substantiate that a substantial number of the prizes have been sold to the public in Minnesota in the preceding year; or

(2) if the sponsor is unable to satisfy the requirement in clause (1), then no more than 1.5 times the amount the sponsor paid for the prize in a bona fide purchase from an unaffiliated seller.

(c) "Sponsor" means a corporation, partnership, limited liability company, sole proprietorship, or natural person that requires a person in Minnesota to pay the sponsor money as a condition of awarding the person a prize, or as a condition of allowing the person to receive, use, compete for, or obtain information about a prize, or that creates the reasonable impression that such a payment is required.

Subd. 2. [DISCLOSURES REQUIRED.] (a) No sponsor shall require a person in Minnesota to pay the sponsor money as a condition of awarding the person a prize, or as a condition of allowing the person to receive, use, compete for, or obtain information about a prize, nor shall a sponsor use any solicitation that creates the reasonable impression that a payment is required, unless the person has first received a written prize notice containing the information required in paragraphs (b) and (c).

(b) A written prize notice must contain each of the following:

(1) the true name or names of the sponsor and the address of the sponsor's actual principal place of business;

(2) the retail value of each prize the person receiving the notice has been selected to receive or may be eligible to receive;

(3) a statement of the person's odds of receiving each prize identified in the notice;

(4) any requirement that the person pay shipping or handling fees or any other charges to obtain or use a prize, including the nature and amount of the charges;

(5) if receipt of the prize is subject to a restriction, a statement that a restriction applies, and a description of the restriction;

(6) any limitations on eligibility; and

(7) if a sponsor represents that the person is a "winner," is a "finalist," has been "specially selected," is in "first place," or is otherwise among a limited group of persons with an enhanced likelihood of receiving a prize, the written prize notice must contain a statement of the maximum number of persons in the group or purported group with this enhanced likelihood of receiving a prize.

(c) The information required by paragraph (b) must be presented in the following form:

(1) the retail value and the statement of odds required under paragraph (b), clauses (2) and (3), must be stated in immediate proximity to each identification of a prize on the written notice, and must be in the same size and boldness of type as the reference to the prize;

(2) the statement of odds must include, for each prize, the total number of prizes to be given away and the total number of written prize notices to be distributed. The number of prizes and written prize notices must be stated in Arabic numerals. The statement of odds must be in the following form: ".... (number of prizes) out of notices distributed.";

(3) if a person is required to pay shipping or handling fees or any other charges to obtain a prize, to be eligible to obtain a prize, or participate in a contest, the following statement must appear in immediate proximity to each listing of the prize in the written prize notice, in not less than ten-point boldface type: "YOU MUST PAY \$..... TO RECEIVE THIS ITEM" or: "YOU MUST PAY \$..... TO COMPETE FOR THIS ITEM," whichever is applicable; and

(4) a statement required under paragraph (b), clause (7), must appear in immediate proximity to each representation that the person is among a group of persons with an enhanced likelihood of receiving a prize, and must be in the same size and boldness of type as the representation.

Subd. 3. [PRIZE AWARD REQUIRED.] A sponsor who represents to a person that the person has been awarded a prize shall, not later than 30 days after making the representation, provide the person with the prize, or with a voucher, certificate, or other document giving the person the unconditional right to receive the prize, or shall provide the person with either of the following items selected by the person:

(1) any other prize listed in the written prize notice that is available and that is of equal or greater value; or

(2) the retail value of the prize, as stated in the written notice, in the form of cash, a money order, or a certified check.

Subd. 4. [ADVERTISING MEDIA EXEMPT.] Nothing in this section creates liability for acts by the publisher, owner, agent, or employee of a newspaper, periodical, radio station, television station, cable television system, or other advertising medium arising out of the publication or dissemination of a solicitation, notice, or promotion governed by this section, unless the publisher, owner, agent, or employee had knowledge that the solicitation, notice, or promotion violated the requirements of this section, or had a financial interest in the solicitation, notice, or promotion.

Subd. 5. [EXEMPTIONS.] This section does not apply to solicitations or representations in connection with: (1) the sale or purchase of books, recordings, videocassettes, periodicals, and similar goods through a membership group or club which is regulated by the Federal Trade Commission pursuant to Code of Federal Regulations, title 16, part 425.1, concerning use of negative option plans by sellers in commerce; (2) the sale or purchase of goods ordered through a contractual plan or arrangement such as a continuity plan, subscription management, or a single sale or purchase series arrangement under which the seller ships goods to a consumer who has consented in advance to receive the goods and after the receipt of the goods is given the opportunity to examine the goods and to receive a full refund of charges for the goods upon return of the goods undamaged; or (3) sales by a catalog seller. For purposes of this section "catalog seller" shall mean any entity, and its subsidiaries, or a person at least 50 percent of whose annual revenues are derived from the sale of products sold in connection with the distribution of catalogs of at least 24 pages, which contain written descriptions or illustrations and sales prices for each item of merchandise and which are distributed in more than one state with a total annual distribution of at least 250,000.

Subd. 6. [EXEMPTIONS FOR REGULATED ACTIVITIES.] This section does not apply to advertising permitted and regulated under chapter 82A, concerning membership camping practices; advertising permitted and regulated under chapter 83, concerning subdivided lands and interests in subdivided lands; pari-mutuel betting on horse racing permitted and regulated under chapter 240; lawful gambling permitted and regulated under chapter 349; or the state lottery created and regulated under chapter 349A.

Subd. 7. [VIOLATIONS.] (a) Nothing in this section shall be construed to permit an activity otherwise prohibited by law.

(b) A violation of this section is also a violation of sections 325F.68 to 325F.71, and is subject to section 8.31.

(c) Whoever intentionally violates this section may be fined not more than \$10,000 or imprisoned for not more than two years or both. It is evidence of intent if the violation occurs after the office of the attorney general has notified a person by certified mail that the person is in violation of this section.

(d) A person suffering pecuniary loss because of an intentional violation of this section may bring an action in any court of competent jurisdiction and shall recover costs, reasonable attorney's fees, and the greater of: (1) \$500; or (2) twice the amount of the pecuniary loss.

(e) The relief provided in this section is in addition to remedies or penalties otherwise available against the same conduct under common law or other statutes of this state.

Sec. 2. [EFFECTIVE DATE.]

This act is effective October 1, 1993, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; regulating prize notices; requiring certain disclosures by solicitors; providing for reimbursement in certain cases; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F."

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

The report was adopted.

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

H. F. No. 1317, A bill for an act relating to health-related occupations; requiring hearing instrument dispensers to be certified by the commissioner of health; requiring holders of temporary hearing instrument dispensing permits to be supervised by certified hearing instrument dispensers; authorizing cease and desist orders; providing for penalties; amending Minnesota Statutes 1992, sections 153A.13, subdivisions 4 and 5; 153A.14; 153A.15; and 153A.17; proposing coding for new law in Minnesota Statutes, chapter 214.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 153A.13, subdivision 4, is amended to read:

Subd. 4. [HEARING INSTRUMENT SELLING DISPENSING.] "Hearing instrument selling dispensing" means fitting and selling hearing instruments, assisting the consumer in instrument selection, selling hearing instruments at retail, or testing human hearing in connection with these activities.

Sec. 2. Minnesota Statutes 1992, section 153A.13, subdivision 5, is amended to read:

Subd. 5. [SELLER DISPENSER OF HEARING INSTRUMENTS.] "Seller Dispenser of hearing instruments" means a natural person who engages in hearing instrument selling dispensing whether or not registered by the commissioner of health or licensed by an existing health-related board.

Sec. 3. Minnesota Statutes 1992, section 153A.14, is amended to read:

153A.14 [REGULATION.]

Subdivision 1. [APPLICATION FOR PERMIT CERTIFICATE.] A seller dispenser of hearing instruments shall apply to the commissioner for a permit certificate to sell dispense hearing instruments. The commissioner shall provide applications for permits certificates. At a minimum, the information that an applicant must provide includes the seller's dispenser's name, social security number, business address and phone number, employer, and information about the seller's dispenser's education, training, and experience in testing human hearing and fitting hearing instruments. The commissioner may reject an application for a permit certificate if there is evidence of a violation or failure to comply with sections 153A.13 to 153A.15 this chapter.

Subd. 2. [ISSUANCE OF PERMIT CERTIFICATE.] The commissioner shall issue a permit certificate to each seller dispenser of hearing instruments who applies under subdivision 1 if the commissioner determines that the applicant is in compliance with sections 153A.13 to 153A.15 this chapter, has passed an examination administered by the commissioner, and has paid the fee set by the commissioner. A certificate must be renewed by November 1 of each year.

Subd. 3. [NONTRANSFERABILITY OF PERMIT CERTIFICATE.] ~~The permit cannot~~ A certificate may not be transferred.

Subd. 4. [SALE DISPENSING OF HEARING INSTRUMENTS WITHOUT PERMIT CERTIFICATE.] Except as provided in subdivision 4a, it is unlawful for any person not holding a valid permit certificate to sell dispense a hearing instrument as defined in section 153A.13, subdivision 3. A person who sells dispenses a hearing instrument without the permit certificate required by this section is guilty of a gross misdemeanor. For purposes of this chapter, a person is dispensing a hearing instrument if the person does, or offers to do, any of the activities described in section 153A.13, subdivision 4, or if the person advertises, holds out to the public, or otherwise represents that the person is authorized to dispense hearing instruments.

Subd. 4a. [TRAINEES.] (a) A person who is not certified under this section may dispense hearing instruments as a trainee for a period not to exceed nine months if the person:

(1) is employed by and under the supervision or sponsorship of a certified dispenser meeting the requirements of this subdivision; and

(2) meets all requirements for certification except completion of the person's training and passage of the examination required by this section.

(b) A certified hearing instrument dispenser may not employ, sponsor, and supervise more than two trainees at the same time. The certified dispenser is responsible for all actions or omissions of a trainee in connection with the dispensing of hearing instruments. A certified dispenser may not employ, sponsor, or supervise a trainee if there are any commissioner, court, or other orders, currently in effect or issued within the last five years, that were issued with respect to an action or omission of a certified dispenser or a trainee under the certified dispenser's supervision.

Subd. 5. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules under chapter 14 to implement sections 153A.13 to 153A.18 this chapter. The rules must prescribe the form and content of the examination required by this section and must establish and prescribe the duties of a hearing instrument dispenser advisory council. The commissioner may adopt rules requiring continuing education of certified hearing instrument dispensers.

Subd. 6. [HEARING INSTRUMENTS TO COMPLY WITH FEDERAL AND STATE REQUIREMENTS.] The commissioner shall ensure that hearing instruments are solely dispensed in compliance with state requirements and the requirements of the United States Food and Drug Administration. Failure to comply with state or federal regulations may be grounds for enforcement actions under section 153A.15, subdivision 2.

Subd. 7. [CONTESTED CASES.] The commissioner shall comply with the contested case procedures in chapter 14 when suspending, revoking, or refusing to issue a permit certificate under this section.

Subd. 8. [CONTENT OF CONTRACTS.] Oral statements made by a hearing instrument dispenser regarding the provision of warranties, refunds, and service on the hearing instrument or instruments dispensed must be written on, and become part of, the contract of sale, specify the item or items covered, and indicate the person or business entity obligated to provide the warranty, refund, or service.

Subd. 8a. [CONSUMER RIGHTS INFORMATION.] A hearing instrument dispenser shall give a consumer rights brochure, prepared by the commissioner and containing information about legal requirements pertaining to sales of hearing instruments, to each potential buyer of a hearing instrument. A sales contract for a hearing instrument must note the receipt of the brochure by the buyer.

Subd. 9. [LIABILITY FOR CONTRACTS.] Owners of entities in the business of dispensing hearing instruments, employers of persons who dispense hearing instruments, and sponsors and supervisors of trainees are liable for satisfying all terms of contracts, written or oral, made by their agents, employees, assignees, affiliates, or trainees, including terms relating to products, repairs, warranties, service, and refunds. The commissioner may enforce the terms of hearing instrument sales contracts against the principal, employer, sponsor, or supervisor of an agent, employee, or trainee and may impose any remedy provided for in this chapter.

Sec. 4. Minnesota Statutes 1992, section 153A.15, is amended to read:

153A.15 [PROHIBITED ACTS; ENFORCEMENT; AND PENALTY.]

Subdivision 1. [PROHIBITED ACTS.] The commissioner may reject an application for a permit certificate or may act under subdivision 2 against a seller dispenser of hearing instruments for failure to comply with sections 153A.13 to 153A.15 this chapter. Failure to apply to the commissioner for a permit certificate, or supplying false or misleading information on the application for a permit certificate, is a ground for action under subdivision 2. The following acts and conduct are also grounds for action under subdivision 2:

(1) prescribing or otherwise recommending to a consumer or potential consumer the use of a hearing instrument, unless the prescription from a physician or recommendation from a hearing instrument seller dispenser or audiologist is in writing, is delivered to the consumer or potential consumer, and bears the following information in all capital letters of 12-point or larger bold-face type: "THIS PRESCRIPTION OR RECOMMENDATION MAY BE FILLED BY, AND HEARING INSTRUMENTS MAY BE PURCHASED FROM, THE DISPENSER, AUDIOLOGIST, OR PHYSICIAN OF YOUR CHOICE." A and unless the prescription or written recommendation must include includes, upon the authorization of the consumer or potential consumer, the audiogram upon which the prescription or recommendation is based if there has been a charge for the audiogram;

(2) representing through any advertising or communication to a consumer or potential consumer that a person's permit certification to sell dispenser hearing instruments indicates state approval, or endorsement, or satisfaction of standards of training or skill;

(3) being disciplined through a revocation, suspension, restriction, or limitation by another state for conduct subject to action under subdivision 2 this chapter;

(4) presenting advertising that is false or misleading;

(5) providing the commissioner with false or misleading statements of credentials, training, or experience;

(6) engaging in conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a consumer;

(7) splitting fees or promising to pay a portion of a fee to any other professional other than a fee for services rendered by the other professional to the client;

(8) engaging in abusive or fraudulent billing practices, including violations of federal Medicare and Medicaid laws, Food and Drug Administration regulations, or state medical assistance laws;

(9) obtaining money, property, or services from a consumer through the use of undue influence, high pressure sales tactics, harassment, duress, deception, or fraud; or

(10) failing to comply with restrictions on sales of hearing aids in section 153A.19;

(11) performing the services of a certified hearing instrument dispenser in an incompetent or negligent manner; or

(12) failing to comply with the requirements of this chapter as an employer, supervisor, sponsor, or trainee.

Subd. 2. [ENFORCEMENT ACTIONS.] When the commissioner finds that a seller dispenser of hearing instruments has violated one or more provisions of sections 153A.13 to 153A.15 this chapter, the commissioner may do one or more of the following:

(1) deny or reject the application for a permit certificate;

(2) revoke the permit certificate;

(3) suspend the permit certificate;

(4) impose, for each violation, a civil penalty that deprives the seller dispenser of any economic advantage gained by the violation and that reimburses the department of health for costs of the investigation and proceeding resulting in disciplinary action, including the amount paid for services of the office of administrative hearings, the amount paid for services of the office of the attorney general, attorney fees, court reporters, witnesses, reproduction of records, advisory council members' per diem compensation, department staff time, and expenses incurred by advisory council members and department staff; and

(5) censure or reprimand the dispenser;

(6) revoke or suspend the right to sponsor trainees;

(7) impose a civil penalty not to exceed \$10,000 for each separate violation; or

(8) any other action reasonably justified by the individual case.

Subd. 3. [PROCEDURES.] The commissioner shall establish, in writing, internal operating procedures for receiving and investigating complaints and imposing enforcement actions. The written internal operating procedures may include procedures for sharing complaint information with government agencies in this and other states. Establishment of the operating procedures are not subject to rulemaking procedures under chapter 14. Procedures for sharing complaint information shall must be consistent with the requirements for handling government data under chapter 13.

Subd. 3a. [DISCOVERY.] In all matters relating to the lawful regulation activities under this chapter, the commissioner may issue subpoenas to require the attendance and testimony of witnesses and production of books, records, correspondence, and other information relevant to any matter involved in the investigation. The commissioner or the commissioner's designee may administer oaths to witnesses or take their affirmation. The ~~subpoenas~~ A subpoena may be served upon any person ~~named therein~~ it names anywhere in the state by any person authorized to serve subpoenas or other processes in civil actions of the district courts. If a person to whom a subpoena is issued does not comply with the subpoena, the commissioner may apply to the district court in any district and the court shall order the person to comply with the subpoena. Failure to obey the order of the court may be punished by the court as contempt of court. All information pertaining to individual medical records obtained under this section ~~shall be considered~~ is health data under section 13.38.

Subd. 4. [PENALTIES.] Except as provided in section 153A.14, subdivision 4, a person violating ~~sections 153A.13 to 153A.15~~ this chapter is guilty of a misdemeanor. The commissioner may impose an automatic civil penalty equal to one-fourth the renewal fee on each hearing instrument seller who fails to renew the permit certificate required in section 153A.14 by the renewal deadline ~~established by the commissioner in rule.~~

Sec. 5. Minnesota Statutes 1992, section 153A.17, is amended to read:

153A.17 [EXPENSES.]

The expenses for administering the permit certification requirements including the complaint handling system for hearing aid ~~sellers~~ dispensers in sections 153A.14 and 153A.15 and the consumer information center under section 153A.18 must be paid from initial permit application and examination fees ~~and~~ renewal fees, penalties, and fines. The total fees collected ~~must as closely as possible equal anticipated expenditures during the fiscal biennium as provided for in section 16A.128.~~ The commissioner shall by rule, with the approval of the commissioner of finance, ~~adjust any fee the commissioner is empowered to assess as provided for in section 16A.128.~~ The fee established must include a The certificate application fee is \$255, the examination fee is \$200, and the trainee application fee is \$100, ~~except that the certification application fee for a registered audiologist is \$255 minus the audiologist registration fee of \$101.~~ In addition, both certification and examination fees are subject to a surcharge amount necessary of \$60 to recover, over a five-year period, the commissioner's accumulated direct expenditures for adoption of the rules administering the requirements of this chapter, but not registration of hearing instrument dispensers under section 214.13, before November 1, 1994. All fees, penalties, and fines received must be deposited in the state government special revenue fund.

Sec. 6. [214.131] [COMMISSIONER CEASE AND DESIST AUTHORITY AND PENALTY FOR VIOLATION.]

Subdivision 1. [CEASE AND DESIST ORDER.] The commissioner of health may issue a cease and desist order to stop a person from engaging in an unauthorized practice or violating or threatening to violate a statute, rule, or order that the commissioner of health has issued or is empowered to enforce. The cease and desist order must state the reason for its issuance and give notice of the person's right to request a hearing under sections 14.57 to 14.62. If, within 15 days after service of the order, the subject of the order fails to request a hearing in writing, the cease and desist order becomes final.

A hearing must be initiated by the commissioner of health not later than 30 days after the date the commissioner receives a written hearing request. Within 30 days after receiving the administrative law judge's report, the commissioner of health shall issue a final order modifying, vacating, or making permanent the cease and desist order as the facts require. The final order remains in effect until modified or vacated by the commissioner of health.

When a request for a stay accompanies a timely hearing request, the commissioner of health may grant the stay. If the commissioner does not grant a requested stay, the commissioner shall refer the request to the office of administrative hearings within three work days after receiving the request. Within ten days after receiving the request from the commissioner of health, an administrative law judge shall issue a recommendation to grant or deny the stay. The commissioner of health shall grant or deny the stay within five work days after receiving the administrative law judge's recommendation.

In the event of noncompliance with a cease and desist order, the commissioner of health may institute a proceeding in a district court to obtain injunctive relief or other appropriate relief, including a civil penalty payable to the commissioner of health not exceeding \$10,000 for each separate violation.

Subd. 2. [CIVIL PENALTY.] When the commissioner of health finds that a person has violated one or more provisions of any statute, rule, or order that the commissioner of health is empowered to regulate, enforce, or issue, the commissioner of health may impose, for each violation, a civil penalty that deprives the person of any economic advantage gained by the violation, or that reimburses the department of health for costs of the investigation and proceeding, or both.

Subd. 3. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, the commissioner of health may bring an action in district court for injunctive relief to restrain any unauthorized practice or violation of any statute, rule, or order that the commissioner of health is empowered to regulate, enforce, or issue. A temporary restraining order may be granted in the proceeding if continued activity by a person would create a serious risk of harm to others.

Subd. 4. [ADDITIONAL POWERS.] The issuance of a cease and desist order or injunctive relief granted under this section does not relieve a person from criminal prosecution by any competent authority or from disciplinary action by the commissioner of health. Any violation of any order of the commissioner is a misdemeanor.

Sec. 7. [RULES.]

Until the commissioner adopts rules required by this act for the administration of the hearing instrument dispenser certification program, the commissioner shall apply Minnesota Rules, chapter 4692, to govern commissioner action on permits; Minnesota Rules, part 4745.0025, to govern requirements for certification, examination of applicants, and certification by reciprocity; Minnesota Rules, chapter 4745, to govern commissioner action on certificates and additional grounds for disciplinary action; and Minnesota Rules, part 4745.0060, to establish the membership and responsibilities of the hearing instrument dispenser advisory council.

Sec. 8. [TRANSFER OF POWERS AND DUTIES.]

Actions prohibited under Minnesota Statutes, section 153A.15, occurring before the effective date of this act may be investigated by the commissioner and enforcement actions taken under the continuing authority of Minnesota Statutes, chapter 153A. Disciplinary actions and other orders of the commissioner issued before the effective date of this act to govern the conduct of persons or entities subject to Minnesota Statutes, chapter 153A, continue in effect after the effective date of this act.

Sec. 9. [TRANSITION PERIOD.]

Notwithstanding section 3, subdivision 2, a person who, by examination or reciprocity, is a registered hearing instrument dispenser on the effective date of this act is entitled to certification without examination or payment of a fee. Between the effective date of this act and November 1, 1994, no current registrations of hearing instrument dispensers may be renewed and no new registrations issued, but hearing instrument dispenser permits must be renewed to applicants for renewal who meet the requirements in effect at the time their previous permit was issued. During that period, the fee for a permit and the fee for a certificate is the amount set for a certificate application in section 5, except that the commissioner shall prorate the fee for first-time applicants for certification according to the number of months that have elapsed since the date the applicant's permit was issued and the date certification must be renewed under section 3. Notwithstanding section 3, subdivision 4, a person holding a valid hearing instrument dispenser permit may continue to dispense hearing instruments without a certificate until November 1, 1994, but may not use the title "certified hearing instrument dispenser" or in any other way hold to the public that the person is certified.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to health-related occupations; requiring hearing instrument dispensers to be certified by the commissioner of health; requiring holders of temporary hearing instrument dispensing permits to be supervised by certified hearing instrument dispensers; authorizing rulemaking; authorizing cease and desist orders; providing for penalties; amending Minnesota Statutes 1992, sections 153A.13, subdivisions 4 and 5; 153A.14; 153A.15; 153A.17; proposing coding for new law in Minnesota Statutes, chapter 214."

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 1402, A bill for an act relating to natural resources; amending requirements to mitigate wetlands; adding exemptions; extending interim rules; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1 and 2; 103G.2369, subdivision 2; and Laws 1991, chapter 354, article 7, section 2.

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1407, A bill for an act relating to occupations and professions; board of architecture, engineering, land surveying, landscape architecture, and certified interior designer; establishing a procedure for issuance, denial, revocation, and suspension of licenses; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Page 5, line 19, delete "have" and insert "has"

Page 5, line 20, delete "result" and insert "resulted"

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1445, A bill for an act relating to industrial development; authorizing a grant to a nonprofit organization to promote expanding flexible collaborative manufacturing networks statewide; appropriating money.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1582, A bill for an act relating to economic development; providing for creation of enterprise zones; providing incentives for business to locate within an enterprise zone; proposing coding for new law in Minnesota Statutes, chapter 469.

Reported the same back with the following amendments:

Page 1, line 16, delete "Minneapolis or Saint Paul" and insert "a city of the first class and a city of the second class designated as an economically depressed area by the United States Department of Commerce"

Page 1, line 22, delete "an individual" and insert "a resident"

Page 3, line 17, delete "ten" and insert "five"

Page 5, line 24, delete "the" and insert "city" and delete "of Minneapolis and Saint Paul"

Page 5, line 27, delete "measurable" and insert "ten percent"

Page 5, line 31, delete "as provided by 1993 S.F. No. ..., if enacted,"

Page 6, delete lines 1 to 4

Page 6, line 5, delete "3" and insert "2"

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

The report was adopted.

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

S. F. No. 5, A bill for an act relating to game and fish; extending the permissible period for the open season on raccoon; amending Minnesota Statutes 1992, section 97B.621, subdivision 1.

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

The report was adopted.

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

S. F. No. 229, A bill for an act relating to watercraft; mirror requirements for watercraft towing persons on various devices; amending Minnesota Statutes 1992, section 86B.313, subdivision 1.

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

The report was adopted.

Reding from the Committee on Financial Institutions and Insurance to which was referred:

S. F. No. 394, A bill for an act relating to financial institutions; permitting contracts between financial institutions to accept deposits and honor withdrawals; proposing coding for new law in Minnesota Statutes, chapter 47.

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. 167, 952 and 1199 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 5, 229 and 394 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

McGuire, Rest and Vellenga introduced:

H. F. No. 1721, A bill for an act relating to adoption; providing for release of birth information to adopted persons; amending Minnesota Statutes 1992, sections 259.49, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1992, section 259.49, subdivisions 2 and 3.

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

Tomassoni and Beard introduced:

H. F. No. 1722, A bill for an act relating to human services; requiring inflationary salary adjustments for personnel at day activity centers and intermediate care facilities for mentally retarded; appropriating money; amending Minnesota Statutes 1992, sections 252.24, subdivision 5; and 256B.501, subdivision 3c.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Lieder and Olson, E., introduced:

H. F. No. 1723, A bill for an act relating to capital improvements; appropriating money for the Agassiz environmental learning center in Polk county; authorizing the sale of state bonds.

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

Davids introduced:

H. F. No. 1724, A bill for an act relating to taxation; lodging; extending the tax to private campgrounds; amending Minnesota Statutes 1992, section 469.190, subdivision 1.

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

Waltman introduced:

H. F. No. 1725, A bill for an act relating to appropriations; appropriating money for an eagle interpretive center in Wabasha.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Brown, C., introduced:

H. F. No. 1726, A bill for an act relating to agricultural promotion; transferring agricultural marketing and promotion duties from the department of trade and economic development to the department of agriculture; appropriating money; amending Minnesota Statutes 1992, section 17.03, subdivision 6; repealing Minnesota Statutes 1992, section 116J.966, subdivision 2.

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

Rodosovich, for the Higher Education Finance Division, introduced:

H. F. No. 1727, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1992, sections 3.9741; 16A.127, subdivision 8; 126.56, subdivision 5; 135A.03, subdivision 7; 135A.06, subdivision 1; 135A.061; 136A.02, subdivisions 5, 6, and 7; 136A.04, subdivision 1; 136A.0411; 136A.08; 136A.101, subdivision 7; 136A.121, subdivisions 6 and 9; 136A.125, subdivision 3; 136A.1352, subdivisions 1 and 2; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.1701, subdivision 4, and by adding a subdivision; 136A.233; 136A.653, subdivision 1; 136A.69; 136A.87; 136C.15; 136C.61, subdivision 7; 136E.04, subdivision 3; 137.022, subdivision 3, and by adding a subdivision; 141.25, subdivision 8; 141.26, subdivisions 1 and 5; Laws 1990, chapter 591, article 3, section 10, as amended; Laws 1991, chapter 356, articles 6, section 4, as amended; and 9, section 8, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136A.121, subdivision 10; 136A.134; 136A.1352, subdivision 3; 136A.234; 136A.70; 136A.85; 136A.86; 136A.88; Laws 1991, chapter 356, article 8, section 23.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Murphy, Pugh, McGuire, Orenstein and Delmont introduced:

H. A. No. 10, A proposal to study the Judicial Standards Board.

The advisory was referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

H. F. No. 552, A bill for an act relating to real estate; modifying provisions for voluntary foreclosure of mortgages; amending Minnesota Statutes 1992, sections 580.23, subdivision 1; and 582.32, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; repealing Minnesota Statutes 1992, section 582.32, subdivisions 4, 7, and 8.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to H. F. No. 552 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 552, A bill for an act relating to real estate; modifying provisions for voluntary foreclosure of mortgages; modifying criminal liability for defeating security on realty; amending Minnesota Statutes 1992, sections 580.032, subdivision 1, as amended; 580.23, subdivision 1; 582.32, subdivisions 1, 2, 3, 5, 6, 9, and by adding a subdivision; and 609.615; repealing Minnesota Statutes 1992, section 582.32, subdivisions 4, 7, and 8.

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 121 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Rice

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

CONSENT CALENDAR

H. F. No. 1528 was reported to the House.

Lasley moved that H. F. No. 1528 be placed at the bottom of General Orders. The motion prevailed.

H. F. No. 520, A bill for an act relating to retirement; authorizing a second chance Medicare coverage referendum for certain public pension plan members.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bergson	Carlson	Delmont	Garcia	Hasskamp	Jaros
Anderson, I.	Bertram	Clark	Dempsey	Girard	Haukoos	Jennings
Anderson, R.	Bettermann	Commers	Dorn	Goodno	Hausman	Johnson, A.
Asch	Bishop	Cooper	Erhardt	Greenfield	Holsten	Johnson, R.
Battaglia	Blatz	Dauner	Evans	Greiling	Hugoson	Johnson, V.
Bauerly	Brown, C.	Davids	Farrell	Gruenes	Huntley	Kahn
Beard	Brown, K.	Dehler	Frerichs	Gutknecht	Jacobs	Kalis

Kelley	Lindner	Mosel	Orfield	Rhodes	Stanius	Waltman
Kelso	Lourey	Murphy	Osthoff	Rice	Steenasma	Weaver
Kinkel	Luther	Neary	Ostrom	Rodosovich	Sviggum	Wejzman
Klinzing	Lynch	Nelson	Ozment	Rukavina	Swenson	Wenzel
Knickerbocker	Macklin	Ness	Pauly	Sarna	Tomassoni	Winter
Koppendraye	Mahon	Olson, E.	Pelowski	Seagren	Tompkins	Wolf
Krinkie	McCollum	Olson, K.	Perlt	Sekhon	Trimble	Worke
Krueger	McGuire	Olson, M.	Peterson	Simoneau	Van Dellen	Workman
Lasley	Milbert	Onnen	Pugh	Skoglund	Vellenga	Spk. Long
Lieder	Molnau	Opatz	Reding	Smith	Vickerman	
Limmer	Morrison	Orenstein	Rest	Solberg	Wagenius	

The bill was passed and its title agreed to.

H. F. No. 783, A bill for an act relating to the city of Albert Lea; actuarial assumptions for the Albert Lea fire department relief association.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1424 was reported to the House.

Trimble moved that H. F. No. 1424 be continued on the Consent Calendar. The motion prevailed.

SPECIAL ORDERS

H. F. No. 824, A bill for an act relating to public safety; modifying excavation; modifying the notice requirement; amending Minnesota Statutes 1992, sections 1161.07, subdivision 2; 216D.01, subdivision 5; and 216D.04, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 454 was reported to the House.

Smith moved to amend H. F. No. 454, the first engrossment, as follows:

Page 3, after line 20, insert:

"(15) in conjunction with the secretary of state, prepare an annual report to the legislature estimating, and to the extent possible, describing the number of Minnesota companies which have left the state or moved to surrounding states or other countries. The report should include an estimate of the number of jobs lost by these moves, an estimate of the total employment payroll, average hourly wage of those jobs lost and those created in the new location, and to the extent possible, the reason for each company moving out of state, if known;"

Page 3, line 21, strike "(15)" and insert "(16)"

Page 3, line 25, strike "(16)" and insert "(17)"

Page 3, line 30, delete "(17)" and insert "(18)"

The motion prevailed and the amendment was adopted.

H. F. No. 454, A bill for an act relating to economic development; requiring a summary of performance measures for business loan or grant programs from the department of trade and economic development; amending Minnesota Statutes 1992, section 116J.58, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 592 was reported to the House.

Pugh moved that H. F. No. 592 be continued on Special Orders. The motion prevailed.

H. F. No. 667, A bill for an act relating to volunteer firefighter relief associations; modifying the corporate registration requirement for relief associations complying with fire state aid financial reporting requirements; amending Minnesota Statutes 1992, sections 69.051, by adding a subdivision; and 317A.823, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Blatz	Dehler	Goodno	Huntley	Kelley	Lieder
Anderson, I.	Brown, C.	Delmont	Greenfield	Jacobs	Kelso	Limmer
Anderson, R.	Brown, K.	Dempsey	Greiling	Jaros	Kinkel	Lindner
Battaglia	Carlson	Dorn	Gruenes	Jefferson	Klinzing	Lourey
Bauerly	Clark	Erhardt	Gutknecht	Jennings	Knickerbocker	Luther
Beard	Commers	Evans	Hasskamp	Johnson, A.	Koppendrayer	Lynch
Bergson	Cooper	Farrell	Haukoos	Johnson, R.	Krinkie	Macklin
Bertram	Dauner	Frerichs	Hausman	Johnson, V.	Krueger	Mahon
Bettermann	Dauids	Garcia	Holsten	Kahn	Lasley	Mariani
Bishop	Dawkins	Girard	Hugoson	Kalis	Leppik	McCollum

McGuire	Ness	Ostrom	Rhodes	Smith	Trimble	Wenzel
Milbert	Olson, E.	Ozment	Rice	Solberg	Tunheim	Winter
Molnau	Olson, K.	Pauly	Rodosovich	Sparby	Van Dellen	Wolf
Morrison	Olson, M.	Pelowski	Rukavina	Stanius	Vellenga	Worke
Mosel	Onnen	Perlt	Sarna	Steensma	Vickerman	Workman
Munger	Opatz	Peterson	Seagren	Sviggum	Wagenius	Spk. Long
Murphy	Orenstein	Pugh	Sekhon	Swenson	Waltman	
Neary	Orfield	Reding	Simoneau	Tomassoni	Weaver	
Nelson	Osthoff	Rest	Skoglund	Tompkins	Wejcman	

The bill was passed and its title agreed to.

H. F. No. 806 was reported to the House.

Rodosovich moved to amend H. F. No. 806, the first engrossment, as follows:

Page 1, line 14, delete "an innkeeper" and insert "the court"

The motion prevailed and the amendment was adopted.

H. F. No. 806, A bill for an act relating to commerce; prohibiting smoking in designated nonsmoking hotel rooms; allowing reimbursement to innkeepers for actual costs resulting from violation; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 327.

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 122 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs	Nelson	Olson, M.	Vickerman
Krinkie	Olson, K.	Tompkins	Worke

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

H. F. No. 889, A bill for an act relating to economic development; clarifying provisions relating to the department of trade and economic development; clarifying the duties of the commissioner; amending Minnesota Statutes 1992, sections 17.49, subdivision 1; 18.024, subdivision 1; 86.72, subdivision 3; 86A.06; 86A.09, subdivisions 1, 2, 3, and 4; 92.35; 92.36; 103F.135, subdivision 1; 116J.01, by adding a subdivision; 116J.402; 116J.58, subdivision 1; 116J.61; 116J.68, subdivision 2; 116J.873, subdivisions 3 and 4; 116J.966, subdivision 1; 116J.980, subdivisions 1 and 2; 137.31, subdivision 6; 138.93, subdivision 4; 144.95, subdivision 7; 173.17; 216B.242; 216C.37, subdivision 1; 299A.01, subdivision 2; 446A.03, subdivision 1; 446A.10, subdivision 2; 473.857, subdivision 2; 473H.06, subdivision 5; and 641.24; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1992, sections 84.54; 86A.10; 116J.01, subdivision 3; 116J.615, subdivision 2; 116J.645; 116J.661; 116J.982; 116J.983; 116J.984; 301A.01; 301A.02; 301A.03; 301A.04; 301A.05; 301A.06; 301A.07; 301A.08; 301A.09; 301A.10; 301A.11; 301A.12; 301A.13; and 301A.14.

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 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 477, A bill for an act relating to traffic regulations; increasing the fine for child passenger restraint system violations; amending Minnesota Statutes 1992, section 169.685, subdivision 5.

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 122 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Brown, C.	Commers	Dawkins	Erhardt
Anderson, I.	Bauerly	Bettermann	Brown, K.	Cooper	Dehler	Evans
Anderson, R.	Beard	Bishop	Carlson	Dauner	Delmont	Farrell
Asch	Bergson	Blatz	Clark	Davids	Dorn	Garcia

Girard	Johnson, A.	Lieder	Munger	Pelowski	Skoglund	Wagenius
Goodno	Johnson, R.	Limmer	Murphy	Perlt	Smith	Waltman
Greenfield	Johnson, V.	Lindner	Neary	Peterson	Solberg	Weaver
Greiling	Kahn	Lourey	Nelson	Pugh	Sparby	Wejcman
Gruenes	Kalis	Luther	Ness	Reding	Stanius	Wenzel
Gutknecht	Kelley	Lynch	Olson, E.	Rest	Steenasma	Winter
Hasskamp	Kelso	Macklin	Olson, K.	Rhodes	Sviggum	Wolf
Haukoos	Kinkel	Mahon	Olson, M.	Rice	Swenson	Worke
Holsten	Klinzing	McCullum	Opatz	Rodosovich	Tomassoni	Workman
Hugoson	Knickerbocker	McGuire	Orenstein	Rukavina	Trimble	Spk. Long
Jacobs	Koppendrayner	Milbert	Orfield	Sarna	Tunheim	
Jaros	Krueger	Molnau	Osthoff	Seagren	Van Dellen	
Jefferson	Lasley	Morrison	Ostrom	Sekhon	Vellenga	
Jennings	Leppik	Mosel	Pauly	Simoneau	Vickerman	

Those who voted in the negative were:

Krinkie Onnen

The bill was passed and its title agreed to.

H. F. No. 504, A bill for an act relating to housing; allowing a county authority to operate certain public housing projects without a city resolution; providing that a housing and redevelopment authority may make down payment assistance loans; changing minimum amounts for certain contract letting procedures; changing requirements for general obligation revenue bonds; amending Minnesota Statutes 1992, sections 469.005, subdivision 1; 469.012, by adding a subdivision; 469.015, subdivisions 1 and 2; and 469.034, subdivision 2.

The bill was read for the third time and placed upon its final passage.

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 622 was reported to the House.

Orfield moved to amend H. F. No. 622, the first engrossment, as follows:

Page 2, line 4, delete "solely" and insert "primarily"

The motion prevailed and the amendment was adopted.

H. F. No. 622, A bill for an act relating to metropolitan government; providing long-term protection of agricultural land in the metropolitan area; amending Minnesota Statutes 1992, sections 473H.11; and 473H.12.

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 113 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Davids	Holsten	Krueger	Nelson	Rest	Tunheim
Anderson, R.	Dawkins	Hugoson	Lasley	Ness	Rhodes	Vellenga
Asch	Delmont	Huntley	Leppik	Olson, E.	Rice	Vickerman
Battaglia	Dempsey	Jacobs	Lieder	Olson, K.	Rodosovich	Wagenius
Bauerly	Dorn	Jaros	Lourey	Olson, M.	Rukavina	Waltman
Beard	Evans	Jefferson	Luther	Onnen	Sarna	Weaver
Bergson	Farrell	Jennings	Lynch	Opatz	Seagren	Wejcman
Bertram	Frerichs	Johnson, A.	Mahon	Orenstein	Sekhon	Wenzel
Bettermann	Garcia	Johnson, R.	Mariani	Orfield	Simoneau	Winter
Blatz	Girard	Johnson, V.	McCollum	Osthoff	Skoglund	Worke
Brown, C.	Greenfield	Kahn	McGuire	Ostrom	Smith	Spk. Long
Brown, K.	Greiling	Kalis	Milbert	Ozment	Solberg	
Carlson	Gruenes	Kelley	Molnau	Pelowski	Steensma	
Clark	Gutknecht	Kelso	Mosel	Perl	Sviggum	
Commers	Hasskamp	Kinkel	Munger	Peterson	Swenson	
Cooper	Haukoos	Klinzing	Murphy	Pugh	Tomassoni	
Dauner	Hausman	Koppendrayner	Neary	Reding	Trimble	

Those who voted in the negative were:

Abrams	Erhardt	Krinkie	Macklin	Stanius	Wolf
Bishop	Goodno	Limmer	Morrison	Tompkins	Workman
Dehler	Knickerbocker	Lindner	Pauly	Van Dellen	

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

H. F. No. 1523 was reported to the House.

Reding moved that H. F. No. 1523 be continued on Special Orders. The motion prevailed.

H. F. No. 994 was reported to the House.

Blatz moved that H. F. No. 994 be continued on Special Orders. The motion prevailed.

H. F. No. 1095 was reported to the House.

Stanis moved that H. F. No. 1095 be continued on Special Orders. The motion prevailed.

H. F. No. 1153, A bill for an act relating to civil actions; clarifying the limits on recovery for economic loss caused by components of manufactured goods; amending Minnesota Statutes 1992, section 604.10.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 157, A bill for an act relating to retirement; authorizing the purchase of prior service credit in the public employees police and fire fund by two employees of the city of Minneapolis.

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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Greiling	Kahn	Luther	Olson, E.	Rest
Anderson, I.	Dauner	Gruenes	Kalis	Lynch	Olson, K.	Rhodes
Anderson, R.	Dauids	Gutknecht	Kelley	Macklin	Olson, M.	Rice
Asch	Dawkins	Hasskamp	Kelso	Mahon	Ornen	Rodosovich
Battaglia	Dehler	Haukoos	Kinkel	Mariani	Opatz	Rukavina
Bauerly	Delmont	Hausman	Klinzing	McCollum	Orenstein	Sarna
Beard	Dempsey	Holsten	Knickerbocker	McGuire	Orfield	Seagren
Bergson	Dorn	Hugoson	Koppendraye	Milbert	Osthoff	Sekhon
Bertram	Erhardt	Huntley	Krinkie	Molnau	Ostrom	Simoneau
Bettermann	Evans	Jacobs	Krueger	Morrison	Ozment	Skoglund
Bishop	Farrell	Jaros	Lasley	Mosel	Pauly	Smith
Blatz	Frerichs	Jefferson	Leppik	Munger	Pelowski	Solberg
Brown, K.	Garcia	Jennings	Lieder	Murphy	Perlt	Sparby
Carlson	Girard	Johnson, A.	Limmer	Neary	Peterson	Stanius
Clark	Goodno	Johnson, R.	Lindner	Nelson	Pugh	Steensma
Commers	Greenfield	Johnson, V.	Lourey	Ness	Reding	Sviggum

Swenson	Trimble	Vellenga	Waltman	Wenzel	Worke
Tomassoni	Tunheim	Vickerman	Weaver	Winter	Workman
Tompkins	Van Dellen	Wagenius	Wejcman	Wolf	Spk. Long

The bill was passed and its title agreed to.

H. F. No. 945, A bill for an act relating to occupations and professions; modifying the membership of the board of nursing; requiring a certain examination for licensure of graduates from nursing programs in other countries; modifying requirements for a temporary permit; adding grounds for disciplinary action; amending Minnesota Statutes 1992, sections 148.181, subdivisions 1 and 3; 148.211, subdivision 1; 148.212; and 148.261, 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1428 was reported to the House.

Evans moved that H. F. No. 1428 be continued on Special Orders. The motion prevailed.

H. F. No. 104, A bill for an act relating to Otter Tail county; allowing use of certain land in Otter Tail county.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Asch	Beard	Bettermann	Brown, C.	Clark	Dauner
Anderson, I.	Battaglia	Bergson	Bishop	Brown, K.	Commers	Dauids
Anderson, R.	Bauerly	Bertram	Blatz	Carlson	Cooper	Dawkins

Dehler	Haukoos	Kinkel	Mariani	Opatz	Rukavina	Tunheim
Delmont	Hausman	Klinzing	McCollum	Orenstein	Sarna	Van Dellen
Dempsey	Holsten	Knickerbocker	McGuire	Orfield	Seagren	Vellenga
Dorn	Hugoson	Koppendrayer	Milbert	Osthoff	Sekhon	Vickerman
Erhardt	Huntley	Krinkie	Molnau	Ostrom	Simoneau	Wagenius
Evans	Jacobs	Krueger	Morrison	Ozment	Skoglund	Waltman
Farrell	Jaros	Lasley	Mosel	Pauly	Smith	Weaver
Frerichs	Jefferson	Leppik	Munger	Pelowski	Solberg	Wejzman
Garcia	Jennings	Lieder	Murphy	Perlt	Sparby	Wenzel
Girard	Johnson, A.	Limmer	Neary	Peterson	Stanius	Winter
Goodno	Johnson, R.	Lindner	Nelson	Pugh	Steenma	Wolf
Greenfield	Johnson, V.	Lourey	Ness	Reding	Swenson	Worke
Greiling	Kahn	Luther	Olson, E.	Rest	Tomassoni	Workman
Gruenes	Kalis	Lynch	Olson, K.	Rhodes	Tompkins	Spk. Long
Gutknecht	Kelley	Macklin	Olson, M.	Rice	Trimble	
Hasskamp	Kelso	Mahon	Ornen	Rodosovich		

The bill was passed and its title agreed to.

H. F. No. 1404, A bill for an act relating to the city of New Brighton; permitting the city to acquire granular carbon without a bond.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 129 was reported to the House.

Anderson, I., moved that H. F. No. 129 be continued on Special Orders. The motion prevailed.

H. F. No. 670, A bill for an act relating to insurance; health; regulating benefits for outpatient mental or nervous disorder treatment; amending Minnesota Statutes 1992, section 62A.152, subdivisions 2 and 3.

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 104 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Cooper	Huntley	Lasley	Murphy	Pugh	Stanius
Anderson, R.	Dauner	Jacobs	Lieder	Neary	Reding	Steensma
Asch	Davids	Jaros	Lourey	Nelson	Rest	Swenson
Battaglia	Dawkins	Jefferson	Luther	Olson, E.	Rhodes	Tomassoni
Bauerly	Delmont	Jennings	Lynch	Olson, K.	Rice	Trimble
Beard	Dempsey	Johnson, A.	Macklin	Opatz	Rodosovich	Tunheim
Bergson	Dorn	Johnson, R.	Mahon	Orenstein	Rukavina	Van Dellen
Bertram	Evans	Johnson, V.	Mariani	Orfield	Sarna	Vellenga
Bettermann	Farrell	Kahn	McCollum	Osthoff	Seagren	Wagenius
Blatz	Garcia	Kelley	McGuire	Ostrom	Sekhon	Wejcman
Brown, C.	Greenfield	Kelso	Milbert	Ozment	Simoneau	Wenzel
Brown, K.	Greiling	Kinkel	Molnau	Pauly	Skoglund	Winter
Carlson	Hasskamp	Klinzing	Morrison	Pelowski	Smith	Wolf
Clark	Hausman	Knickerbocker	Mosel	Perlt	Solberg	Spk. Long
Commers	Hoisten	Krueger	Munger	Peterson	Sparby	

Those who voted in the negative were:

Abrams	Goodno	Hugoson	Leppik	Olson, M.	Vickerman	Workman
Dehler	Gruenes	Kalis	Limmer	Ornen	Waltman	
Erhardt	Gutknecht	Koppendrayar	Lindner	Sviggum	Weaver	
Girard	Haukoos	Krinkie	Ness	Tompkins	Worke	

The bill was passed and its title agreed to.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Farrell moved that his name be stricken as an author on H. F. No. 30. The motion prevailed.

Farrell moved that his name be stricken as an author on H. F. No. 155. The motion prevailed.

Limmer moved that the name of Osthoff be added as an author on H. F. No. 1408. The motion prevailed.

Luther moved that H. F. No. 835 be recalled from the Committee on Governmental Operations and Gambling and be re-referred to the Committee on Health and Human Services. The motion prevailed.

Klinzing moved that H. F. No. 290 be returned to its author. The motion prevailed.

Solberg moved that H. F. No. 1701 be returned to its author. The motion prevailed.

Carlson, Rodosovich and Morrison introduced:

House Concurrent Resolution No. 2, A house concurrent resolution providing for a Joint Convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

The concurrent resolution was referred to the Committee on Education.

ADJOURNMENT

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Thursday, April 15, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

THIRTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 15, 1993

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

Prayer was offered by Captain Mark W. Martsof, Salvation Army of St. Paul, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Carruthers, Dauner, Pawlenty and Welle were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Dehler 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 STANDING COMMITTEES

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 344, A bill for an act relating to drivers' licenses; raising fee for two-wheeled vehicle endorsement; amending Minnesota Statutes 1992, section 171.06, subdivision 2a.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 519, A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 84.91; 84.911; 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [84.93] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 10.

Subd. 2. [ACCOMPANIED.] "Accompanied" means subject to continuous direction or control.

Subd. 3. [CITY.] "City" means a statutory or home rule charter city.

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

Subd. 5. [DEALER.] "Dealer" means a person engaged in the business of selling off-highway motorcycles at wholesale or retail.

Subd. 6. [MANUFACTURER.] "Manufacturer" means a person engaged in the business of manufacturing off-highway motorcycles.

Subd. 7. [OFF-HIGHWAY MOTORCYCLE.] "Off-highway motorcycle" means a motorized, off-highway vehicle traveling on two wheels and having a seat or saddle designed to be straddled by the operator and handlebars for steering control, including a vehicle that is registered under chapter 168 for highway use if it is also used for off-highway operation on trails or unimproved terrain.

Subd. 8. [OWNER.] "Owner" means a person, other than a person with a security interest, that has a property interest in or title to an off-highway motorcycle and is entitled to the use and possession of the motorcycle.

Subd. 9. [PERSON.] "Person" has the meaning given it in section 336.1-201, subsection (30).

Subd. 10. [PUBLIC ROAD RIGHT-OF-WAY.] "Public road right-of-way" means the entire right-of-way of a town road or a county, county state-aid, or trunk highway, including the traveled portions, banks, ditches, shoulders, and medians.

Subd. 11. [REGISTER.] "Register" means the act of assigning a registration number to an off-highway motorcycle.

Sec. 2. [84.931] [REGISTRATION.]

Subdivision 1. [GENERAL REQUIREMENTS.] Unless exempted in subdivision 2, after January 1, 1994, a person may not operate and an owner may not give permission for another to operate an off-highway motorcycle on public lands or waters unless the vehicle has been registered under this section.

Subd. 2. [EXEMPTIONS.] Registration is not required for off-highway motorcycles:

- (1) owned and used by the United States, the state, another state, or a political subdivision;
- (2) registered in another state or country that have not been within this state for more than 30 consecutive days;
- (3) used exclusively in organized track racing events;
- (4) being used on private land with the permission of the landowner; or

(5) registered under chapter 168, when operated on forest roads to gain access to a state forest campground.

Subd. 3. [APPLICATION; ISSUANCE; REPORTS.] Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles on a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle and must be signed by at least one owner. Upon receipt of the application and the appropriate fee, the commissioner shall assign a registration number that must be affixed to the motorcycle in a manner prescribed by the commissioner. The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33 is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements. A fee of 50 cents in addition to other fees prescribed by law is charged for each off-highway motorcycle registered by a deputy registrar, and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official.

Subd. 4. [REGISTRATION CARD; REPLACEMENT FEE.] The commissioner shall provide to the registrant a registration card that includes the registration number, the date of registration, the make and serial number of the off-highway motorcycle, the owner's name and address, and additional information the commissioner may require. Information concerning registrations must be kept by the commissioner. Upon a satisfactory showing that the registration card has been lost or destroyed, the commissioner shall issue a replacement registration card upon payment of a fee of \$4. The fees collected from replacement registration cards must be credited to the off-highway motorcycle account.

Subd. 5. [REPORT OF TRANSFERS; FEE.] A person who sells or transfers ownership of an off-highway motorcycle registered under this section shall report the sale or transfer to the commissioner within 15 days of the date of transfer. An application for transfer must be executed by the registered owner and the buyer on a form prescribed by the commissioner with the owner's registration certificate, a bill of sale, and a \$4 fee.

Subd. 6. [REGISTRATION FEES.] (a) The fee for registration of an off-highway motorcycle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is \$30 for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for off-highway motorcycles owned by a dealer and operated for demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.

(c) The total registration fee for off-highway motorcycles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is \$150 per year. Manufacturer registrations are not transferable.

(d) The fees collected under this subdivision must be credited to the off-highway motorcycle account.

Subd. 7. [RENEWAL.] An owner of an off-highway motorcycle must renew registration in a manner prescribed by the commissioner upon payment of the appropriate registration fee in subdivision 6.

Subd. 8. [VEHICLES OWNED BY STATE OR POLITICAL SUBDIVISION.] A registration number must be issued without the payment of a fee for off-highway motorcycles owned by the state or political subdivision upon application.

Subd. 9. [LICENSING BY POLITICAL SUBDIVISIONS.] A political subdivision of this state may not require licensing or registration of off-highway motorcycles covered by sections 1 to 10.

Subd. 10. [REGISTRATION BY MINORS PROHIBITED.] A person under the age of 18 may not register an off-highway motorcycle.

Sec. 3. [84.932] [REQUIREMENTS OF MAKERS OF OFF-HIGHWAY MOTORCYCLES.]

Subdivision 1. [IDENTIFICATION NUMBER.] An off-highway motorcycle made after January 1, 1994, and sold in the state must have a manufacturer's permanent identification number stamped in letters and numbers on the vehicle in the form and at a location prescribed by the commissioner.

Subd. 2. [REGISTRATION NUMBER.] An off-highway motorcycle made after January 1, 1995, and sold in the state must be designed and made to provide an area to affix the registration number. This area must be at a location and of dimensions prescribed by the commissioner.

Sec. 4. [84.933] [RULEMAKING; ACCIDENT REPORT.]

(a) With a view of achieving proper use of off-highway motorcycles consistent with protection of the environment, the commissioner, in consultation with the commissioners of public safety and transportation, shall adopt rules under chapter 14 relating to:

(1) registration of off-highway motorcycles and display of registration numbers;

(2) use of off-highway motorcycles insofar as game and fish resources are affected;

(3) use of off-highway motorcycles on public lands and waters under the jurisdiction of the commissioner;

(4) uniform signs to be used by the state, counties, and cities necessary or desirable to control, direct, or regulate the operation and use of off-highway motorcycles; and

(5) off-highway motorcycle sound levels.

(b) The commissioner of public safety, in consultation with the commissioner of natural resources, may adopt rules under chapter 14 regulating the use of off-highway motorcycles on public roads.

(c) The operator and an officer investigating an accident of an off-highway motorcycle 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 forward within ten days a written report of the accident to the commissioner on a form prescribed by the commissioner.

Sec. 5. [84.934] [EDUCATION AND TRAINING.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish a comprehensive off-highway motorcycle environment and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of off-highway motorcycle operators, and the issuance of off-highway motorcycle safety certificates to operators under the age of 16 years who successfully complete the off-highway motorcycle environment and safety education and training courses.

Subd. 2. [FEE.] For the purposes of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee not to exceed \$5 from each person who receives the training. The fees must be credited to the off-highway motorcycle account.

Subd. 3. [COOPERATION AND CONSULTATION.] The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of off-road motorcycle operators.

Sec. 6. [84.935] [SIGNAL FROM OFFICER TO STOP.]

An off-highway motorcycle operator, after having received a visual or audible signal from a law enforcement officer to come to a stop, may not:

(1) operate an off-highway motorcycle in willful or wanton disregard of the signal to stop;

(2) interfere with or endanger the law enforcement officer or another person or vehicle; or

(3) increase speed or attempt to flee or elude the officer.

Sec. 7. [84.936] [YOUTHFUL OPERATORS; PROHIBITIONS.]

Subdivision 1. [PROHIBITIONS ON YOUTHFUL OPERATORS.] (a) After January 1, 1995, a person less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.

(b) Except for operation on public road rights-of-way that is permitted under section 9, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied on another off-highway motorcycle by a person 18 years of age or older.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 9, subdivision 1, paragraph (a), only if that person is accompanied on another off-highway motorcycle by a person 18 years of age or older who holds a valid driver's license.

Subd. 2. [HELMET REQUIRED.] A person less than 18 years of age may not operate an off-highway motorcycle on public land, public waters, or on a public road right-of-way unless wearing a safety helmet approved by the commissioner of public safety.

Subd. 3. [PROHIBITIONS ON OWNER.] An owner of an off-highway motorcycle may not knowingly allow it to be operated contrary to this section.

Subd. 4. [EYE PROTECTION REQUIRED.] A person may not operate an off-highway motorcycle without an eye-protective device.

Sec. 8. [84.937] [OFF-HIGHWAY MOTORCYCLE ACCOUNT; RECEIPTS AND ALLOCATIONS.]

Subdivision 1. [REGISTRATION REVENUE AND UNREFUNDED GASOLINE TAX.] Fees from the registration of off-highway motorcycles and the unrefunded gasoline tax attributable to off-highway motorcycle use under section 296.16 must be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund.

Subd. 2. [PURPOSES.] (a) Subject to appropriation by the legislature, money in the off-highway motorcycle account may only be spent for:

(1) administration, enforcement, and implementation of sections 1 to 10;

(2) acquisition, maintenance, and development of off-highway motorcycle trails and use areas; and

(3) grants-in-aid to counties and municipalities to construct and maintain off-highway motorcycle trails and use areas.

(b) The distribution of funds made available for grants-in-aid must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 9. [84.938] [OPERATION REQUIREMENTS; LOCAL REGULATION.]

Subdivision 1. [OPERATION ON PUBLIC ROAD RIGHTS-OF-WAY.] (a) A person may not operate an off-highway motorcycle within the right-of-way of a trunk, county state-aid, or county highway in this state unless the right-of-way encompasses:

- (1) a trail administered by the commissioner and designated for off-highway motorcycle use or multiple use; or
- (2) a corridor access trail designated under paragraph (b).

(b) A road authority, as defined in section 160.02, subdivision 9, may designate, with the approval of the commissioner, corridor access trails on public road rights-of-way for gaining access to established off-highway motorcycle trails.

(c) A person may not operate an off-highway motorcycle upon a trunk, county state-aid, or county highway in this state unless the vehicle is equipped with at least one headlight and one taillight, each of minimum candlepower as prescribed by rule of the commissioner, and with brakes conforming to standards prescribed by rule of the commissioner, all of which are subject to the approval of the commissioner of public safety.

(d) A person may not operate an off-highway motorcycle at any time within the right-of-way of an interstate highway or freeway within this state.

Subd. 2. [CROSSING PUBLIC ROAD RIGHT-OF-WAY.] (a) A person operating an off-highway motorcycle may make a direct crossing of a public road right-of-way provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the road and at a place where no obstruction prevents a quick and safe crossing;

(2) the off-highway motorcycle is brought to a complete stop before crossing the shoulder or main traveled way of the road;

(3) the driver yields the right-of-way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided road, the crossing is made only at an intersection of the road with another public road; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

(b) Chapter 169 applies to the operation of off-highway motorcycles upon streets and highways, except for those provisions relating to required equipment and those provisions that by their nature have no application.

Subd. 3. [EXEMPTIONS.] Subdivisions 1 and 2 do not apply to vehicles registered for public road use under chapter 168 when being operated on a traveled portion of a public road.

Subd. 4. [OPERATION GENERALLY.] A person may not drive or operate an off-highway motorcycle:

(1) at a rate of speed greater than reasonable or proper under the surrounding circumstances;

(2) in a careless, reckless, or negligent manner so as to endanger or to cause injury or damage to the person or property of another;

(3) in a tree nursery or planting in a manner that damages or destroys growing stock;

(4) without a brake operational by either hand or foot;

(5) at a speed exceeding ten miles per hour on the frozen surface of public waters within 100 feet of a person fishing or a fishing shelter; or

(6) in a manner that violates operation rules adopted by the commissioner.

Subd. 5. [OPERATING UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] A person may not operate or be in control of an off-highway motorcycle anywhere in this state or on the ice of any boundary water of this state while under the influence of alcohol or a controlled substance, as provided in section 169.121, and is subject to section 169.123. A conservation officer of the department of natural resources is a peace officer for the purposes of sections 169.121 and 169.123 as applied to the operation of an off-highway motorcycle in a manner not subject to registration under chapter 168.

Subd. 6. [OPERATION PROHIBITED ON AIRPORTS.] A person may not drive or operate an off-highway motorcycle on an airport defined in section 360.013, subdivision 5.

Subd. 7. [ORGANIZED CONTESTS.] Nothing in this section or chapter 169 prohibits the use of off-highway motorcycles within the right-of-way of a state trunk or county state-aid highway or upon public lands or waters under the jurisdiction of the commissioner of natural resources, in an organized contest of event, subject to the consent of the official or board having jurisdiction over the highway or public lands or waters.

In permitting the contest or event, the official or board having jurisdiction may prescribe restrictions, conditions, or permit revocation procedures, as the official or board considers advisable.

Subd. 8. [REGULATIONS BY POLITICAL SUBDIVISIONS.] A county, city, or town, acting through its governing body, may regulate the operation of off-highway motorcycles on public lands, waters, and property under its jurisdiction other than public road rights-of-way within its boundaries, by resolution or ordinance of the governing body and by giving appropriate notice, provided that:

(1) the regulations must be consistent with sections 1 to 10 and rules adopted under section 4;

(2) an ordinance may not impose a fee for the use of public land or water under the jurisdiction of either the department of natural resources or another agency of the state, or for the use of an access to it owned by the state, a county, or a city; and

(3) an ordinance may not require an off-highway motorcycle operator to possess a motor vehicle driver's license while operating an off-highway motorcycle.

Sec. 10. [84.939] [PENALTIES.]

A person who violates a provision of section 2, 3, 6, 7, or 9 is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1992, section 85.018, subdivision 2, is amended to read:

Subd. 2. [AUTHORITY OF LOCAL GOVERNMENT.] (a) A local government unit that receives state grants-in-aid for any trail, with the concurrence of the commissioner, and the landowner or land lessee, may:

(1) designate the trail for use by snowmobiles (or for nonmotorized use from December 1 to April 1 of any year; and

(2) issue any permit required under subdivisions 3 to 5.

(b) A local government unit that receives state grants-in-aid under section 84.927, subdivision 2, or section 8, subdivision 2, for any trail, with the concurrence of the commissioner, and landowner or land lessee, may:

(1) designate the trail specifically for use at various times of the year by all-terrain vehicles or off-highway motorcycles, for nonmotorized use such as ski touring, snowshoeing, and hiking, and for multiple use, but not for motorized and nonmotorized use at the same time; and

(2) issue any permit required under subdivisions 3 to 5.

(c) A local unit of government that receives state grants-in-aid for any trail, with the concurrence of the commissioner and landowner or land lessee, may designate certain trails for joint use by snowmobiles, off-highway motorcycles, and all-terrain vehicles.

Sec. 12. Minnesota Statutes 1992, section 85.018, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED USE; PERMITS, RESTRICTIONS.] Permits may be issued for motorized vehicles, other than those designated, to use a trail designated for use by snowmobiles, off-highway motorcycles, or all-terrain vehicles. Notice of the permit must be conspicuously posted, at the expense of the permit holder, at no less than one-half mile intervals along the trail, for the duration of the permit. Permits shall require that permit holders return the trail and any associated facility to their original condition if any damage is done by the permittee. Limited permits for special events such as races may be issued and shall require the removal of any trail markers, banners and other material used in connection with the special event.

Sec. 13. Minnesota Statutes 1992, section 85.018, subdivision 5, is amended to read:

Subd. 5. [~~SNOWMOBILE AND ALL TERRAIN~~ MOTORIZED VEHICLE TRAILS RESTRICTED.] (a) From December 1 to April 1 in any year no use of a motorized vehicle other than a snowmobile, unless authorized by permit, lease or easement, shall be permitted on a trail designated for use by snowmobiles.

(b) From December 1 to April 1 in any year no use of a motorized vehicle other than an all-terrain vehicle and an off-highway motorcycle, unless authorized by permit, shall be permitted on a trail designated for use by all-terrain vehicles and off-highway motorcycles.

Sec. 14. Minnesota Statutes 1992, section 171.03, is amended to read:

171.03 [PERSONS EXEMPT.]

The following persons are exempt from license hereunder:

(1) a person in the employ or service of the United States federal government while driving or operating a motor vehicle owned by or leased to the United States federal government, except that only a noncivilian operator of a commercial motor vehicle owned or leased by the United States Department of Defense or the Minnesota national guard is exempt from the requirement to possess a valid commercial motor vehicle driver's license;

(2) any person while driving or operating any farm tractor, or implement of husbandry temporarily operated or moved on a highway, and for purposes of this section an all-terrain vehicle, as defined in section 84.92, subdivision 8, is not an implement and an off-highway motorcycle, as defined in section 1, subdivision 7, are not implements of husbandry;

(3) a nonresident who is at least 15 years of age and who has in immediate possession a valid driver's license issued to the nonresident in the home state or country may operate a motor vehicle in this state only as a driver;

(4) a nonresident who has in immediate possession a valid commercial driver's license issued by a state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, and who is operating in Minnesota the class of commercial motor vehicle authorized by the issuing state;

(5) any nonresident who is at least 18 years of age, whose home state or country does not require the licensing of drivers may operate a motor vehicle as a driver, only for a period of not more than 90 days in any calendar year if the motor vehicle so operated is duly registered for the current calendar year in the home state or country of such nonresident;

(6) any person who becomes a resident of the state of Minnesota and who has in possession a valid driver's license issued to the person under and pursuant to the laws of some other state or province or by military authorities of the United States may operate a motor vehicle as a driver, only for a period of not more than 60 days after becoming a resident of this state without being required to have a Minnesota driver's license as provided in this chapter;

(7) any person who becomes a resident of the state of Minnesota and who has in possession a valid commercial driver's license issued by another state in compliance with the Commercial Motor Vehicle Safety Act of 1986, United States Code, title 49, sections 521, 2304, and 2701 to 2716, for not more than 30 days after becoming a resident of this state; and

(8) any person operating a snowmobile, as defined in section 84.81.

Sec. 15. Minnesota Statutes 1992, section 466.03, subdivision 16, is amended to read:

Subd. 16. Any claim against a county, arising from the operation of an all-terrain vehicle or off-highway motorcycle on land administered by a county under chapter 280, 281, or 282, except that the county is liable for conduct that would entitle a trespasser to damages against a private person.

Sec. 16. [DETERMINATION OF TAX ALLOCATION; REPORT TO LEGISLATURE.]

The commissioners of natural resources, revenue, and transportation shall jointly determine the amount of unrefunded gasoline tax attributable to off-highway motorcycle use in the state and shall report to the legislature by March 1, 1994, with an appropriate proposed revision to Minnesota Statutes, section 296.16.

Sec. 17. [LEGISLATIVE REPORT ON REGISTRATION AND USE.]

By January 1, 1995, the commissioner of natural resources shall report to the legislature on the number of off-highway motorcycles registered under section 2 and the growth patterns of off-highway motorcycle use in the state.

Sec. 18. [APPROPRIATION AND REIMBURSEMENT; INCREASED COMPLEMENT.]

Subdivision 1. [TO COMMISSIONER OF NATURAL RESOURCES.] \$..... is appropriated to the commissioner of natural resources from the general fund for the purposes of sections 1 to 17 and is available for the fiscal year ending June 30, 1994. The approved complement of the department of natural resources is increased by positions.

Subd. 2. [REIMBURSEMENT.] Amounts spent by the commissioner of natural resources from the appropriation in subdivision 1 must be reimbursed to the general fund. The amount necessary to make the reimbursement is appropriated from the off-highway motorcycle account in the natural resources fund to the commissioner of finance for transfer to the general fund.

Sec. 19. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Reding from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 555, A bill for an act relating to insurance; credit; permitting the sale of credit involuntary unemployment insurance; amending Minnesota Statutes 1992, sections 47.016, subdivision 1; 48.185, subdivision 4; 52.04, subdivision 1; 56.125, subdivision 3; 56.155, subdivision 1; 60K.03, subdivision 7; 60K.19, subdivision 3; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, by adding a subdivision; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, and 4; 62B.09, subdivisions 1, 2, and 3; 62B.11; 62B.12; and 72A.20, subdivision 27.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 47.016, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purpose of this section, the following terms have the meanings given them.

(b) "Credit insurance" means credit life ~~and~~, accident and health insurance, and credit involuntary unemployment insurance as defined in section 62B.02.

(c) "Officer," "director," "employee," and "shareholder" include the spouse and minor children of the officer, director, employee, or shareholder.

(d) "Interest" includes ownership through a spouse or minor children; ownership through a broker, nominee, or agent; and ownership through a corporation, partnership, association, joint venture, or proprietorship.

(e) "Financial institution" means any person who lends money and sells credit insurance to the borrower.

Sec. 2. Minnesota Statutes 1992, section 48.185, subdivision 4, is amended to read:

Subd. 4. No charges other than those provided for in subdivision 3 shall be made directly or indirectly for any credit extended under the authority of this section, except that there may be charged to the debtor:

(a) annual charges, not to exceed \$50 per annum, payable in advance, for the privilege of using a bank credit card;

(b) charges for premiums on credit life ~~and~~, credit accident and health, and credit involuntary unemployment insurance if:

(1) the insurance is not required by the financial institution and this fact is clearly disclosed in writing to the debtor; and

(2) the debtor is notified in writing of the cost of the insurance and affirmatively elects, in writing, to purchase the insurance;

(c) charges for the use of an automated teller machine when cash advances are obtained pursuant to this section through the use of an automated teller machine;

(d) in the case of a financial institution referred to in subdivision 1 that does not charge an annual fee, delinquency and collection charges as follows:

(1) on each payment in arrears for a period not less than ten days, in an amount not in excess of the delinquency and collection charge permitted in section 168.71;

(2) for any monthly or other periodic payment period where the debtor has exceeded or thereby exceeds the maximum approved credit limit under the open-end loan account arrangement, in an amount not in excess of the service charge limitations in section 332.50; and

(3) for any returned check or returned automatic payment withdrawal request, in an amount not in excess of the service charge limitation in section 332.50; and

(e) to the extent not otherwise prohibited by law, charges for other goods or services offered by or through a financial institution referred to in subdivision 1 which the debtor elects to purchase, including, but not limited to, charges for check and draft copies and for the replacement of lost or stolen cards.

Sec. 3. Minnesota Statutes 1992, section 52.04, subdivision 1, is amended to read:

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life ~~and~~, accident and health, and involuntary unemployment insurance within the

meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118 or section 9.031;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149.12, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(a) the loan is secured by a first lien;

(b) the board of directors approves the sale;

(c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(i) identify the loan or loans covered by the agreement;

(ii) provide for the collection, processing, remittance of payments of principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(vi) provide for loan status reports;

(vii) state the terms and conditions under which the agreement may be terminated or modified; and

(d) the sale is without recourse or repurchase unless the agreement:

(i) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(ii) allows the seller to repurchase at its discretion; or

(iii) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through August 1, 1985. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) to offer self-directed individual retirement accounts and Keogh accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 4. Minnesota Statutes 1992, section 56.125, subdivision 3, is amended to read:

Subd. 3. [CHARGES.] In addition to the charges authorized in subdivision 1, a licensee may contract for and receive in connection with an open-end loan agreement the additional charges, fees, costs, and expenses with respect to the line of credit limit permitted by sections 56.131, subdivisions 1, paragraph (f), clauses (4) and (5), 2, 5, and 6; and 56.155 with respect to other loans, with the following variations:

(1) If credit life ~~or~~, disability, or involuntary unemployment insurance is provided and if the insured dies ~~or~~, becomes disabled, or becomes involuntarily unemployed when there is an outstanding open-end loan indebtedness, the amount of the insurance may not exceed the total balance of the loan due on the date of the borrower's death or on the date of the last billing statement in the case of credit life insurance, or all minimum payments which become due on the loan during the covered period of disability in the case of credit disability insurance, or during the covered period of involuntary unemployment in the case of credit involuntary unemployment insurance. The additional charge for credit life insurance ~~or~~, credit disability insurance, or credit involuntary unemployment insurance must be calculated in each billing cycle by applying the current monthly premium rate for the insurance to the unpaid balances in the borrower's account.

(2) The amount, terms, and conditions of any credit insurance against loss or damage to property must be reasonable in relation to the character and value of the property insured.

Sec. 5. Minnesota Statutes 1992, section 56.155, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] No licensee shall, directly or indirectly, sell or offer for sale any insurance in connection with any loan made under this chapter except as and to the extent authorized by this section. The sale of credit life ~~and~~, credit accident and health, and credit involuntary unemployment insurance is subject to the provisions of chapter 62B, except that the term of the insurance may exceed 60 months if the term of the loan exceeds 60 months. Life, accident, ~~and health, and involuntary unemployment~~ insurance, or any of them, may be written upon or in connection with any loan but must not be required as additional security for the indebtedness. If the debtor chooses to procure credit life insurance ~~or~~, credit accident and health insurance, or credit involuntary unemployment insurance as security for the indebtedness, the debtor shall have the option of furnishing this security through existing policies of insurance that the debtor owns or controls, or of furnishing the coverage through any insurer authorized to transact business in this state. A statement in substantially the following form must be made orally and provided

in writing in bold face type of a minimum size of 12 points to the borrower before the transaction is completed for each credit life ~~and~~, accident and health, and involuntary unemployment insurance coverage sold:

CREDIT LIFE INSURANCE AND, CREDIT DISABILITY INSURANCE, AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT. YOU MAY BUY ANY INSURANCE FROM ANYONE YOU CHOOSE OR YOU MAY USE EXISTING INSURANCE.

The licensee shall disclose whether or not the benefits commence as of the first day of disability or involuntary unemployment and shall further disclose the number of days that an insured obligor must be disabled or involuntarily unemployed, as defined in the policy, before benefits, whether retroactive or nonretroactive, commence. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit accident and health or credit unemployment benefits may be procured by or through a licensee upon more than one of the obligors. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit life insurance may be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly. The premium or identifiable charge for the insurance must not exceed that filed by the insurer with the department of commerce. The charge, computed at the time the loan is made for a period not to exceed the full term of the loan contract on an amount not to exceed the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 must disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out in this section nor prevent any obligor from obtaining this insurance coverage from other sources. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from this insurance or the sale or provision thereof is not an additional or further charge in connection with the loan; nor are any of the provisions pertaining to insurance contained in this section prohibited by any other provision of this chapter.

Sec. 6. Minnesota Statutes 1992, section 60K.03, subdivision 7, is amended to read:

Subd. 7. [EXCEPTIONS.] The following are exempt from the general licensing requirements prescribed by this section:

- (1) agents of township mutuals who are exempted pursuant to section 60K.04;
- (2) fraternal benefit society representatives exempted pursuant to section 60K.05;
- (3) any regular salaried officer or employee of a licensed insurer, without license or other qualification, may act on behalf of that licensed insurer in the negotiation of insurance for that insurer, provided that a licensed agent must participate in the sale of the insurance;
- (4) employers and their officers or employees, and the trustees or employees of any trust plan, to the extent that the employers, officers, employees, or trustees are engaged in the administration or operation of any program of employee benefits for the employees of the employers or employees of their subsidiaries or affiliates involving the use of insurance issued by a licensed insurance company; provided that the activities of the officers, employees and trustees are incidental to clerical or administrative duties and their compensation does not vary with the volume of insurance or applications for insurance;
- (5) employees of a creditor who enroll debtors for credit life or, credit accident and health, or credit involuntary unemployment insurance; provided the employees receive no commission or fee for it;
- (6) clerical or administrative employees of an insurance agent who take insurance applications or receive premiums in the office of their employer, if the activities are incidental to clerical or administrative duties and the employee's compensation does not vary with the volume of the applications or premiums; and
- (7) rental vehicle companies and their employees in connection with the offer of rental vehicle personal accident insurance under section 72A.125.

Sec. 7. Minnesota Statutes 1992, section 60K.19, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] This section does not apply to:

(a) persons soliciting or selling solely on behalf of companies organized and operating according to chapter 67A; or

(b) persons holding life and health, or property and casualty licenses who, at the time of license renewal, certify to the commissioner in writing that they will sell only credit life, credit accident and health, credit involuntary unemployment, and credit property insurance, during that year and do in fact so limit their sale of insurance.

Sec. 8. Minnesota Statutes 1992, section 62B.01, is amended to read:

62B.01 [SCOPE.]

All life insurance ~~and~~, accident and health insurance, and involuntary unemployment insurance in connection with loan or other credit transactions ~~shall be~~ are subject to ~~the provisions of~~ sections 62B.01 to 62B.14, except mortgage life, mortgage accidental death, and mortgage disability insurance. Insurance ~~shall is~~ not be subject to ~~the provisions of~~ sections 62B.01 to 62B.14 where its issuance is an isolated transaction on the part of the insurer not related to an agreement or a plan for insuring debtors of the creditor. Credit life ~~and~~, credit accident and health, and credit involuntary unemployment insurance provided at no additional cost to the borrower ~~shall are~~ not be subject to ~~the provisions of~~ sections 62B.01 to 62B.14.

Sec. 9. Minnesota Statutes 1992, section 62B.02, is amended by adding a subdivision to read:

Subd. 3a. "Credit involuntary unemployment insurance" means insurance on a debtor in connection with a specified loan or other credit transaction to provide payment to a creditor in the event of involuntary unemployment of the debtor for the installment payments or other periodic payments becoming due while the debtor is involuntarily unemployed.

Sec. 10. Minnesota Statutes 1992, section 62B.03, is amended to read:

62B.03 [FORMS OF CREDIT LIFE INSURANCE ~~AND~~, CREDIT ACCIDENT AND HEALTH INSURANCE, AND CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE.]

Credit life insurance ~~and~~, credit accident and health insurance, and credit involuntary unemployment insurance shall be issued only in the following forms:

- (1) Individual policies of life insurance issued to debtors on the term plan;
- (2) Individual policies of accident and health insurance issued to debtors on a term plan or disability benefit provisions in individual policies of credit life insurance;
- (3) Individual policies of involuntary unemployment insurance issued to debtors on the term plan;
- (4) Group policies of life insurance issued to creditors providing insurance upon the lives of debtors on the term plan;
- (4) (5) Group policies of accident and health insurance issued to creditors on a term plan insuring debtors or disability benefit provisions in group credit life insurance policies to provide such coverage;
- (6) Group policies of involuntary unemployment insurance issued to creditors on a term plan insuring debtors.

Sec. 11. Minnesota Statutes 1992, section 62B.04, is amended by adding a subdivision to read:

Subd. 3. [CREDIT INVOLUNTARY UNEMPLOYMENT INSURANCE.] The total amount of periodic indemnity payable by credit involuntary unemployment insurance in the event of involuntary unemployment shall not exceed the aggregate of the periodic scheduled unpaid installments of the indebtedness; and the amount of each periodic indemnity payment shall not exceed the original indebtedness divided by the number of periodic installments.

Sec. 12. Minnesota Statutes 1992, section 62B.05, is amended to read:

62B.05 [TERM OF CREDIT LIFE INSURANCE AND CREDIT ACCIDENT AND HEALTH INSURANCE.]

The term of any credit life insurance ~~or~~ credit accident and health insurance, or credit involuntary unemployment insurance shall, subject to acceptance by the insurer, commence on the date when the debtor becomes obligated to the creditor, except that, where a group policy provides coverage with respect to existing obligations, the insurance on a debtor with respect to the indebtedness shall commence on the effective date of the policy. Where evidence of insurability is required and the evidence is furnished more than 30 days after the date when the debtor becomes obligated to the creditor, the term of the insurance may commence on the date on which the insurance company determines the evidence to be satisfactory, and in that event there shall be an appropriate refund or adjustment of any charge to the debtor for insurance. The term of the insurance shall not extend more than 15 days beyond the scheduled maturity date of the indebtedness except when extended without additional cost to the debtor.

If an indebtedness is prepaid in full before its scheduled maturity, except by performance of the insurer's obligation under the policy, the insurance shall be deemed canceled and a refund shall be paid or credited as provided in section 62B.08. Upon prepayment in full, the creditor shall make the refund of unearned premium, unless the credit insurance was originated by a third party, in which case the creditor shall promptly notify the third party who shall make the refund.

Sec. 13. Minnesota Statutes 1992, section 62B.06, subdivision 1, is amended to read:

Subdivision 1. All credit life insurance ~~and~~ credit accident and health insurance, and credit involuntary unemployment insurance shall be evidenced by an individual policy, memorandum copy, or in the case of group insurance by a certificate of insurance, which shall be delivered to the debtor.

Sec. 14. Minnesota Statutes 1992, section 62B.06, subdivision 2, is amended to read:

Subd. 2. Each individual policy or group certificate of credit life insurance, ~~or~~ credit accident and health insurance, or credit involuntary unemployment insurance, shall, in addition to other requirements of law, set forth the name and home office address of the insurer, the name or names of the debtor or in the case of a certificate under a group policy, the identity by name or otherwise of the debtor, the rate or amount of payment, if any, by the debtor separately for credit life insurance ~~and~~ credit accident and health insurance, and credit involuntary unemployment insurance, a description of the amount, term and coverage including any exceptions, limitations and restrictions, and shall state that the benefits shall be paid to the creditor to reduce or extinguish the unpaid indebtedness and, wherever the amount of insurance may exceed the unpaid indebtedness, that any such excess shall be payable to the debtor, if living, otherwise to a beneficiary, other than the creditor, named by the debtor or, otherwise to the debtor's estate. No individual or group policy of credit accident and health insurance or credit involuntary unemployment insurance issued, amended, renewed, or delivered in this state on or after January 1, 1976 shall contain any provision offsetting, or in any other manner reducing any benefit under the policy by the amount of, or in proportion to, any increase in disability or other benefits received or receivable under the federal Social Security Act, as amended subsequent to the date of commencement of such benefit.

Sec. 15. Minnesota Statutes 1992, section 62B.06, subdivision 4, is amended to read:

Subd. 4. If the individual policy or group certificate of insurance is not delivered to the debtor at the time the indebtedness is incurred, a copy of the application for the policy or a notice of proposed insurance, signed by the debtor and setting forth the name and home office address of the insurer, the name or names of the debtor, the premium or amount of payment by the debtor, if any, separately for credit life insurance ~~and~~ credit accident and health insurance, and credit involuntary unemployment insurance, the amount, term and a brief description of the coverage provided, shall be delivered to the debtor at the time the indebtedness is incurred. The copy of the application for, or notice of proposed insurance, shall also refer exclusively to insurance coverage, and shall be separate and apart from the loan, sale or other credit statement of account, instrument or agreement, unless the information required by this subdivision is prominently set forth therein. Upon acceptance of the insurance by the insurer and within 30 days of the date on which the indebtedness is incurred, the insurer shall cause the individual policy or group certificate of insurance to be delivered to the debtor. The application or notice of proposed insurance shall state that upon acceptance by the insurer, the insurance shall become effective as provided in section 62B.05. If an application for a policy or a notice of proposed insurance is not delivered at the time the indebtedness is incurred as required by this subdivision, the creditor shall assume all of the liabilities under such insurance until an insurer accepts the risk.

Sec. 16. Minnesota Statutes 1992, section 62B.07, subdivision 2, is amended to read:

Subd. 2. The commissioner shall within 60 days after the filing of policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements and riders, disapprove any such form if the premium rates charged or to be charged are excessive in relation to benefits, or if it contains provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the coverage, or are contrary to any provision of the insurance laws or of any rule promulgated thereunder. In order to determine whether the premium to be charged under a particular policy form submitted by an insurer is excessive in relation to benefits, and to facilitate the submission and approval of policy forms and premium rates to be used in connection therewith, the commissioner shall give full consideration to and make reasonable allowances for underwriting expenses including, but not limited to, claim adjustment expenses, general administrative expenses including costs for handling return premiums, compensation to agents, expense allowances to creditors, if any, branch and field expenses and other acquisition costs, the types of policies actually issued and authorized as defined in section 62B.03, (1), (2), (3) and (4), (5), and (6), and any and all other factors and trends demonstrated to be relevant. An insurer may support these factors by statistical information, experience, actuarial computations, and/or estimates certified by an executive officer of the insurer, and the commissioner shall give due consideration to such supporting data.

Sec. 17. Minnesota Statutes 1992, section 62B.07, subdivision 6, is amended to read:

Subd. 6. If a group policy of credit life insurance or credit accident and health insurance, or credit involuntary unemployment insurance

(1) has been delivered in this state before May 28, 1967, or

(2) has been or is delivered in another state before or after May 28, 1967, the insurer shall be required to file only the group certificate and notice of proposed insurance delivered or issued for delivery in this state as specified in subdivisions 2 and 4 of section 62B.06 and the forms shall be approved by the commissioner if they conform to the requirements specified in those subdivisions and if the schedules of premium rates applicable to the insurance evidenced by the certificate or notice are not in excess of the insurer's schedules of premium rates filed with the commissioner; provided, however, the premium rate in effect on existing group policies may be continued until the first policy anniversary date following the date this act is effective as provided in section 62B.12.

Sec. 18. Minnesota Statutes 1992, section 62B.08, subdivision 1, is amended to read:

Subdivision 1. An insurer may revise its schedules or premium rates from time to time, and shall file such revised schedules with the commissioner. No insurer shall issue any credit life insurance policy or credit accident and health insurance policy, or credit involuntary unemployment insurance policy for which the premium rate exceeds that determined by the schedules of the insurer then on file with the commissioner.

Sec. 19. Minnesota Statutes 1992, section 62B.08, subdivision 3, is amended to read:

Subd. 3. If a creditor requires a debtor to make a payment for credit life insurance or credit accident and health insurance, or credit involuntary unemployment insurance and an individual policy or group certificate of insurance is not issued, the creditor shall immediately give written notice to the debtor and shall promptly make an appropriate credit to the account.

Sec. 20. Minnesota Statutes 1992, section 62B.08, subdivision 4, is amended to read:

Subd. 4. The amount charged to a debtor for credit life or insurance, credit health and accident and health insurance, or credit involuntary unemployment insurance shall not exceed the premiums charged by the insurer, as computed at the time the charge to the debtor is determined, and any premium charged or collected on a single premium basis shall be submitted to the insurer within 90 days of the month in which said premium is charged or collected.

Sec. 21. Minnesota Statutes 1992, section 62B.08, is amended by adding a subdivision to read:

Subd. 5. With respect to credit involuntary unemployment insurance only, an insurer, subsidiary, or parent of the insurer shall not pay compensation to a creditor or a group policyholder offering credit involuntary unemployment insurance in excess of 30 percent of the net written premiums.

Sec. 22. Minnesota Statutes 1992, section 62B.08, is amended by adding a subdivision to read:

Subd. 6. "Compensation" means any valuable consideration, direct or indirect, paid by or on behalf of the insurer, or by any subsidiary or parent, or subsidiary of the parent of the insurer, or by any other person to whom or on behalf of any group policyholder or creditor or withheld from an insurer by any group policyholder or creditor, including but not limited to: commissions, retrospective commissions, retrospective rate credits, experience refunds, dividends, service fees, expense allowances or reimbursements, gifts, equipment, facilities, goods or services, or any other form of remuneration resulting directly from the sale of credit involuntary unemployment insurance.

Sec. 23. Minnesota Statutes 1992, section 62B.09, subdivision 3, is amended to read:

Subd. 3. Any creditor doing business in the state of Minnesota may, in the same office or place of business where such creditor transacts business, take applications or enrollments for credit life and insurance, credit accident and health insurance, or credit involuntary unemployment insurance upon a borrower and purchaser or one of them if there are two or more in connection with the making of a loan or sale.

Sec. 24. Minnesota Statutes 1992, section 62B.11, is amended to read:

62B.11 [EXISTING INSURANCE; CHOICE OF INSURER.]

When credit life insurance or, credit accident and health insurance, or credit involuntary unemployment insurance is required as additional security for any indebtedness, the debtor shall, upon request to the creditor, have the option of furnishing the required amount of insurance through existing policies of insurance owned or controlled by the debtor or of procuring and furnishing the required coverage through any insurer authorized to transact an insurance business within this state.

Sec. 25. Minnesota Statutes 1992, section 62B.12, is amended to read:

62B.12 [ENFORCEMENT.]

The commissioner may, after notice and hearing, issue rules the commissioner deems appropriate for the supervision of sections 62B.01 to 62B.14. The commissioner shall promulgate rules to establish rates for credit involuntary unemployment insurance prior to its issuance, and to enact the other provisions of this act, and the commissioner shall report by February 15, 1994, to the house committee on financial institutions and insurance and to the senate commerce committee on the rules or status of the rulemaking, including the expected loss ratio. On finding that there has been a violation of sections 62B.01 to 62B.14, or any rules issued pursuant thereto, after written notice thereof and hearing given to the insurer or other person authorized or licensed by the commissioner, the commissioner shall set forth the details of the findings together with an order for compliance by a specified date. The order shall be binding on the insurer and other person authorized or licensed by the commissioner on the date specified unless sooner withdrawn by the commissioner or a stay has been ordered by a court of competent jurisdiction. ~~The provisions of sections 62B.05, 62B.06, 62B.07 and 62B.08, shall not be operative until 90 days after May 28, 1967, and the commissioner may extend by not more than an additional 90 days the initial period within which the provisions of those sections shall not be operative.~~

Sec. 26. Minnesota Statutes 1992, section 72A.20, subdivision 27, is amended to read:

Subd. 27. [SOLICITATIONS AND SALES OF INSURANCE PRODUCTS TO BORROWERS.] (a) A loan officer, a loan representative, or other person involved in taking or processing a loan may not solicit an insurance product, except for credit life and, credit disability or, credit involuntary unemployment, mortgage life, mortgage accidental death, or mortgage disability, and except for life insurance when offered in lieu of credit life insurance, from the completion of the initial loan application, as defined in the federal Equal Credit Opportunity Act, United States Code, title 15, sections 1691 to 1691f, and any regulations adopted under those sections, until after the closing of the loan transaction.

(b) This subdivision applies only to loan transactions covered by the federal Truth-in-Lending Act, United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

(c) This subdivision does not apply to sales of title insurance, homeowner's insurance, a package homeowner's-automobile insurance product, automobile insurance, or a similar insurance product, required to perfect

title to, or protect, property for which a security interest will be taken if the product is required as a condition of the loan.

(d) Nothing in this subdivision prohibits the solicitation or sale of any insurance product by means of mass communication.

Sec. 27. [RULEMAKING COST ASSESSMENTS.]

Companies selling credit involuntary unemployment insurance shall be assessed by the department to pay the costs of rulemaking.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; credit; permitting the sale of credit involuntary unemployment insurance; amending Minnesota Statutes 1992, sections 47.016, subdivision 1; 48.185, subdivision 4; 52.04, subdivision 1; 56.125, subdivision 3; 56.155, subdivision 1; 60K.03, subdivision 7; 60K.19, subdivision 3; 62B.01; 62B.02, by adding a subdivision; 62B.03; 62B.04, by adding a subdivision; 62B.05; 62B.06, subdivisions 1, 2, and 4; 62B.07, subdivisions 2 and 6; 62B.08, subdivisions 1, 3, 4, and by adding subdivisions; 62B.09, subdivision 3; 62B.11; 62B.12; and 72A.20, subdivision 27."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 598, A bill for an act relating to retirement; expanding coordinated plan survivor coverage benefits for certain public employees and teachers; amending Minnesota Statutes 1992, sections 352.01, by adding a subdivision; 352.12, subdivision 2, and by adding subdivisions; 353.01, subdivision 15, and by adding a subdivision; 353.32, subdivision 1a, and by adding subdivisions; 354.05, subdivision 8, and by adding a subdivision; 354.46, subdivisions 2, 5, and by adding subdivisions; 354A.011, by adding a subdivision; and 354A.35, subdivision 2, and by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 352.01, is amended by adding a subdivision to read:

Subd. 26. [DEPENDENT CHILD.] "Dependent child" means a biological or adopted child of a deceased employee who has not reached the age of 20 and is dependent upon the employee for more than one-half of the child's support at the time of the employee's death. It also means a child of the member conceived during the member's lifetime and born after the member's death.

Sec. 2. Minnesota Statutes 1992, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] (a) If an employee or former employee ~~is at least 50 years old and has credit for at least three years allowable service or who has credit for at least 30 years of allowable service, regardless of age, and~~ dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse of the employee may elect to receive, in lieu of the refund with interest ~~provided in~~ under subdivision 1, an annuity equal to the joint and 100 percent survivor annuity which the employee could have qualified for had the employee terminated service on the date of death.

(b) If the employee was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the employee and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 352.116, subdivision 1, paragraph (a), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the employee was under age 55 and has credit for at least three years of allowable service credit on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the employee and surviving spouse at the time of death. The annuity is payable using the full early retirement reduction under section 352.116, subdivision 1 or 1a, to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

The surviving spouse eligible for surviving spouse benefits under paragraph (a) may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for the annuity at any time after the employee's death. The annuity must be computed as provided in under sections 352.115, subdivisions 1, 2, and 3, and 352.116, subdivisions 1, 1a, and 3. Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable under this subdivision. The annuity must cease with the last payment received by the surviving spouse in the lifetime of the surviving spouse, or upon expiration of a term certain benefit payment to a surviving spouse under subdivision 2a. An amount equal to the excess, if any, of the accumulated contributions credited to the account of the deceased employee in excess of the total of the benefits paid and payable to the surviving spouse must be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of the deceased spouse as specified under subdivision 1.

Any employee may request in writing that this subdivision not apply and that payment be made only to a designated beneficiary as otherwise provided by this chapter.

Sec. 3. Minnesota Statutes 1992, section 352.12, is amended by adding a subdivision to read:

Subd. 2a. [SURVIVING SPOUSE COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 2, or refund under subdivision 1, the surviving spouse of a deceased employee may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased employee. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

If a survivor elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 4. Minnesota Statutes 1992, section 352.12, is amended by adding a subdivision to read:

Subd. 2b. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 352.01, subdivision 26, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the employee's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the employee and age of the dependent child at the date of death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

Sec. 5. Minnesota Statutes 1992, section 353.01, subdivision 15, is amended to read:

Subd. 15. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under sections 353.31, subdivision 1, and 353.657, subdivision 3, "dependent child" means a natural biological or adopted child of a deceased member who is unmarried, and under the age of 18, or age 18 to 23, so long as the child submits evidence of full-time enrollment in an accredited educational institution. "Dependent child" also includes a child of the member conceived during the member's lifetime and born after the member's death. It also means a dependent child who is the subject of adoption proceedings filed by a member, and who within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member; subject, however, to the qualifying

conditions of age and dependency under this subdivision. The dependency of the child dates from the decree of adoption. "Dependent child" also includes a child age 18 to 23 who had submitted evidence of full-time enrollment in an accredited educational institution but was determined to be medically unable to continue school on a full-time basis. The board of trustees shall adopt written procedures to make determinations regarding eligibility based on a student being medically unable to continue school, and may not continue a benefit for medical reasons for a period greater than one year.

Sec. 6. Minnesota Statutes 1992, section 353.01, is amended by adding a subdivision to read:

Subd. 15a. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under section 353.32, subdivision 1c, "dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent for more than one-half of support upon the member. It also includes any child of the member conceived during the member's lifetime and born after the member's death.

Sec. 7. Minnesota Statutes 1992, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] (a) If a member or former member who has attained at least age 50 and has credit for not less than three years of allowable service or who has credit for not less than 30 years of allowable service, regardless of age attained, and dies before the annuity or disability benefit begins to accrue under section 353.29, subdivision 7, or 353.33, subdivision 2, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, instead of a refund with interest under subdivision 1, or surviving spouse benefits otherwise payable under section 353.31, an annuity equal to the 100 percent joint and survivor annuity that the member could have qualified for had the member terminated service on the date of death.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 353.30, subdivisions 1b and 1c, to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the member was under age 55 and has credit for at least three years of allowable service on the date of death but did not qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and surviving spouse at the time of death. The annuity is payable using the full early retirement reduction under section 353.30, subdivision 1, 1b, 1c, or 5, to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

Notwithstanding the definition of surviving spouse in section 353.01, subdivision 20, a former spouse of the member, if any, is entitled to a portion of the monthly surviving spouse optional annuity if stipulated under the terms of a marriage dissolution decree filed with the association. If there is no surviving spouse or child or children, a former spouse may be entitled to a lump-sum refund payment under subdivision 1, if provided for in a marriage dissolution decree but not a monthly surviving spouse optional annuity despite the terms of a marriage dissolution decree filed with the association.

The surviving spouse eligible for surviving spouse benefits under paragraph (a) may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for an annuity any time after the member's death. The annuity must be computed under sections 353.29, subdivisions 2 and 3; 353.30, subdivisions 1, 1a, 1b, 1c, and 5; and 353.31, subdivision 3.

Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity or surviving spouse benefit payable under this subdivision. No payment may accrue beyond the end of the month in which entitlement to the annuity has terminated or upon expiration of the term certain benefit payment under subdivision 1b. An amount equal to any excess of the accumulated contributions that were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse must be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member as specified under subdivision 1.

A member may specify in writing that this subdivision does not apply and that payment may be made only to the designated beneficiary as otherwise provided by this chapter.

Sec. 8. Minnesota Statutes 1992, section 353.32, is amended by adding a subdivision to read:

Subd. 1b. [SURVIVOR COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 1a, or a refund under subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage for a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 1a.

If a surviving spouse elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 9. Minnesota Statutes 1992, section 353.32, is amended by adding a subdivision to read:

Subd. 1c. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 1a, a dependent child or children as defined in section 353.01, subdivision 15a, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 1a using the age of the member and age of the dependent child at the date of death in lieu of the age of the surviving spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

Sec. 10. Minnesota Statutes 1992, section 354.05, subdivision 8, is amended to read:

Subd. 8. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under section 354.46, subdivision 1, "dependent child" means any natural biological or adopted child of a deceased member who has not reached the age of 18, or who is under age 22 and is a full-time student throughout the normal school year, unmarried and dependent for more than one-half of support upon such the member and for a period of at least 90 days prior to the member's death. It also includes any child of the member conceived while living and born after death.

Sec. 11. Minnesota Statutes 1992, section 354.05, is amended by adding a subdivision to read:

Subd. 8a. [DEPENDENT CHILD.] For the purpose of survivor benefit eligibility under section 354.46, subdivision 2b, "dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent for more than one-half of support upon the member. It also includes any child of the member conceived while living and born after death.

Sec. 12. Minnesota Statutes 1992, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] (a) The surviving spouse of any member or former member who has attained the age of at least 50 years and has credit for at least three years of allowable service or who has credit for at least 30 years of allowable service irrespective of age is entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to under subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to under section 354.47, subdivision 1, the surviving spouse is entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to specified under section 354.45, based on the age of the member and surviving spouse at the time of death of the member, and computed pursuant to under section 354.44, subdivision 2, or 6, or 7, whichever is applicable.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 354.44, subdivision 6, paragraph (3)(ii), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the member was under age 55 and has credit for at least three years of allowable service on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the surviving spouse at the time of death. The annuity is calculated using the full early retirement reduction under section 354.44, subdivision 6, to age 55 and one-half of the early

retirement reduction from age 55 to the age the annuity begins. The surviving spouse eligible for a surviving spouse benefit under paragraph (a) may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The surviving spouse eligible for surviving spouse benefits under paragraph (b) or (c) may apply for the annuity any time after the member's death. This benefit accrues from the day following the date of the member's death but may not begin to accrue more than six months before the date the application is filed with the executive director. Sections ~~354.44~~ 354.55, subdivision 6 11, and 354.60 apply to a deferred annuity payable under this section. The benefit is payable for life.

Sec. 13. Minnesota Statutes 1992, section 354.46, is amended by adding a subdivision to read:

Subd. 2a. [SURVIVOR COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 2, or a refund under section 354.47, subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

If a surviving spouse elects a term certain payment and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 14. Minnesota Statutes 1992, section 354.46, is amended by adding a subdivision to read:

Subd. 2b. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 354.05, subdivision 8a, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the member and age of the dependent child at the date of death in lieu of the age of the member and the spouse. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the member's account.

Sec. 15. Minnesota Statutes 1992, section 354.46, subdivision 5, is amended to read:

Subd. 5. [PAYMENT TO DESIGNATED BENEFICIARY.] Any member and the spouse of the member may make a joint specification in writing on a form prescribed by the executive director that the benefits provided in subdivision 2, or in section 354.47, subdivision 1, shall be paid only to a designated beneficiary. For purposes of this subdivision, a designated beneficiary may only be either a former spouse or a child, either ~~natural~~ biological or adopted, of the member, but more than one beneficiary may be designated for the benefit provided in section 354.47, subdivision 1.

Sec. 16. Minnesota Statutes 1992, section 354A.011, is amended by adding a subdivision to read:

Subd. 12a. [DEPENDENT CHILD.] "Dependent child" means any biological or adopted child of a deceased member who has not reached the age of 20 and is dependent on the member for more than one-half of the child's support at the time of the member's death. It also means a child of the member conceived during the member's lifetime and born after the member's death.

Sec. 17. Minnesota Statutes 1992, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] (a) The surviving spouse of any a coordinated member who has attained the age of at least 50 years and has credit for at least three years of service or has credit for at least 30 years of service regardless of age shall be entitled to joint and survivor annuity coverage in the event of death of the member and dies prior to retirement, may elect to receive, instead of a refund with interest under subdivision 1, an annuity equal to the 100 percent joint and survivor annuity the member could have qualified for had the member terminated service on the date of death. The surviving spouse eligible for a surviving spouse benefit under this paragraph may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. A surviving spouse eligible for surviving spouse benefits under paragraph (b) and (c) may apply for an annuity at any time after the member's death. The member's surviving spouse shall be paid a joint and survivor annuity as provided in under section 354A.32 and computed pursuant to under section 354A.31.

(b) If the member was under age 55 and has credit for at least 30 years of allowable service on the date of death, the surviving spouse may elect to receive a 100 percent joint and survivor annuity based on the age of the member and surviving spouse on the date of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6, paragraph (a), to age 55 and one-half of the early retirement reduction from age 55 to the age payment begins.

(c) If the member was under age 55 and has credit for at least three years of allowable service on the date of death but did not yet qualify for retirement, the surviving spouse may elect to receive the 100 percent joint and survivor annuity based on the age of the member and the survivor at the time of death. The annuity is payable using the full early retirement reduction under section 354A.31, subdivision 6 or 7, to age 55 and one-half of the early retirement reduction from age 55 to the date payment begins.

Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity or surviving spouse benefit payable under this section. The benefits ~~shall be~~ are payable for the life of the surviving spouse, or upon expiration of the term certain benefit payment under subdivision 2b.

Sec. 18. Minnesota Statutes 1992, section 354A.35, is amended by adding a subdivision to read:

Subd. 2b. [SURVIVOR COVERAGE TERM CERTAIN.] In lieu of the 100 percent optional annuity under subdivision 2, or a refund under subdivision 1, the surviving spouse of a deceased member may elect to receive survivor coverage in a term certain of five, ten, 15, or 20 years, but monthly payments must not exceed 75 percent of the average high-five monthly salary of the deceased member. The monthly term certain annuity must be actuarially equivalent to the 100 percent optional annuity under subdivision 2.

If a surviving spouse elects a term certain annuity and dies before the expiration of the specified term certain period, the commuted value of the remaining annuity payments must be paid in a lump sum to the survivor's estate.

Sec. 19. Minnesota Statutes 1992, section 354A.35, is amended by adding a subdivision to read:

Subd. 2c. [DEPENDENT CHILD SURVIVOR COVERAGE.] If there is no surviving spouse eligible for benefits under subdivision 2, a dependent child or children as defined in section 354A.011, subdivision 12a, is eligible for monthly payments. Payments to a dependent child must be paid from the date of the member's death to the date the dependent child attains age 20 if the child is under age 15. If the child is 15 years or older on the date of death, payment must be made for five years. The payment to a dependent child is an amount actuarially equivalent to the value of a 100 percent optional annuity under subdivision 2 using the age of the member and age of the dependent child at the date of death. If there is more than one dependent child, each dependent child shall receive a proportionate share of the actuarial value of the employee's account.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to retirement; expanding coordinated plan survivor coverage benefits for certain public employees and teachers; amending Minnesota Statutes 1992, sections 352.01, by adding a subdivision; 352.12, subdivision 2, and by adding subdivisions; 353.01, subdivision 15, and by adding a subdivision; 353.32, subdivision 1a, and by adding subdivisions; 354.05, subdivision 8, and by adding a subdivision; 354.46, subdivisions 2, 5, and by adding subdivisions; 354A.011, by adding a subdivision; and 354A.35, subdivision 2, and by adding subdivisions."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 746, A bill for an act relating to motor vehicles; requiring vehicle owner to transfer certificate of title upon gaining ownership to motor vehicle; allowing registrar to research records before responding to phone request; amending Minnesota Statutes 1992, sections 168.10, subdivision 1; 168.34; and 168A.30, subdivision 2.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 761, A bill for an act relating to local government; providing for the preparation and review of accounts; providing for duties of the state auditor; providing for the costs of examinations; defining the limits to various types of compensation; providing procedures for the satisfaction of claims; providing procedures for the removal of city managers; limiting certain high risk investments; amending Minnesota Statutes 1992, sections 6.56; 16B.06, subdivision 4; 43A.17, subdivision 9; 340A.602; 375.162, subdivision 2; 375.18, by adding subdivisions; 412.271, subdivision 1, and by adding subdivisions; 412.641, subdivision 1; and 475.66, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 6; 465; and 471.

Reported the same back with the following amendments:

Page 12, line 27, delete "or"

Page 12, line 33, before the period insert "; or"

(3) the commissioner of employee relations has determined a position within a specific local unit of government requires special expertise necessitating a larger severance pay guarantee to attract or retain a qualified person. The commissioner shall develop a process for the governing body of a local unit of government to use when applying for an exemption under this clause. The commissioner shall review each proposed exemption giving due consideration to severance pay guarantees that are made to other persons with similar responsibilities in the state and nation"

Page 18, after line 20, insert:

"Sec. 21. [EXEMPTION FROM ANNUAL AUDIT.]

Notwithstanding Minnesota Statutes, section 412.591, subdivision 2; the city of Hazel Run is exempt from the annual audit of the city's financial affairs for the 1992 year."

Page 18, line 21, delete "21" and insert "22"

Page 18, line 25, delete "22" and insert "23"

Amend the title as follows:

Page 1, line 9, after the semicolon insert "exempting Hazel Run from annual audit for the year 1992;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 777, A bill for an act relating to consumers; requiring certain disclosures when consumer reports are used for employment purposes; providing for access to consumer reports; amending Minnesota Statutes 1992, section 13C.01, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13C; repealing Minnesota Statutes 1992, section 13C.01, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [13C.001] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter.

Subd. 2. [CONSUMER.] "Consumer" means an individual.

Subd. 3. [CONSUMER REPORT.] (a) "Consumer report" means a written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used or collected in whole or in part for:

(1) the purpose of serving as a factor in establishing the consumer's eligibility for credit or insurance to be used primarily for personal, family, or household purposes;

(2) employment purposes; or

(3) other purposes authorized under United States Code, title 15, section 1681b.

(b) Consumer report does not include:

(1) a report containing information solely as to transactions or experiences between the consumer and the person making the report;

(2) an authorization or approval of a specific extension of credit directly or indirectly by the issuer of a credit card or similar device; or

(3) a report in which a person who has been requested by a third party to make a specific extension of credit directly or indirectly to a consumer conveys a decision with respect to the request, if the third party advises the consumer of the name and address of the person to whom the request was made and the person makes the disclosures to the consumer required under United States Code, title 15, section 1681m.

Subd. 4. [CONSUMER REPORTING AGENCY.] "Consumer reporting agency" means a person that, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

Subd. 5. [EMPLOYMENT PURPOSES.] "Employment purposes" means evaluating a consumer for hiring, compensation, promotion, reassignment, retention, or with respect to other terms and conditions of employment.

Subd. 6. [INVESTIGATIVE CONSUMER REPORT.] "Investigative consumer report" means a consumer report in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer or with others with whom the consumer is acquainted or who may have knowledge concerning the information. Investigative consumer report does not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when the information was obtained directly from a creditor of the consumer or from the consumer.

Sec. 2. Minnesota Statutes 1992, section 13C.01, subdivision 1, is amended to read:

Subdivision 1. [FEE FOR REPORT.] (a) A consumer who is the subject of a credit consumer report maintained by a credit consumer reporting agency is entitled to request and receive by mail, for a charge not to exceed \$8, a copy of the credit consumer report once in any 12-month period. The mailing must contain a statement of the consumer's right to dispute and correct any errors and of the procedures set forth in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et seq., for that purpose. The credit consumer reporting agency shall respond to a request under this subdivision within 30 days.

(b) A consumer who exercises the right to dispute and correct errors is entitled, after doing so, to request and receive by mail, without charge, a copy of the credit consumer report in order to confirm that the credit consumer report was corrected.

(c) ~~For purposes of this section, the terms "consumer," "credit report," and "credit reporting agency" have the meanings given them in the federal Fair Credit Reporting Act, United States Code, title 15, sections 1681 et seq.~~

Sec. 3. [13C.02] [DISCLOSURE OF USE OF CONSUMER REPORTS FOR EMPLOYMENT PURPOSES.]

Subdivision 1. [DISCLOSURE REQUIRED.] A person may not obtain or cause to be prepared a consumer report on a consumer for employment purposes unless the person clearly and accurately discloses to the consumer that a consumer report may be obtained or caused to be prepared. The disclosure must inform the consumer of the right to request additional information on the nature of the report under subdivision 3. In the case of an investigative consumer report, the disclosure under this subdivision must inform the consumer that the report may include information obtained through personal interviews regarding the consumer's character, general reputation, personal characteristics, or mode of living.

Subd. 2. [FORM; COPY.] The disclosure required under subdivision 1 must be in writing and must be provided to the consumer before the consumer report is obtained or caused to be prepared. If a written application is provided for employment purposes by an employer or prospective employer, the disclosure must be included in or accompany the application. The disclosure must include a box that the person may check off and return to receive a copy of the consumer report. If the consumer requests a copy of the report, the person requesting the report shall request the person preparing the report to provide a copy to the consumer. The report must be sent to the consumer by the person preparing the report within 24 hours of providing it to the person requesting the report. The report to the consumer must include a statement of the consumer's right to dispute and correct any errors and of the procedures under United States Code, title 15, section 1681 to 1681t. A consumer may not be charged for a report provided under this section. If no report exists, the consumer reporting agency has no obligation to the consumer under this section.

Subd. 3. [FURTHER DISCLOSURE IF REQUESTED.] A consumer reporting agency shall, upon written request from the consumer, make a complete and accurate disclosure of the nature and scope of the report. The disclosure under this subdivision must be in writing and must be mailed or delivered to the consumer within five days after the request for the disclosure was received or the consumer report was requested, whichever date is later.

Subd. 4. [EXCEPTION.] This section does not apply to (1) a consumer report to be used for employment purposes for which the consumer has not specifically applied; and (2) information relating to the investigation of a current violation of a criminal or civil statute by a current employee or an investigation of employee conduct for which the employer may be liable, unless or until the investigation is completed.

Sec. 4. [13C.03] [NOTICE OF ADVERSE ACTION.]

If employment is denied or other adverse action for employment purposes is taken against a consumer wholly or partly because of information contained in a consumer report, the user of the report shall so advise the consumer and notify the consumer of the consumer's right to receive a copy of the report if a copy was not received pursuant to section 3, subdivision 2. The user of the report shall also give the consumer the name and address of the consumer reporting agency making the report and a notice of the consumer's right to dispute and correct any errors and of the procedures under United States Code, title 15, section 1681 to 1681t. Upon written request from the consumer, the consumer reporting agency shall provide a copy of the report to the consumer within five days of receipt of the request. A consumer may not be charged for a report provided under this section.

Sec. 5. [13C.04] [ENFORCEMENT; REMEDIES.]

This chapter may be enforced by the attorney general or the county attorney pursuant to section 8.31 or 325F.70 and the public and private remedies available under those sections apply to this chapter.

Sec. 6. [REPEALER.]

Minnesota Statutes 1992, section 13C.01, subdivision 2, is repealed."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 802, A bill for an act relating to traffic regulations; providing for the traffic offense of failure to maintain control of a vehicle; providing penalty; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Judiciary without further recommendation.

The report was adopted.

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

H. F. No. 813, A bill for an act relating to game and fish; seasons for taking deer by muzzle-loading firearms; amending Minnesota Statutes 1992, section 97B.311.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (4) and (5), and 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement or deer management programs.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system.

Sec. 2. Minnesota Statutes 1992, section 97B.301, subdivision 4, is amended to read:

Subd. 4. [TAKING ~~TWO~~ MORE THAN ONE DEER.] The commissioner may, by rule, allow a person to take ~~two more than one~~ deer. The commissioner shall prescribe the conditions for taking ~~the second~~ additional deer including:

- (1) taking by firearm or archery;
- (2) obtaining an additional license; and
- (3) payment of a fee not more than the fee for a firearms deer license.

Sec. 3. Minnesota Statutes 1992, section 97B.311, is amended to read:

97B.311 [DEER SEASONS AND RESTRICTIONS.]

The commissioner may, by rule, prescribe restrictions and designate areas where deer may be taken. The commissioner may, by rule, prescribe the open seasons for deer within the following periods:

- (1) taking with firearms, other than muzzle-loading firearms, between November 1 and ~~December~~ January 15;
- (2) taking with muzzle-loading firearms between September 1 and December 31; and
- (3) taking by archery between September 1 and December 31.

In setting seasons, the commissioner shall consider expanding the areas where deer may be taken with muzzle-loading firearms.

Delete the title and insert:

"A bill for an act relating to game and fish; directing expenditure of funds for deer management programs; authorizing the commissioner to allow the taking of additional deer; lengthening the permissible deer season; directing consideration of expanding muzzle-loading deer zones; amending Minnesota Statutes 1992, sections 97A.075, subdivision 1; 97B.301, subdivision 4; and 97B.311."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 818, A bill for an act relating to health; permitting minors to give consent for a hepatitis B vaccination; establishing procedures and programs relating to tuberculosis; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [144.3441] [HEPATITIS B VACCINATION.]

A minor may give effective consent for a hepatitis B vaccination. The consent of no other person is required.

Sec. 2. [144.441] [TUBERCULOSIS SCREENING IN SCHOOLS.]

Subdivision 1. [DEFINITIONS.] As used in sections 2 to 5, the following terms have the meanings given them:

(a) "Person employed by a school or school district" means a person employed by a school, school district, or by an educational cooperative services unit as a member of the instructional, supervisory, or support staff including, but not limited to, superintendents, principals, supervisors, teachers, librarians, counselors, school psychologists, school nurses, school social workers, audiovisual directors or coordinators, recreation personnel, media generalists or supervisors, speech therapists, athletic coaches, teachers' aids, clerical workers, custodians, school bus drivers, and food service workers.

(b) "Person enrolled in a school" means a person enrolled in grades kindergarten through 12 and a handicapped child receiving special instruction and services in a school.

(c) "School" includes any public elementary, middle, secondary, or vocational center school as defined in section

120.05, or nonpublic school, church, or religious organization in which a child is provided instruction in compliance with sections 120.101 and 120.102.

Subd. 2. [DESIGNATION OF SCHOOLS.] Based on the occurrence of active tuberculosis or evidence of a higher than expected prevalence of tuberculosis infection in the population attending or employed by one or more schools in a school district, the commissioner of health may designate schools or a school district in which screening of some or all persons enrolled in or employed by the school or school district for tuberculosis is a necessary public health measure. In making the designation, the commissioner shall also determine the frequency with which proof of screening must be submitted. In determining whether the population attending or employed by a school or school district has a higher than expected prevalence of tuberculosis infection, the commissioner shall consider factors such as race or ethnicity, age, and the geographic location of residence of the student population; the expected background prevalence of tuberculosis infection in the community; and currently accepted public health standards pertaining to the control of tuberculosis.

Subd. 3. [SCREENING OF STUDENTS.] As determined by the commissioner under subdivision 2, no person may enroll or remain enrolled in any school which the commissioner has designated under subdivision 2 until the person has submitted to the administrator or other person having general control and supervision of the school, one of the following statements:

(1) a statement from a physician or public clinic stating that the person has had a negative Mantoux test reaction within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(2) a statement from a physician or public clinic stating that a person who has a positive Mantoux test reaction has had a negative chest roentgenogram (X-ray) for tuberculosis within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(3) a statement from a physician or public health clinic stating that the person (i) has a history of adequately treated active tuberculosis; (ii) is currently receiving tuberculosis preventive therapy; (iii) is currently undergoing therapy for active tuberculosis and the person's presence in a school building will not endanger the health of other people; or (iv) has completed a course of tuberculosis preventive therapy or was intolerant to preventive therapy, provided the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; or

(4) a notarized statement signed by the minor child's parent or guardian or by the emancipated person stating that the person has not submitted the proof of tuberculosis screening as required by this subdivision because of the conscientiously held beliefs of the parent or guardian of the minor child or of the emancipated person. This statement must be forwarded to the commissioner.

Subd. 4. [SCREENING OF EMPLOYEES.] As determined by the commissioner under subdivision 2, a person employed by the designated school or school district shall submit to the administrator or other person having general control and supervision of the school one of the following:

(1) a statement from a physician or public clinic stating that the person has had a negative Mantoux test reaction within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(2) a statement from a physician or public clinic stating that a person who has a positive Mantoux test reaction has had a negative chest roentgenogram (X-ray) for tuberculosis within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(3) a statement from a physician or public health clinic stating that the person (i) has a history of adequately treated active tuberculosis; (ii) is currently receiving tuberculosis preventive therapy; (iii) is currently undergoing therapy for active tuberculosis and the person's presence in a school building will not endanger the health of other people; or (iv) has completed a course of preventive therapy or was intolerant to preventive therapy, provided the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; or

(4) a notarized statement signed by the person stating that the person has not submitted the proof of tuberculosis screening as required by this subdivision because of conscientiously held beliefs. This statement must be forwarded to the commissioner of health.

Subd. 5. [EXCEPTIONS.] Subdivisions 3 and 4 do not apply to:

(1) a person with a history of either a past positive Mantoux test reaction or active tuberculosis who has a documented history of completing a course of tuberculosis therapy or preventive therapy when the school or school district holds a statement from a physician or public health clinic indicating that such therapy was provided to the person and that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; and

(2) a person with a history of a past positive Mantoux test reaction who has not completed a course of preventive therapy. This determination shall be made by the commissioner based on currently accepted public health standards and the person's health status.

Subd. 6. [PROGRAMS USING SCHOOL FACILITIES.] The commissioner may require the statements described in subdivisions 3 and 4 to be submitted by participants or staff of a program or activity that uses the facilities of a school or school district on a regular and ongoing basis, if the commissioner has determined that tuberculosis screening is necessary.

Subd. 7. [IMPLEMENTATION.] The administrator or other person having general control and supervision of the school or school district designated by the commissioner under subdivision 2 shall take the measures that are necessary, including the exclusion of persons from the premises of a school, to obtain the proof of screening required by subdivisions 3 and 4.

Subd. 8. [ACCESS TO RECORDS.] The commissioner shall have access to any school or school district records, including health records of persons enrolled in or employed by a school or school district, that are needed to determine whether a tuberculosis screening program is necessary, or to administer a screening program.

Subd. 9. [REPORTS.] The administrator or other person having general control and supervision of a school or school district that the commissioner has designated under subdivision 2 shall provide the commissioner with any reports determined by the commissioner to be necessary to implement a screening or control program or to evaluate the need for further tuberculosis screening or control efforts in a school.

Subd. 10. [WAIVER.] The commissioner may waive any portion of the requirements of subdivisions 3 to 9 if the commissioner determines that it is not necessary in order to protect the public health.

Sec. 3. [144.442] [TESTING IN SCHOOL CLINICS.]

Subdivision 1. [ADMINISTRATION; NOTIFICATION.] In the event that the commissioner designates a school or school district under section 2, subdivision 2, the school or school district or board of health may administer Mantoux screening tests to some or all persons enrolled in or employed by the designated school or school district. Any Mantoux screening provided under this section shall be under the direction of a licensed physician.

Prior to administering the Mantoux test to such persons, the school or school district or board of health shall inform in writing such persons and parents or guardians of minor children to whom the test may be administered, of the following:

(1) that there has been an occurrence of active tuberculosis or evidence of a higher than expected prevalence of tuberculosis infection in that school or school district;

(2) that screening is necessary to avoid the spread of tuberculosis;

(3) the manner by which tuberculosis is transmitted;

(4) the risks and possible side effects of the Mantoux test;

(5) the risks from untreated tuberculosis to the infected person and others;

(6) the ordinary course of further diagnosis and treatment if the Mantoux test is positive;

(7) that screening has been scheduled; and

(8) that no person will be required to submit to the screening if he or she submits a statement of objection due to the conscientiously held beliefs of the person employed or of the parent or guardian of a minor child.

Subd. 2. [CONSENT OF MINORS.] Minors may give consent for testing as set forth in sections 144.341 to 144.347.

Subd. 3. [SCREENING OF MINORS.] Prior to administering a Mantoux test to a minor, the school or school district or board of health shall prepare a form for signature in which the parent or guardian shall consent or submit a statement of objection to the test. The parent or guardian of a minor child shall return a signed form to the school or school district or board of health which is conducting the screening indicating receipt of the notice and consent or objection to the administration of the test. In the event that the form with a signed consent or objection is not returned, the school or school district or board of health may undertake such steps as are reasonable to secure such consent or objection. If after such steps the school or school district or board of health chooses to screen the minor without consent, it shall send a notice of intent to test by certified mail, restricted delivery with return receipt, to the address given to the school or school district by the parent or guardian for emergency contact of the parent or guardian. The accuracy of the address shall be checked with the person enrolled, if possible, placing notice as specified in this subdivision shall constitute service. Reasonable efforts shall be made to provide this notice in a language understood by the parent or guardian. If this notice cannot be delivered or a form with a signed consent or objection is not returned, the school or school district or board of health shall check the permanent medical record required by section 144.29 to determine if the parent or guardian previously withheld consent to immunizations or other medical treatment because of conscientiously held beliefs. If there is such a statement on file or if the school district otherwise has notice of such a statement, the school or school district or board of health shall not administer the Mantoux test unless the consent of the parent or guardian is obtained. If there is no such statement in the permanent medical record or known to exist otherwise, the school or school district or board of health may administer the Mantoux test at the time and place specified in the notice unless medically contraindicated. The school or school district or board of health shall document in the permanent medical record its efforts to notify the parent or guardian of the minor child, and its efforts to check the permanent medical records.

Subd. 4. [CONSENT FOR SUBSEQUENT TESTING OR TREATMENT.] In the event the Mantoux test is positive, no further diagnosis of or treatment for tuberculosis in a minor child shall be undertaken without the signed consent of the parent or guardian of the minor child.

Sec. 4. [144.443] [TUBERCULOSIS HEALTH THREAT TO OTHERS.]

A "health threat to others" as defined in section 144.4172, subdivision 8, includes a person who although not currently infectious, has failed to complete a previously prescribed course of tuberculosis therapy, demonstrates an inability or unwillingness to initiate or complete, or shows an intent to fail to complete, a prescribed course of tuberculosis drug therapy, if that failure could lead to future infectiousness.

Sec. 5. [144.444] [TUBERCULOSIS EMERGENCY HOLD.]

A temporary emergency hold under section 144.4182 may be placed on a person who is a health threat to others when there is reasonable cause to believe that the person may be unlocatable for the purposes of applying the procedures described in sections 144.4171 to 144.4186, or when medical or epidemiologic evidence suggests that the person is or may become infectious before the conclusion of court proceedings and appeals.

Sec. 6. [144.445] [TUBERCULOSIS SCREENING IN CORRECTIONAL INSTITUTIONS AND FACILITIES.]

Subdivision 1. [SCREENING OF INMATES.] All persons detained or confined for seven consecutive days or more in facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health. Administration of the Mantoux test or chest roentgenogram (X-ray) must take place on or before the seventh day of detention or confinement.

Subd. 2. [SCREENING OF EMPLOYEES.] All employees of facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis before employment in the facility and annually thereafter, with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health.

Subd. 3. [EXCEPTIONS.] Subdivisions 1 and 2 do not apply to:

(1) a person who is detained or confined in a juvenile temporary holdover facility, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(2) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative Mantoux test performed on the person (i) within three months prior to intake into the facility; or (ii) within 12 months prior to intake into the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative Mantoux test, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(3) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility has a written record of (i) a history of adequately treated active tuberculosis; (ii) compliance with currently prescribed tuberculosis therapy or preventive therapy; or (iii) completion of a course of preventive therapy, provided the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) to rule out active tuberculosis;

(4) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative chest roentgenogram (X-ray) (i) within six months; or (ii) within 12 months prior to intake in the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative chest roentgenogram (X-ray), provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a new chest roentgenogram (X-ray) to rule out active tuberculosis;

(5) an employee with a record of either a past positive Mantoux test reaction or active tuberculosis who is currently completing or has a documented history of completing a course of tuberculosis therapy or preventive therapy, provided the employee has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;

(6) an employee with a positive or significant Mantoux test reaction in preemployment screening who does not complete a course of preventive therapy may be exempt from annual Mantoux testing or other screening. This determination shall be made by the commissioner of health based on currently accepted public health standards and the person's health status; and

(7) the commissioner may exempt additional employees or persons detained or confined in facilities operated, licensed, or inspected by the department of corrections based on currently accepted public health standards or the person's health status.

Subd. 4. [REPORTS.] The administrator or other person having general control and supervision of a facility operated, licensed, or inspected by the department of corrections shall provide the commissioner with any reports determined by the commissioner of health to be necessary to evaluate the need for further tuberculosis screening or control efforts in a facility or facilities.

Subd. 5. [WAIVER.] The commissioner may waive any portion of the requirements of subdivisions 1 to 4 if the commissioner of health determines that it is not necessary to protect the public health or if the screening may have a detrimental effect on a person's health status.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment. Section 5 is effective January 1, 1994."

Delete the title and insert:

"A bill for an act relating to health; permitting minors to give consent for a hepatitis B vaccination; establishing procedures and programs relating to tuberculosis; proposing coding for new law in Minnesota Statutes, chapter 144."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 977, A bill for an act relating to retirement; Minneapolis employees retirement fund; permitting purchase of service credit by a certain member.

Reported the same back with the following amendments:

Page 1, line 18, delete "1982" and insert "1981"

Page 2, line 33, delete "(b)" and insert "(a)"

Page 3, line 4, after "sum" insert "before December 31, 1993, unless the executive director agrees to accept payment in installments, not to exceed three years. If the executive director agrees to accept installment payments, payments must include interest at a rate determined by the executive director, and payments must begin before December 31, 1993"

Page 3, delete lines 5 and 6

Page 3, line 9, after "the" insert "full"

Page 3, line 13, delete "1" and insert "2"

Page 3, delete lines 18 and 19, and insert:

"Sec. 2. [LOCAL APPROVAL.]

Section 1 is effective the day following approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021."

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

The report was adopted.

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

H. F. No. 1117, A bill for an act relating to human services; clarifying and changing license evaluation requirements and eliminating certain restrictions on businesses providing certain adult foster care services; changing the billing cycle and collection retention for certain human services programs; modifying conditions for the Minnesota family investment plan; changing the name of the hearing impaired services act and the council for the hearing impaired; changing requirements for child protection training and clarifying maltreatment reporting; amending Minnesota Statutes 1992, sections 245A.04, subdivision 6; 245A.11, subdivision 2a; 256.019; 256.025, subdivision 3; 256.033, subdivision 1; 256.034, subdivision 1; 256.0361, subdivision 1; 256C.21; 256C.22; 256C.23, subdivisions 2, 3, and by adding a subdivision; 256C.24; 256C.25, subdivision 1; 256C.26; 256C.27; 256C.28; 268.871, subdivision 1; 626.556, subdivisions 10 and 11; 626.559, subdivisions 1 and 1a; and 626.5591.

Reported the same back with the following amendments:

Page 2, delete section 2

Page 17, lines 23 and 24, delete the new language

Page 18, lines 7 to 13, delete the new language

Renumber the sections in sequence

Correct the internal references

Amend the title as follows:

Page 1, line 13, delete everything after "6;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1122, A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, subdivision 1.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1161, A bill for an act relating to retirement; public employees retirement association; permitting payment in lieu of salary deductions to obtain service credit notwithstanding a one-year time limitation.

Reported the same back with the following amendments:

Page 1, line 8, after "1." insert "[ELECTION AUTHORIZATION.]"

Page 1, line 9, after "payments" insert "for a period of an authorized leave of absence without pay"

Page 1, line 11, after "make" insert "a"

Page 1, line 12, after "periods" insert "of authorized leave of absence without pay occurring"

Page 1, line 15, after "2." insert "[AMOUNT OF PAYMENT.]" and after "payment" insert "under subdivision 1" and before "a" insert "then"

Page 1, line 22, after the period insert "Any amount under this subdivision that is not paid by Ramsey county must be paid by the person described in subdivision 1."

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

The report was adopted.

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

H. F. No. 1376, A bill for an act relating to the metropolitan council; redrawing the boundaries of council districts; amending Minnesota Statutes 1992, sections 473.123, subdivision 3a, and by adding a subdivision; 473.141, subdivisions 2 and 4a; 473.373, subdivision 4a; 473.604, subdivision 1; and 473.703, subdivisions 1 and 2; repealing Minnesota Statutes 1992, section 473.123, subdivision 3b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 473.123, subdivision 3a, is amended to read:

Subd. 3a. [APPORTIONMENT REDISTRICTING.] The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective ~~on the first Monday in January in the year ending in the numeral "3."~~ ~~By the first Monday in March of that year~~ Within 60 days after a redistricting plan takes effect, the governor shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.

Sec. 2. Minnesota Statutes 1992, section 473.123, is amended by adding a subdivision to read:

Subd. 3c. [DISTRICT BOUNDARIES.] The council district boundaries are as follows:

(1) The first council district consists of that portion of Hennepin county consisting of the cities of Champlin, Dayton, Golden Valley, Maple Grove, Medicine Lake, Osseo, Plymouth, and Rogers and the town of Hassan.

(2) The second council district consists of that portion of Hennepin county consisting of the cities of Brooklyn Center, Brooklyn Park, Crystal, New Hope, and Robbinsdale.

(3) The third council district consists of that portion of Hennepin county consisting of that portion of the city of Minneapolis lying north and west of a line described as follows: commencing at the intersection of the northern boundary of the city of Minneapolis and the Mississippi River, southerly along the east bank of the Mississippi River to State Highway 122 southwesterly along State Highway 122 to Cedar Avenue South, southerly along Cedar Avenue South to Minnehaha Avenue, southeasterly along Minnehaha Avenue to Cedar Avenue South, southerly along Cedar Avenue South to Hiawatha Avenue, southerly along Hiawatha Avenue to East 28th Street, westerly along East 28th Street to 21st Avenue South, southerly along 21st Avenue South to East 32nd Street, westerly along East 32nd Street to 19th Avenue South, southerly along 19th Avenue South to East 34th Street, westerly along East 34th Street to Bloomington Avenue South, southerly along Bloomington Avenue South to East 36th Street, westerly along East 36th Street to 10th Avenue South, southerly along 10th Avenue South to East 38th Street, westerly along East 38th Street to Elliot Avenue South, southerly along Elliot Avenue South to East 44th Street, westerly along East 44th Street to Chicago Avenue South, southerly along Chicago Avenue South to East 50th Street, westerly along East 50th Street to Park Avenue South, southerly along Park Avenue South to Minnehaha Parkway, westerly along Minnehaha Parkway to East 50th Street, westerly along East 50th Street to Stevens Avenue South, northerly along Stevens Avenue South to East 46th Street, westerly along East 46th Street to Nicollet Avenue South, northerly along Nicollet Avenue South to West 36th Street, westerly along West 36th Street to Blaisdell Avenue South, northerly along Blaisdell Avenue South, to West 34th Street, westerly along West 34th Street to Grand Avenue South, northerly along Grand Avenue South to West 32nd Street, westerly along West 32nd Street to Harriet Avenue South, northerly along Harriet Avenue South to West 31st Street, westerly along West 31st Street to Garfield Avenue South, northerly along Garfield Avenue South to West Lake Street, westerly along West Lake Street to Lyndale Avenue South, northerly along Lyndale Avenue South to the Burlington Northern Railroad tracks, westerly along the northern branch of the Burlington Northern Railroad tracks to Glenwood Avenue North, westerly along Glenwood Avenue North to the western boundary of the city of Minneapolis.

(4) The fourth council district consists of that portion of Hennepin county consisting of that portion of the city of Minneapolis lying east of a line described as follows: commencing at the intersection of the northern boundary of the city of Minneapolis and the eastern boundary of council district 3, southerly along the eastern boundary of council district 3 to Minnehaha Parkway, easterly along Minnehaha Parkway to Chicago Avenue South, southerly along Chicago Avenue South to East 57th Street, northwesterly along East 57th Street to Portland Avenue South, southerly

along Portland Avenue South to East 60th Street, westerly along East 60th Street to Interstate Highway 35W, southerly along Interstate Highway 35W to the southern boundary of the city of Minneapolis.

(5) The fifth council district consists of that portion of Hennepin county consisting of the cities of Hopkins and St. Louis Park and that portion of the city of Minneapolis not included in the third or fourth council district.

(6) The sixth council district consists of that portion of Hennepin county consisting of the cities of Chanhasseen, Deephaven, Eden Prairie, Edina, Minnetonka, Wayzata, and Woodland.

(7) The seventh council district consists of that portion of Hennepin county consisting of the cities of Bloomington and Richfield and the unorganized territory of Fort Snelling, and that portion of Scott county consisting of the cities of Savage and Shakopee.

(8) The eighth council district consists of Carver county, that portion of Hennepin county consisting of the cities of Corcoran, Excelsior, Greenfield, Greenwood, Independence, Long Lake, Loretto, Maple Plain, Medina, Minnetonka Beach, Minnetrista, Mound, Orono, Rockford, St. Bonifacius, Shorewood, Spring Park, and Tonka Bay, and that portion of Scott county lying within the metropolitan area and not included in council district 7.

(9) The ninth council district consists of that portion of Anoka county consisting of the cities of Blaine, Columbia Heights, Coon Rapids, Fridley, Hilltop, Lexington, and Spring Lake Park.

(10) The tenth council district consists of that portion of Anoka county consisting of the cities of Andover, Anoka, Bethel, Centerville, Circle Pines, East Bethel, Ham Lake, Lino Lakes, Ramsey, and St. Francis, and the towns of Burns, Columbus, Linwood, and Oak Grove, and that portion of Ramsey county consisting of the cities of Arden Hills, Blaine, Mounds View, North Oaks, Shoreview, and Spring Lake Park.

(11) The 11th council district consists of that portion of Hennepin county consisting of the city of St. Anthony, and that portion of Ramsey county consisting of the cities of Falcon Heights, Lauderdale, Little Canada, Maplewood, New Brighton, North St. Paul, Roseville, St. Anthony, and Vadnais Heights.

(12) The 12th council district consists of that portion of Ramsey county consisting of the cities of Gem Lake and White Bear Lake, and the town of White Bear, and that portion of Washington county not included in council district 16.

(13) The 13th council district consists of that portion of Ramsey county consisting of that portion of the city of St. Paul lying north of a line described as follows: commencing at the intersection of the eastern boundary of the city of St. Paul and Old Hudson Road, westerly along Old Hudson Road to White Bear Avenue, southerly along White Bear Avenue to Interstate Highway 94, easterly along Interstate Highway 94 to East 3rd Street, southeasterly along East 3rd Street to the Burlington Northern Railroad tracks, northerly along the Burlington Northern Railroad tracks to the east-west Burlington Northern Railroad tracks, westerly along the east-west Burlington Northern Railroad tracks to Interstate Highway 35E, southerly along Interstate Highway 35E to University Avenue, westerly along University Avenue to Rice Street, southerly along Rice Street to Interstate Highway 94, westerly along Interstate Highway 94 to Lexington Parkway, northerly along Lexington Parkway to University Avenue, westerly along University Avenue to Cleveland Avenue, southerly along Cleveland Avenue to Interstate Highway 94, westerly along Interstate Highway 94 to the western boundary of the city of St. Paul

(14) The 14th council district consists of that portion of Ramsey county consisting of that portion of the city of St. Paul not included in council district 13, and that portion of Dakota county consisting of the city of West St. Paul.

(15) The 15th council district consists of that portion of Dakota county consisting of the cities of Apple Valley, Burnsville, Eagan, Lilydale, Mendota, and Mendota Heights.

(16) The 16th council district consists of that portion of Dakota county lying within the metropolitan area and not included in council district 14 or 15, and that portion of Washington county consisting of the cities of Cottage Grove, Hastings, Newport, and St. Paul Park, and the town of Grey Cloud Island.

(17) If a territory within the metropolitan area is not named in paragraphs (1) to (16), but (a) lies within the boundaries of a metropolitan council district, or (b) lies within the boundaries of two or more metropolitan council districts, for the purposes of paragraphs (1) to (16), the territory referred to in clause (a) is a part of the metropolitan council district within which it lies, and the territory referred to in clause (b) is a part of the contiguous metropolitan

council district having the smallest population. If a territory within the metropolitan area is within the boundaries of two or more metropolitan council districts, for the purposes of paragraphs (1) to (16), the territory is a part of the contiguous metropolitan council district having the smallest population.

Sec. 3. Minnesota Statutes 1992, section 473.141, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP; APPOINTMENTS.] (a) Each agency consists of eight members, plus a chair appointed as provided in subdivision 3. The metropolitan council shall appoint the eight members on a nonpartisan basis after consultation with the members of the legislature from the district for which the member is to be appointed. The consultation with legislators in the affected district must include informing each legislator of the name, address, and background of each candidate for appointment and soliciting and reporting to the appointments committee the recommendation of each legislator on the appointment.

(b) In addition to the notice required in section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The council shall notify in writing the governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which the member is to be appointed. The notices must describe the appointment process and invite participation and recommendations on the appointment.

(c) The council shall establish an appointments committee, composed of members of the council, to screen and review candidates. Following the submission of member applications to the metropolitan council as provided under section 15.0597, subdivision 5, the appointments committee shall conduct public meetings, following appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the council a written report that lists the persons who have applied or been nominated or recommended for the position, along with a description of the background and qualifications of each. In making its recommendation, the committee specifically shall consider evidence of the candidate's commitment to regularly communicate on issues before the agency with metropolitan council members, legislators and local elected officials in the district, and the committee shall report its findings on this subject in its written report to the council.

(d) One member shall be appointed from each of the following agency districts:

- (1) district A, consisting of council districts 1 and 2;
- (2) district B, consisting of council districts 3 and 7 4;
- (3) district C, consisting of council districts 4 5 and 5 6;
- (4) district D, consisting of council districts 6 7 and 10 8;
- (5) district E, consisting of council districts 8 9 and 9 10;
- (6) district F, consisting of council districts 11 and 12;
- (7) district G, consisting of council districts 13 and 14; and
- (8) district H, consisting of council districts 15 and 16.

Sec. 4. Minnesota Statutes 1992, section 473.141, subdivision 4a, is amended to read:

Subd. 4a. [TERMS.] Following each ~~apportionment~~ redrawing of metropolitan council districts, as provided under section 473.123, subdivision 3a, the metropolitan council, newly appointed as provided in section 473.123, subdivision 3a, shall appoint eight agency board members from newly drawn districts. The terms of members and chairs are as follows: members representing districts ~~A, B, C, and D, E,~~ and ~~the chair H,~~ for terms ending the first Monday in January of the year ending in the numeral "7"; members representing districts A, C, E, F, G, and H the chair, for terms ending the first Monday in January of the year ending in the numeral "5." Thereafter the term of each member and the chair is four years, with terms ending the first Monday in January, except that all terms expire on the effective date of the next ~~apportionment~~ redistricting. A chair shall continue to serve until a successor is appointed and

qualified. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each ~~apportionment~~ redistricting, the member shall continue to serve at large until the metropolitan council appointed pursuant to section 473.123, subdivision 3a appoints eight members as provided under subdivision 2, to serve terms as provided under this subdivision. The appointments to the agency must be made by the first Monday in May of the year in which the term ends.

Sec. 5. Minnesota Statutes 1992, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term, except as otherwise provided in section 473.141, subdivision 4a, following redistricting.

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

- ~~(1) district A, consisting of council districts 1 and 2;~~
- ~~(2) district B, consisting of council districts 3 and 7;~~
- ~~(3) district C, consisting of council districts 4 and 5;~~
- ~~(4) district D, consisting of council districts 6 and 11;~~
- ~~(5) district E, consisting of council districts 8 and 10;~~
- ~~(6) district F, consisting of council districts 9 and 13;~~
- ~~(7) district G, consisting of council districts 12 and 14; and~~
- ~~(8) district H, consisting of council districts 15 and 16~~ provided for in section 473.141, subdivision 2.

Six must be elected officials of statutory or home rule charter cities, towns, or counties.

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

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

Sec. 6. Minnesota Statutes 1992, section 473.604, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The commission consists of:

- (1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;
- ~~(2) a number of eight members, one appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123 each of the agency districts provided for in section 473.141, subdivision 2, for terms as provided in section 473.141, subdivision 4a. Each member shall be a resident of the precinct district represented. The members shall be appointed by the governor as follows: a number as near as possible to one fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct district for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;~~

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 the first Monday in January of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years. The chair may be removed at the pleasure of the governor.

Sec. 7. [REPEALER.]

Minnesota Statutes 1992, section 473.123, subdivision 3b, is repealed.

Sec. 8. [EFFECTIVE DATE.]

This act is effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Amend the title as follows:

Page 1, line 6, after the second "4a;" insert "and"

Page 1, line 7, delete everything before "repealing"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1487, A bill for an act relating to insurance; regulating minimum loss ratios for noncomprehensive policies; amending Minnesota Statutes 1992, section 62A.135.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 62A.135, is amended to read:

62A.135 [NONCOMPREHENSIVE POLICIES; MINIMUM LOSS RATIOS.]

(a) This section applies to individual or group policies, certificates, or other evidence of coverage ~~designed primarily~~ in which 50 percent or more of the total benefits are intended to provide coverage for hospital or medical expenses on a per diem, fixed indemnity, or nonexpense incurred basis offered, issued, or renewed, to provide coverage to a Minnesota resident.

(b) Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, policies must return to Minnesota policyholders in the form of aggregate benefits under the policy, for each year, on the basis of incurred claims experience and earned premiums in Minnesota and in accordance with accepted actuarial principles and practices:

- (1) at least 75 percent of the aggregate amount of premiums earned in the case of group policies; and
 - (2) at least ~~65~~ 60 percent of the aggregate amount of premiums earned in the case of individual policies.
- (c) An insurer may only issue or renew an individual policy on a guaranteed renewable or noncancelable basis.
- (d) Noncomprehensive policies, certificates, or other evidence of coverage subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to medicare supplement policies, as set forth in section 62A.36, subdivisions 1a, 1b, and 2.

The first supplement to the annual statement required to be filed pursuant to this paragraph must be for the annual statement required to be submitted on or after January 1, 1993."

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1525, A bill for an act relating to occupations and professions; abstracters; providing for certain applicants to be exempt from the bond and liability insurance requirement; amending Minnesota Statutes 1992, section 386.66.

Reported the same back with the following amendments:

Page 1, line 25, delete ", including" and insert "that are"

Page 2, line 1, delete "applicants who are employed by"

Page 2, line 3, after "(Z)," insert "and their employees or those"

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1575, A bill for an act relating to occupations and professions; clarifying the training requirements of private detectives and security guards; amending Minnesota Statutes 1992, sections 326.336, subdivision 2; and 326.3361, subdivisions 1, 2, and 3.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 17, after "certified" insert "as having completed training"

Page 2, line 29, strike "standards for" and after "certification" insert "by the board" and before "a" insert "completion of certified training for"

Page 2, line 31, strike ", by the board,"

Page 3, line 1, strike "employees" and insert "individuals"

Page 3, line 2, strike "employee" and insert "individual"

Page 3, line 7, strike "CERTIFICATION" and insert "CERTIFIED TRAINING"

Page 3, lines 13 to 22, strike the old language and delete the new language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "of" and insert "for"

Page 1, line 5, delete "sections 326.336, subdivision 2; and" and insert "section"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1667, A bill for an act relating to commerce; regulating heavy and utility equipment dealership agreements; including truck parts within the scope of coverage; defining terms; amending Minnesota Statutes 1992, section 325E.068, subdivision 2, and by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 12, after "to" insert "; (1)" and delete "truck"

Page 1, line 13, delete "parts,"

Page 1, line 19, strike the second comma

Page 1, strike line 20

Page 1, line 21, strike everything before the period and insert "; or (2) truck and truck parts"

Page 2, line 4, delete "tow" and insert "ton"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1709, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

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

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1993," "1994," and "1995," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1993	1994	1995	TOTAL
General	\$	\$ 56,341,000	\$ 53,024,000	\$109,365,000
Airports	385,000	16,884,000	15,681,000	32,950,000
C.S.A.H.		246,890,000	247,890,000	494,780,000
Environmental		200,000	200,000	400,000
Highway User		11,601,000	11,458,000	23,059,000
M.S.A.S.		71,990,000	71,990,000	143,980,000
Special Revenue		792,000	792,000	1,584,000
Trunk Highway		751,756,000	757,660,000	1,509,416,000
Transfers to Other				
Direct		(2,398,000)	(2,346,000)	(4,744,000)
TOTAL	385,000	1,154,056,000	1,156,349,000	2,310,790,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation

1,037,861,000

1,041,203,000

The appropriations in this section are from the trunk highway fund, except when another fund is named.

Summary by Fund

General	14,909,000	11,692,000
Airports	16,884,000	15,681,000
C.S.A.H.	246,890,000	247,890,000
Environmental	200,000	200,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	686,988,000	693,750,000

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

Subd. 2. Aeronautics

16,692,000

15,487,000

This appropriation is from the state airports fund.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

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

(a) Airport Development and Assistance

1993	1994	1995
385,000	11,005,000	10,841,000

The appropriation for fiscal year 1993 is from the state airports fund, to be used in conjunction with funds provided by the Canadian government for airport construction at the Piney-Pine Creek Border Airport, and is available until the project is either completed or abandoned.

\$1,887,000 the first year and \$2,146,000 the second year are for navigational aids.

\$6,810,000 the first year and \$6,387,000 the second year are for airport construction grants.

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

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

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

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

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

\$200,000 the first year and \$200,000 the second year are for air service grants.

(b) Civil Air Patrol

65,000	65,000
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(c) Aeronautics Administration

5,622,000	4,581,000
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Of the appropriation for the first year, \$1,200,000 is for the purchase of an office building to house the office of aeronautics.

Subd. 3. Transit

14,787,000

11,589,000

Summary by Fund

General	14,489,000	11,289,000
Trunk Highway	298,000	298,000

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

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

(a) Greater Minnesota Transit Assistance

	13,894,000	10,894,000
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This appropriation is from the general fund. Up to \$8,000,000 of this appropriation for the biennium shall be used for implementation of new transit services.

(b) Transit Administration

	693,000	695,000
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Summary by Fund

General	395,000	395,000
Trunk Highway	298,000	300,000

(c) Light Rail Transit

	200,000
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This appropriation is from the general fund and is to match federal funds for the planning and design of a metropolitan light rail transit system. This amount is available only if Hennepin county provides \$400,000 and Ramsey county provides \$200,000 to the commissioner of transportation for this purpose.

Subd. 4. Railroads and Waterways	1,134,000	1,134,000
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Summary by Fund

General	241,000	241,000
Trunk Highway	893,000	893,000

Subd. 5. Motor Carrier Regulation	2,177,000	2,177,000
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Summary by Fund

General	107,000	107,000
Trunk Highway	2,070,000	2,070,000

Subd. 6. Local Roads	319,950,000	320,950,000
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Summary by Fund

C.S.A.H.	246,890,000	247,890,000
M.S.A.S.	71,990,000	71,990,000
Trunk Highway	1,070,000	1,070,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

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

(a) County State Aids

246,890,000 247,890,000

This appropriation is from the county state-aid highway fund and is available until spent.

(b) Municipal State Aids

71,990,000 71,990,000

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(c) State Aid Technical Assistance

1,070,000 1,070,000

Subd. 7. State Road Construction 359,961,000 362,335,000

Summary by Fund

Environmental	200,000	200,000
Trunk Highway	359,761,000	362,135,000

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

(a) State Road Construction

337,295,000 336,683,000

Summary by Fund

Environmental	200,000	200,000
Trunk Highway	337,095,000	336,663,000

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

APPROPRIATIONS
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1994 1995

Federal Highway Aid

185,000,000	185,000,000
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Highway User Taxes

152,095,000	151,663,000
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The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on ways and means of the house of representatives promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) Highway Debt Service

14,380,000	17,186,000
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\$14,380,000 the first year and \$12,486,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

(c) Highway Program Administration

2,042,000	2,042,000
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\$243,000 the first year and \$243,000 the second year are available for grants for transportation studies outside the metropolitan area for transportation studies to identify critical concerns, problems, and issues. These grants are available to (1) regional development commissions, and (2) in regions where no regional development commission is functioning, joint-powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission.

\$180,000 the first year and \$180,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

(d) Transportation Data Analysis

3,279,000	3,279,000
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APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

(e) Research and Strategic Initiatives

2,965,000 2,965,000

Subd. 8. Highway Program Delivery

114,723,000

114,768,000

(a) Design Engineering

49,993,000 50,038,000

The commissioner may not spend more than \$20,609,000 in the first year and \$20,619,000 in the second year for expenses/contractual services.

(b) Construction Engineering

64,730,000 64,730,000

Subd. 9. State Road Operations

167,580,000

171,950,000

Summary by Fund

Trunk Highway	167,554,000	171,941,000
General	26,000	9,000

(a) State Road Operations

157,994,000 162,381,000

(b) Electronic Communications

3,365,000 3,348,000

Summary by Fund

General	26,000	9,000
Trunk Highway	3,339,000	3,339,000

\$26,000 the first year and \$9,000 the second year are for equipment and operation of the Roosevelt signal tower for Lake of the Woods weather broadcasting.

(c) Traffic Engineering

6,221,000 6,221,000

Subd. 10. Equipment

15,493,000

15,493,000

Summary by Fund

General	5,000	5,000
Airports	59,000	59,000
Trunk Highway	15,429,000	15,429,000

APPROPRIATIONS
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1994 1995

among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 13. Contingent Appropriation

The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund, or to trunk highway maintenance in order to meet an emergency, or to pay tort or environmental claims. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. REGIONAL TRANSIT BOARD

Subdivision 1. Total Appropriation	35,630,000	35,630,000
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Subd. 2. Regular Route

18,330,000	16,130,000
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Subd. 3. Metro Mobility

13,800,000	15,500,000
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The regional transit board must not spend any money for metro mobility outside this appropriation.

Subd. 4. Community Based and Agency Costs

3,500,000	4,000,000
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If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 4. TRANSPORTATION REGULATION BOARD	705,000	707,000
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This appropriation is from the trunk highway fund.

Sec. 5. PUBLIC SAFETY

Subdivision 1. Total Appropriation	78,818,000	77,817,000
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APPROPRIATIONS
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Summary by Fund

General	5,802,000	5,702,000
Highway User	11,426,000	11,333,000
Special Revenue	792,000	792,000
Trunk Highway	63,196,000	62,336,000
Transfers to Other		
Direct	(2,398,000)	(2,346,000)

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

Subd. 2. Administration and Related Services

	4,640,000	4,473,000
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Summary by Fund

General	552,000	522,000
Highway User	19,000	19,000
Trunk Highway	4,069,000	3,932,000

\$326,000 the first year and \$326,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 3. State Patrol

	43,539,000	42,327,000
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Summary by Fund

General	389,000	389,000
Highway User	90,000	90,000
Trunk Highway	43,060,000	41,848,000

During the biennium ending June 30, 1995, no more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

During the biennium ending June 30, 1995, the commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

The state patrol shall not reduce the hours of operation or the level of service at the Saginaw weigh station.

Subd. 4. Driver and Vehicle Services

	29,680,000	30,058,000
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Summary by Fund

General	3,567,000	3,534,000
Highway User	10,152,000	10,074,000
Trunk Highway	15,905,000	16,394,000
Special Revenue	56,000	56,000

APPROPRIATIONS
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1995

This appropriation is from the bicycle transportation account in the special revenue fund.

Subd. 5. Traffic Safety

223,000	223,000
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Summary by Fund

General	61,000	61,000
Trunk Highway	162,000	162,000

Subd. 6. Pipeline Safety

736,000	736,000
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This appropriation is from the pipeline safety account in the special revenue fund.

Subd. 7. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Subd. 8. Reimbursements

(a) \$1,233,000 the first year and \$1,196,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$449,000 the first year and \$434,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1994, and January 1, 1995, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for

APPROPRIATIONS Available for the Year Ending June 30	
1994	1995

operation of the criminal justice data network related to driver and motor vehicle licensing.

Sec. 6. MINNESOTA SAFETY COUNCIL	67,000	67,000
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This appropriation is from the trunk highway fund.

Sec. 7. STUDY COMMITTEE ON MAJOR TRANSPORTATION PROJECTS	50,000	
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This appropriation is to the legislative coordinating commission from the highway user tax distribution fund, and is for the payment of the expenses of the legislative study committee on major transportation projects. This appropriation is available until February 1, 1994.

Sec. 8. GENERAL CONTINGENT ACCOUNTS	325,000	325,000
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The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

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

Summary by Fund

Trunk Highway Fund

200,000	200,000
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Highway User Tax Distribution Fund

125,000	125,000
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Sec. 9. TORT CLAIMS	600,000	600,000
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To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 10. [LEGISLATIVE STUDY COMMITTEE ON MAJOR TRANSPORTATION PROJECTS.]

The standing committees of the senate and house of representatives with jurisdiction over transportation policy and finance shall, under Minnesota Statutes, section 3.921, jointly create a legislative study committee on major transportation projects. The study committee shall identify transportation projects in the state, including light rail transit and construction or reconstruction of freeways, that (1) are proposed or near-future projects, and (2) have an estimated cost to complete of at least \$100,000,000 and shall study and evaluate methods of financing such projects. The commissioner of transportation shall provide such assistance to the study committee as the study committee deems necessary. The study committee shall submit a report, including findings and recommendations, to the legislature not later than February 1, 1994.

Sec. 11. [STONE ARCH BRIDGE; REVERSION.]

Notwithstanding any law to the contrary, any provision in a deed of conveyance of legal title to the James J. Hill stone arch bridge from Hennepin county to the commissioner of transportation that provides for reversion of the bridge to the county is void.

Sec. 12. Laws 1992, chapter 513, article 3, section 77, is amended to read:

Sec. 77. [STONE ARCH BRIDGE.]

Notwithstanding any other law to the contrary, the board of Hennepin county commissioners, in its capacity as the county board or as the Hennepin county regional rail authority, shall transfer legal title to the James J. Hill stone arch bridge to the commissioner of transportation for a consideration of \$1,001. The deed of conveyance shall provide for reversion of the property to the county in the event the county has need of the bridge for light rail transit. The commissioner shall by order prohibit motorized traffic, other than motor vehicles used only to transport persons with physical disabilities, from using the bridge.

Sec. 13. Minnesota Statutes 1992, section 11A.21, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF HIGHWAY FUNDS.] The commissioner of transportation shall certify to the state board those portions of the highway user tax distribution fund established pursuant to article XIV, section 5, of the Constitution of the state of Minnesota; the trunk highway fund established pursuant to article XIV, section 6 of the Constitution of the state of Minnesota; the county state-aid highway fund established pursuant to article XIV, section 7 of the Constitution of the state of Minnesota; and the municipal state-aid street fund established pursuant to article XIV, section 8 of the Constitution of the state of Minnesota, which in the judgment of the commissioner are not required for immediate use.

Sec. 14. Minnesota Statutes 1992, section 161.081, is amended to read:

161.081 [HIGHWAY USER TAX, DISTRIBUTION OF PORTION OF PROCEEDS, INVESTMENT.]

Subdivision 1. [DISTRIBUTION OF FIVE PERCENT.] Pursuant to article 14, section 5, of the constitution, five percent of the net highway user tax distribution fund is set aside, and apportioned as follows:

- (1) 28 percent to the trunk highway fund;
- (2) 64 percent to a separate account in the county state-aid highway fund to be known as the county turnback account, which account in the state treasury is hereby created;
- (3) 8 percent to a separate account in the municipal state-aid street fund to be known as the municipal turnback account, which account in the state treasury is hereby created.

Subd. 2. [INVESTMENT.] Upon the request of the commissioner, money in the highway user tax distribution fund shall be invested by the state board of investment in those securities authorized for that purpose in section 11A.21. All interest and profits from the investments must be credited to the highway user tax distribution fund. The state treasurer shall be the custodian of all securities purchased under this section.

Sec. 15. Minnesota Statutes 1992, section 161.39, is amended by adding a subdivision to read:

Subd. 5b. [REIMBURSEMENT FOR SERVICES.] The office of electronic communication may perform work for other state agencies and, to the extent that these services are performed beyond the level for which money was appropriated, may deposit revenue generated from this source as dedicated receipts to the account from which it was spent.

Sec. 16. Minnesota Statutes 1992, section 169.121, subdivision 7, is amended to read:

Subd. 7. [LICENSE REVOCATION; COURT PROCEDURES.] On behalf of the commissioner of public safety a court shall serve notice of revocation on a person convicted of a violation of this section unless the commissioner has already revoked the person's driving privileges or served the person with a notice of revocation for a violation of section 169.123 arising out of the same incident. ~~The court shall take the license or permit of the driver, if any, or~~

~~obtain a sworn affidavit stating that the license or permit cannot be produced, and send it to the commissioner with a record of the conviction and issue a temporary license effective only for the period during which an appeal from the conviction may be taken. No person who is without driving privileges at the time shall be issued a temporary license and any temporary license issued shall bear the same restrictions and limitations as the driver's license or permit for which it is exchanged.~~

~~The commissioner shall issue additional temporary licenses until the final determination of whether there shall be a revocation under this section.~~

The court shall invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 17. Minnesota Statutes 1992, section 169.123, subdivision 5a, is amended to read:

Subd. 5a. [PEACE OFFICER AGENT FOR NOTICE OF REVOCATION OR DISQUALIFICATION.] On behalf of the commissioner of public safety a peace officer requiring a test or directing the administration of a chemical test shall serve immediate notice of intention to revoke and of revocation on a person who refuses to permit a test or on a person who submits to a test the results of which indicate an alcohol concentration of 0.10 or more. On behalf of the commissioner of public safety, a peace officer requiring a test or directing the administration of a chemical test of a person driving, operating, or in physical control of a commercial motor vehicle shall serve immediate notice of intention to disqualify and of disqualification on a person who refuses to permit a test, or on a person who submits to a test the results of which indicate an alcohol concentration of 0.04 or more. The officer shall either:

~~(1) take the driver's license or permit of the driver, if any, and issue a temporary license effective only for seven days. The peace officer shall send the person's driver's license it to the commissioner of public safety along with the certificate required by subdivision 4, and issue a temporary license effective only for seven days; or~~

(2) invalidate the driver's license or permit in such a way that no identifying information is destroyed.

Sec. 18. Minnesota Statutes 1992, section 171.02, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person, except those hereinafter expressly exempted, shall drive any motor vehicle upon any street or highway in this state unless such person has a license valid under the provisions of this chapter for the type or class of vehicle being driven. No person shall receive a driver's license unless and until ~~the person surrenders to the department all valid driver's licenses in possession issued to the person by any other jurisdiction. All surrendered licenses shall be returned~~ person's license from any jurisdiction has been invalidated by the department. The department shall provide to the issuing department together with of any jurisdiction, information that the licensee is now licensed in new jurisdiction Minnesota. No person shall be permitted to have more than one valid driver's license at any time. No person to whom a current Minnesota identification card has been issued may receive a driver's license, other than an instruction permit or a limited license, unless ~~the person surrenders to the department any person's Minnesota identification card issued to the person under section 171.07, subdivision 3 has been invalidated by the department.~~

Sec. 19. Minnesota Statutes 1992, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	<u>C-\$15</u>	<u>CC-\$19</u>	<u>B-\$26</u>	<u>A-\$34</u>
	<u>C-\$18.50</u>	<u>CC-\$22.50</u>	<u>B-\$29.50</u>	<u>A-\$37.50</u>
Classified Under 21 D.L.	<u>C-\$15</u>	<u>CC-\$19</u>	<u>B-\$26</u>	<u>A-\$14</u>
	<u>C-\$18.50</u>	<u>CC-\$22.50</u>	<u>B-\$29.50</u>	<u>A-\$17.50</u>
Instruction Permit				<u>\$ 6 9.50</u>
Duplicate Driver or Under 21 License				<u>\$ 4.50</u>
				<u>\$ 8.00</u>
Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a				<u>\$ 9</u>
				<u>\$12.50</u>

Sec. 20. Minnesota Statutes 1992, section 171.06, subdivision 4, is amended to read:

Subd. 4. [APPLICATION, FILING; FEE RETAINED FOR EXPENSES.] Any applicant for an instruction permit, a driver's license, restricted license, or duplicate license may file an application with a court administrator of the district court or at a state office. The administrator or state office shall receive and accept the application. To cover all expenses involved in receiving, accepting, or forwarding to the department applications and fees, the court administrator of the district court may retain a county fee of \$1 \$3.50 for each application for a Minnesota identification card, instruction permit, duplicate license, driver license, or restricted license. The amount allowed to be retained by the court administrator of the district court shall be paid into the county treasury and credited to the general revenue fund of the county. Before the end of the first working day following the final day of an established reporting period, the court administrator shall forward to the department all applications and fees collected during the reporting period, less the amount herein allowed to be retained for expenses. The court administrators of the district courts may appoint agents to assist in accepting applications, but the administrators shall require every agent to forward to the administrators by whom the agent is appointed all applications accepted and fees collected by the agent, except that an agent may retain ~~one-half of the \$1~~ county fee to cover the agent's expenses involved in receiving, accepting or forwarding the applications and fees. The court administrators shall be responsible for the acts of agents appointed by them and for the forwarding to the department of all applications accepted and those fees collected by agents and by themselves as are required to be forwarded to the department.

Sec. 21. Minnesota Statutes 1992, section 171.07, is amended by adding a subdivision to read:

Subd. 9. [IMPROVED SECURITY.] The commissioner shall develop new drivers' licenses and identification cards, to be issued beginning January 1, 1994, that must be as impervious to alteration as is reasonably practicable in their design and quality of material and technology. The driver's license security laminate shall be made from materials not readily available to the general public. The design and technology employed must enable the driver's license and identification card to be subject to two or more methods of visual verification capable of clearly indicating the presence of tampering or counterfeiting. The driver's license and identification card must not be susceptible to reproduction by photocopying or simulation and must be highly resistant to data or photograph substitution and other tampering.

Sec. 22. Minnesota Statutes 1992, section 171.11, is amended to read:

171.11 [CHANGE OF DOMICILE OR NAME.]

When any person, after applying for or receiving a driver's license, shall change permanent domicile from the address named in such application or in the license issued to the person, or shall change a name by marriage or otherwise, such person shall, within 30 days thereafter, ~~make application~~ apply for a duplicate driver's license upon a form furnished by the department; ~~such and pay the required fee.~~ The application or duplicate license shall show both the licensee's old address and new address or the former name and new name as the case may be. Such application for a duplicate license, upon change of address or change of name, shall be accompanied by all certificates of driver's license then in the possession of the applicant together with the required fee.

Sec. 23. Minnesota Statutes 1992, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [VIOLATIONS.] With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:

- (1) to display, cause or permit to be displayed, or have in possession, any:
 - (i) canceled, revoked, or suspended driver's license;
 - (ii) driver's license for which the person has been disqualified; or
 - (iii) fictitious or fraudulently altered driver's license or Minnesota identification card;
- (2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;
- (3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;

~~(4) to fail or refuse to surrender to the department, upon its lawful demand, any driver's license or Minnesota identification card which has been suspended, revoked, canceled, or for which the holder has been disqualified;~~

~~(5) to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;~~

~~(6) (5) to alter any driver's license or Minnesota identification card;~~

~~(7) (6) to take any part of the driver's license examination for another or to permit another to take the examination for that person;~~

~~(8) (7) to make a counterfeit driver's license or Minnesota identification card; or~~

~~(9) (8) to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer.~~

Sec. 24. Minnesota Statutes 1992, section 174.02, is amended by adding a subdivision to read:

Subd. 6. [AGREEMENTS.] To facilitate the implementation of intergovernmental efficiencies, effectiveness, and cooperation, and to promote and encourage economic and technological development in transportation matters within and between governmental and nongovernmental entities:

(a) The commissioner may enter into agreements with other governmental or nongovernmental entities for research and experimentation; for sharing facilities, equipment, staff, data, or other means of providing transportation-related services; or for other cooperative programs that promote efficiencies in providing governmental services or that further development of innovation in transportation for the benefit of the citizens of Minnesota.

(b) In addition to funds otherwise appropriated by the legislature, the commissioner may accept and spend funds received under any agreement authorized in paragraph (a) for the purposes set forth in that paragraph, subject to a report of receipts to the commissioner of finance at the end of each fiscal year and, if receipts from the agreements exceed \$100,000 in a fiscal year, the commissioner shall also notify the governor.

(c) Funds received under this subdivision must be deposited in the special revenue fund and are appropriated to the commissioner for the purposes set forth in this subdivision.

Sec. 25. Minnesota Statutes 1992, section 296.02, subdivision 1a, is amended to read:

~~Subd. 1a. [EXCEPTIONS FOR TRANSIT AND ALTERNATIVE FUELS SYSTEMS EXEMPT.] The provisions of subdivision 1 do not apply to (1) gasoline purchased by a transit system receiving financial assistance under section 174.24 or 473.384, or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.~~

Sec. 26. Minnesota Statutes 1992, section 296.025, subdivision 1a, is amended to read:

~~Subd. 1a. [EXCEPTIONS FOR TRANSIT AND ALTERNATIVE FUELS SYSTEMS EXEMPT.] The provisions of subdivision 1 do not apply to (1) special fuel purchased by a transit system receiving financial assistance under section 174.24 or 473.384, or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.~~

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026, are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective July 1, 1993."

Amend the title as follows:

Page 1, delete line 7 and insert "11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026."

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.

Sarna from the Committee on Commerce and Economic Development to which was referred:

S. F. No. 174, A bill for an act relating to commerce; regulating facsimile transmission of unsolicited advertising materials; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 2, line 5, delete "utility" and insert "service provider"

Page 2, line 6, delete "utility" and insert "service provider" and delete "carries a" and insert "provides"

Page 2, line 7, delete "over its network" and insert "facilities"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

S. F. No. 582, A bill for an act relating to motor vehicles; extending validity period of nonresident temporary vehicle permits; amending Minnesota Statutes 1992, section 168.091, subdivision 1.

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. 555, 598, 761, 777, 813, 818, 977, 1117, 1161, 1376, 1487, 1525, 1575 and 1667 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 174 and 582 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lourey, Jennings and Nelson introduced:

H. F. No. 1728, A bill for an act relating to natural resources; amending requirements to mitigate wetlands; adding exemptions; extending interim rules; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1 and 2; 103G.2369, subdivision 2; and Laws 1991, chapter 354, article 7, section 2.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Pugh introduced:

H. F. No. 1729, A bill for an act relating to the legislature; legislative commissions; increasing the membership of the legislative commission on Minnesota resources; amending Minnesota Statutes 1992, section 166P.05, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Anderson, R., for the Health and Housing Finance Division, introduced:

H. F. No. 1730, A bill for an act relating to the organization and operation of state government; appropriating money for the department of health, health-related boards, jobs and training, housing finance, veterans affairs, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 8.15; 16B.06, subdivision 2a; 116.76, subdivision 14; 116.78, subdivisions 4 and 7; 116.79, subdivisions 1 and 4; 116.80, subdivisions 1 and 2; 116.81, subdivision 1; 116.82, subdivision 3; 116.83, subdivisions 1 and 3; 116L.03, subdivision 7; 144.122; 144.123, subdivision 1; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.8091, subdivision 1; 144.871, subdivisions 2, 6, 7a, 7b, 9, and by adding subdivisions; 144.872, subdivisions 2, 3, 4, and by adding a subdivision; 144.873; 144.874, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 144.876, by adding a subdivision; 144.878, subdivisions 2, 2a, and 5; 144.98, subdivision 5; 145.925, by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1; 245A.14, by adding a subdivision; 256B.0625, subdivision 14; 268.022, subdivisions 1 and 2; 268.361, subdivisions 6 and 7; 268.362; 268.363; 268.364, subdivisions 1, 3, and by adding a subdivision; 268.365, subdivision 2; 268.55; 268.914, subdivision 1; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; 326.44; 326.75, subdivision 4; 462A.03, subdivision 15; 462A.057, subdivision 1; 462A.21, by adding subdivisions; and 469.011, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115C; 144; 145; 197; 198; 214; 256E; 268; and 462A; proposing coding for new law as Minnesota Statutes, chapter 144C; repealing Minnesota Statutes 1992, sections 116.76, subdivision 7; 116.79, subdivision 3; 116.81, subdivision 2; 116.83, subdivision 2; 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; 148B.72; 268.365, subdivision 1; 268.914, subdivision 2; 268.977; and 268.978, subdivision 3; Minnesota Rules, parts 4622.0100; 4622.0300; 4622.0400; 4622.0600; 4622.0700, subparts 10 and 12; 4622.0900; 4622.1000; 4622.1050; 4622.1100; 4622.1150; and 4622.1200.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Rest, Solberg and Sviggum introduced:

H. F. No. 1731, A bill for an act relating to the department of finance; providing for state financial management reform; amending Minnesota Statutes 1992, sections 16A.04, subdivision 1; 16A.10, subdivision 2; 16A.11, subdivision 1, and by adding a subdivision; 16A.14, by adding a subdivision; 16A.15, subdivision 1; and 124.196; proposing coding for new law in Minnesota Statutes, chapters 3 and 16A.

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

Bertram introduced:

H. F. No. 1732, A bill for an act relating to civil actions; imputing liability in dram shop actions; amending Minnesota Statutes 1992, section 340A.801, subdivision 3.

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

Kalis and Battaglia introduced:

H. F. No. 1733, A bill for an act relating to transportation; requiring school districts to allow senior citizens to ride school buses on a space-available basis; amending Minnesota Statutes 1992, section 123.39, subdivision 8b.

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

Solberg; Hasskamp; Johnson, R., and Kinkel introduced:

H. F. No. 1734, A bill for an act relating to natural resources; notifying the department of transportation to comply with the comprehensive plan for the Mississippi headwaters area; authorizing special projects to be approved by the Mississippi headwaters board with costs assessed to benefited counties; appropriating money; amending Minnesota Statutes 1992, section 103F.371; proposing coding for new law in Minnesota Statutes, chapter 103F.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 86, A bill for an act relating to state government; extending expiration date of governor's residence council; providing for four additional public members; amending Minnesota Statutes 1992, section 16B.27, subdivision 3.

H. F. No. 381, A bill for an act relating to education; revising the mailing requirement for notices of referendum revenue authorization elections; amending Minnesota Statutes 1992, section 124A.03, subdivision 2.

H. F. No. 1100, A bill for an act relating to insurance; regulating the health coverage reinsurance association; amending Minnesota Statutes 1992, sections 62L.02, by adding a subdivision; 62L.13, subdivisions 1, 3, and 4; 62L.14, subdivisions 2, 4, 6, and 7; 62L.15, subdivision 2; 62L.16, subdivision 5, and by adding a subdivision; 62L.19; and 62L.20, subdivision 1.

H. F. No. 1527, A bill for an act relating to education; providing for school district elections in independent school district Nos. 404, 408, and 583.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 421, A bill for an act relating to state parks; authorizing an addition to Charles A. Lindbergh state park.

H. F. No. 566, A bill for an act relating to telecommunications; extending authority of public utilities commission to approve incentive regulation plans for certain telephone companies; amending Laws 1989, chapter 74, section 27.

H. F. No. 976, A bill for an act relating to counties; authorizing a county to transfer funds to and enter into contracts with community action agencies; amending Minnesota Statutes 1992, section 375.18, by adding a subdivision.

PATRICK E. FLAHAVER, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 64, 483, 490, 702, 349, 754 and 1466.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 64, A bill for an act relating to game and fish; seasons for taking deer by muzzle-loading firearms.

The bill was read for the first time.

Hasskamp moved that S. F. No. 64 and H. F. No. 813, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 483, A bill for an act relating to game and fish; allowing all big game to be taken under a crossbow permit for hunters with disabilities; amending Minnesota Statutes 1992, section 97B.106.

The bill was read for the first time.

Johnson, A., moved that S. F. No. 483 and H. F. No. 607, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 490, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land that borders public water in Washington county to the city of Oakdale.

The bill was read for the first time.

Perlt moved that S. F. No. 490 and H. F. No. 258, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 702, A bill for an act relating to game and fish; requiring identification of traps; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 97B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 349, A bill for an act relating to education; updating the name of the umbrella student association for technical colleges; amending Minnesota Statutes 1992, section 136C.15.

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

S. F. No. 754, A bill for an act relating to elections; requiring removal of registration cards of deceased registrants; requiring update of the statewide registration system; amending Minnesota Statutes 1992, section 201.13.

The bill was read for the first time.

Stanius moved that S. F. No. 754 and H. F. No. 934, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1466, A bill for an act relating to state lands; releasing certain reversionary interests of the state to independent school district No. 911, Cambridge; amending Laws 1963, chapter 350, section 3.

The bill was read for the first time.

Lasley moved that S. F. No. 1466 and H. F. No. 1528, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1424, A bill for an act relating to pollution control; exempting certain storage tanks from notification, environmental protection, and tank installer training and certification requirements; amending Minnesota Statutes 1992, section 116.47.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 690, A bill for an act relating to retirement; public employees retirement association; disability benefits; reducing the reduction in benefits to coordinate them with amounts received under workers' compensation law for certain former employees.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 768, A bill for an act relating to retirement; Minnesota state retirement system; authorizing a purchase of service credit by a former grain inspector.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

SPECIAL ORDERS

H. F. No. 592 was reported to the House.

Pugh moved that H. F. No. 592 be temporarily laid over on Special Orders. The motion prevailed.

H. F. No. 1523 was reported to the House.

Reding moved to amend H. F. No. 1523, as follows:

Page 5, line 33, delete "deferred" and insert "defined"

Page 15, line 23, delete "insured" and insert "insuree"

Page 36, line 2, after "plans" insert ", other than defined benefit plans,"

Page 37, line 16, delete "8" and insert "9"

The motion prevailed and the amendment was adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 13, delete lines 30 and 31 and insert:

"Subd. 4. [OPEN MEETINGS.] Board meetings are subject to section 471.705, except when private or nonpublic data as described in this subdivision is discussed. Discussions of lawsuits and member insurer assessments and business records of an impaired or insolvent insurer are classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable."

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 33 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Bauerly	Greenfield	Kahn	Mariani	Orenstein	Rice	Wagenius
Clark	Greiling	Kelley	Milbert	Orfield	Sarna	Wejcman
Dawkins	Hausman	Knickerbocker	Morrison	Pauly	Sekhon	Winter
Farrell	Jefferson	Lourey	Olson, E.	Rest	Skoglund	
Garcia	Johnson, R.	Mahon	Olson, K.	Rhodes	Vellenga	

Those who voted in the negative were:

Abrams	Bettermann	Davids	Girard	Jacobs	Klinzing	Lindner
Anderson, I.	Bishop	Dehler	Goodno	Jaros	Koppendrayer	Luther
Anderson, R.	Blatz	Delmont	Gruenes	Jennings	Krinkie	Lynch
Asch	Brown, C.	Dempsey	Gutknecht	Johnson, A.	Krueger	Macklin
Battaglia	Brown, K.	Dorn	Haukoos	Johnson, V.	Lasley	McCollum
Beard	Carlson	Erhardt	Holsten	Kalis	Leppik	Molnau
Bergson	Commers	Evans	Hugoson	Kelso	Lieder	Mosel
Bertram	Cooper	Frerichs	Huntley	Kinkel	Limmer	Murphy

Neary	Ostrom	Reding	Solberg	Tomassoni	Weaver
Nelson	Ozment	Rodosovich	Sparby	Tompkins	Wenzel
Ness	Pelowski	Rukavina	Stanius	Tunheim	Wolf
Olson, M.	Perlt	Seagren	Steensma	Van Dellen	Worke
Onnen	Peterson	Simoneau	Sviggum	Vickerman	Workman
Opatz	Pugh	Smith	Swenson	Waltman	Spk. Long

The motion did not prevail and the amendment was not adopted.

The Speaker called Bauerly to the Chair.

Skoglund and Knickerbocker moved to amend H. F. No. 1523, as amended, as follows:

Page 3, delete lines 19 to 33

Renumber remaining clauses accordingly

Page 5, line 32, delete "\$5,000,000" and insert "\$10,000,000"

Page 5, line 36, delete "\$5,000,000" in both places and insert "\$10,000,000"

Page 11, line 16, delete everything after "holder"

Page 11, delete line 17

Page 11, line 18, delete everything before the period

Page 36, line 8, delete "\$5,000,000" and insert "\$10,000,000"

Page 36, line 9, delete "\$5,000,000" and insert "\$10,000,000"

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The question was taken on the Skoglund and Knickerbocker amendment and the roll was called. There were 34 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Blatz	Greenfield	Kelso	Mahon	Pauly	Sekhon	Trimble
Brown, C.	Greiling	Knickerbocker	Mariani	Perlt	Skoglund	Wagenius
Clark	Hasskamp	Krueger	Olson, K.	Rice	Swenson	Wejcman
Farrell	Hausman	Lourey	Orenstein	Rodosovich	Tomassoni	Winter
Garcia	Kelley	Luther	Orfield	Rukavina	Tompkins	

Those who voted in the negative were:

Abrams	Asch	Beard	Bettermann	Carlson	Davids	Delmont
Anderson, I.	Battaglia	Bergson	Bishop	Commers	Dawkins	Dempsey
Anderson, R.	Bauerly	Bertram	Brown, K.	Cooper	Dehler	Dorn

Erhardt	Jacobs	Koppendraye	Molnau	Ostrom	Smith	Weaver
Evans	Jaros	Krinkie	Morrison	Ozment	Solberg	Wenzel
Frerichs	Jefferson	Lasley	Mosel	Pelowski	Sparby	Wolf
Girard	Jennings	Leppik	Neary	Peterson	Stanius	Worke
Goodno	Johnson, A.	Lieder	Nelson	Pugh	Steensma	Spk. Long
Gruenes	Johnson, R.	Limmer	Ness	Reding	Sviggum	
Gutknecht	Johnson, V.	Lindner	Olson, E.	Rest	Tunheim	
Haukoos	Kahn	Lynch	Olson, M.	Rhodes	Van Dellen	
Holsten	Kalis	Macklin	Onnen	Sarna	Vellenga	
Hugoson	Kinkel	McCollum	Opatz	Seagren	Vickerman	
Huntley	Klinzing	Milbert	Osthoff	Simoneau	Waltman	

The motion did not prevail and the amendment was not adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 5, line 14, delete "\$100,000" and insert "\$300,000"

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 50 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Bauerly	Greenfield	Kelso	McCollum	Pelowski	Sekhon	Wejcman
Brown, C.	Gruenes	Kinkel	Milbert	Perlt	Skoglund	Winter
Brown, K.	Hasskamp	Knickerbocker	Neary	Peterson	Solberg	
Clark	Hausman	Lasley	Olson, K.	Pugh	Swenson	
Cooper	Jefferson	Leppik	Orenstein	Rhodes	Tomassori	
Dorn	Johnson, R.	Lourey	Orfield	Rice	Tompkins	
Farrell	Kahn	Luther	Ostrom	Rukavina	Vellenga	
Garcia	Kelley	Mahon	Ozment	Sarna	Wagenius	

Those who voted in the negative were:

Abrams	Carlson	Gutknecht	Krinkie	Murphy	Seagren	Waltman
Anderson, I.	Commers	Haukoos	Krueger	Nelson	Simoneau	Weaver
Anderson, R.	Davids	Hugoson	Lieder	Ness	Smith	Wenzel
Asch	Dehler	Huntley	Limmer	Olson, E.	Sparby	Wolf
Battaglia	Delmont	Jacobs	Lindner	Olson, M.	Stanius	Worke
Beard	Dempsey	Jaros	Lynch	Onnen	Steensma	Workman
Bergson	Erhardt	Jennings	Macklin	Opatz	Sviggum	Spk. Long
Bertram	Evans	Johnson, V.	Molnau	Pauly	Trimble	
Bettermann	Girard	Kalis	Morrison	Reding	Tunheim	
Bishop	Goodno	Klinzing	Mosel	Rest	Van Dellen	
Blatz	Greiling	Koppendraye	Munger	Rodosovich	Vickerman	

The motion did not prevail and the amendment was not adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 6, delete lines 18 to 41 and insert:

"association is the amount of the applicable limit under subdivision 4 or the amount necessary to fully satisfy the contractual obligation to the insured, whichever is less."

Page 7, delete lines 1 to 37

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 37 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Beard	Dorn	Jefferson	Mariani	Perlt	Simoneau	Winter
Bishop	Farrell	Kelley	McGuire	Peterson	Skoglund	
Blatz	Garcia	Knickerbocker	Milbert	Pugh	Tomassoni	
Brown, C.	Greenfield	Lourey	Orenstein	Rhodes	Tompkins	
Clark	Greiling	Luther	Orfield	Sarna	Vellenga	
Dawkins	Hausman	Mahon	Ostrom	Sekhon	Wagenius	

Those who voted in the negative were:

Abrams	Davids	Huntley	Krueger	Murphy	Rodosovich	Waltman
Anderson, I.	Dehler	Jacobs	Lasley	Neary	Rukavina	Weaver
Anderson, R.	Delmont	Jaros	Leppik	Nelson	Seagren	Wejcman
Asch	Dempsey	Jennings	Lieder	Ness	Smith	Wenzel
Battaglia	Erhardt	Johnson, A.	Limmer	Olson, E.	Solberg	Wolf
Bauerly	Evans	Johnson, R.	Lindner	Olson, M.	Stanis	Worke
Bergson	Girard	Johnson, V.	Lynch	Onnen	Steenma	Workman
Bertram	Goodno	Kalis	Macklin	Opatz	Sviggum	Spk. Long
Bettermann	Gruenes	Kelso	McCollum	Ozment	Swenson	
Brown, K.	Gutknecht	Kinkel	Molnau	Pauly	Trimble	
Carlson	Haukoos	Klinzing	Morrison	Pelowski	Tunheim	
Commers	Holsten	Koppendrayer	Mosel	Reding	Van Dellen	
Cooper	Hugoson	Krunkie	Munger	Rest	Vickerman	

The motion did not prevail and the amendment was not adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 29, line 27, delete "30" and insert "ten business"

The motion prevailed and the amendment was adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 39, line 26, delete "the day following final enactment" and insert "August 1, 1993"

Page 39, line 30, delete "unallocated annuity contracts" and insert "all covered policies as defined in section 3" and delete "March" and insert "December"

Page 39, line 31, delete "17" and insert "31"

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 43 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Garcia	Knickerbocker	Olson, E.	Pugh	Swenson	Winter
Blatz	Greenfield	Lourey	Olson, K.	Rukavina	Tompkins	
Brown, C.	Greiling	Luther	Orenstein	Sarna	Trimble	
Brown, K.	Hasskamp	Mahon	Orfield	Seagren	Wagenius	
Clark	Hausman	Mariani	Ozment	Sekhon	Weaver	
Dawkins	Jaros	Mosel	Pauly	Skoglund	Wejcman	
Farrell	Kelley	Munger	Perlt	Solberg	Wenzel	

Those who voted in the negative were:

Abrams	Davids	Haukoos	Kelso	Macklin	Osthoff	Sviggum
Anderson, I.	Dehler	Holsten	Kinkel	McCollum	Ostrom	Tomassoni
Asch	Delmont	Hugoson	Klinzing	McGuire	Pelowski	Tunheim
Battaglia	Dempsey	Huntley	Koppendrayer	Milbert	Peterson	Van Dellen
Bauerly	Dorn	Jacobs	Krinkie	Molnau	Reding	Vellenga
Beard	Erhardt	Jefferson	Krueger	Morrison	Rest	Vickerman
Bergson	Evans	Jennings	Lasley	Murphy	Rhodes	Waltman
Bertram	Frerichs	Johnson, A.	Leppik	Nelson	Rodosovich	Wolf
Bettermann	Girard	Johnson, R.	Lieder	Ness	Simoneau	Worke
Carlson	Goodno	Johnson, V.	Limmer	Olson, M.	Smith	Workman
Commers	Gruenes	Kahn	Lindner	Onnen	Stanius	Spk. Long
Cooper	Gutknecht	Kalis	Lynch	Opatz	Steenma	

The motion did not prevail and the amendment was not adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 12, line 23, before "Members" insert "Six"

Page 12, line 25, after the period, insert "Three members of the board must be public members appointed by the commissioner. Public members must not be present or former employees of, agents of, or otherwise affiliated with any member insurer."

Page 12, line 30, after the period, insert "No more than five members of the board may be of the same gender; this requirement applies to appointments made on or after the effective date of this section and does not require displacement of any board member serving as of the effective date of this section until the person's current term expires."

A roll call was requested and properly seconded.

The question was taken on the Skoglund amendment and the roll was called. There were 43 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Hausman	Mariani	Olson, K.	Sarna	Winter
Beard	Evans	Jefferson	McCollum	Orenstein	Sekhon	
Blatz	Farrell	Kahn	McGuire	Orfield	Skoglund	
Brown, C.	Garcia	Kelley	Milbert	Perlt	Stanius	
Brown, K.	Greenfield	Lourey	Mosel	Pugh	Trimble	
Carlson	Greiling	Luther	Munger	Rice	Wagenius	
Clark	Hasskamp	Mahon	Neary	Rukavina	Wejcman	

Those who voted in the negative were:

Abrams	Delmont	Jaros	Lasley	Olson, M.	Seagren	Waltman
Anderson, I.	Dempsey	Jennings	Leppik	Onnen	Simoneau	Weaver
Asch	Dorn	Johnson, A.	Lieder	Opatz	Smith	Wenzel
Battaglia	Erhardt	Johnson, R.	Limmer	Osthoff	Solberg	Wolf
Bauerly	Girard	Johnson, V.	Lindner	Ostrom	Steensma	Worke
Bergson	Goodno	Kalis	Lynch	Ozment	Sviggum	Workman
Bertram	Gruenes	Kelso	Macklin	Pauly	Swenson	Spk. Long
Bettermann	Gutknecht	Kinkel	Molnau	Pelowski	Tomassoni	
Bishop	Haukoos	Klinzing	Morrison	Peterson	Tompkins	
Commers	Holsten	Knickerbocker	Murphy	Reding	Tunheim	
Cooper	Hugoson	Koppendrayner	Nelson	Rest	Van Dellen	
Dauids	Huntley	Krinkie	Ness	Rhodes	Vellenga	
Dehler	Jacobs	Krueger	Olson, E.	Rodosovich	Vickerman	

The motion did not prevail and the amendment was not adopted.

Skoglund moved to amend H. F. No. 1523, as amended, as follows:

Page 1, after line 10, insert:

"Sec. 1. Minnesota Statutes 1992, section 61A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL REQUIRED.] No policy of life insurance or annuity contract nor any rider of any kind or description which is made a part thereof shall be issued or delivered in this state, or be issued by a life insurance company organized under the laws of this state, until the form of the same has been approved by the commissioner. In making a determination under this section, the commissioner may require the insurer to provide rates and advertising materials related to policies or contracts issued or delivered in this state.

Sec. 2. Minnesota Statutes 1992, section 61A.02, subdivision 3, is amended to read:

Subd. 3. [DISAPPROVAL.] The commissioner shall, within 60 days after the filing of any form, disapprove the form:

- (1) if the benefits provided are unreasonable in relation to the premium charged;
- (2) if the safety and soundness of the company would be threatened by the offering of an excess rate of interest on the policy or contract;
- (3) if it contains a provision or provisions which are unlawful, unfair, inequitable, misleading, or encourages misrepresentation of the policy; or
- ~~(3)~~ (4) if the form, or its provisions, is otherwise not in the public interest. It shall be unlawful for the company to issue any policy in the form so disapproved. If the commissioner does not within 60 days after the filing of any form, disapprove or otherwise object, the form shall be deemed approved.

For purposes of clause (2), an excess rate of interest is a rate of interest exceeding the rate of interest determined by subtracting three percentage points from Moody's Corporate bond yield average as most recently available."

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 Skoglund amendment and the roll was called. There were 115 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bertram	Dehler	Goodno	Jaros	Nelson	Workman
Davids	Girard	Hugoson	Lindner	Worke	

The motion prevailed and the amendment was adopted.

Asch moved to amend H. F. No. 1523, as amended, as follows:

Page 11, line 16, delete everything after "holder"

Page 11, delete line 17

Page 11, line 18, delete everything before the period

The motion prevailed and the amendment was adopted.

H. F. No. 1523, A bill for an act relating to insurance; establishing and regulating the life and health guaranty association; providing for its powers and duties; amending Minnesota Statutes 1992, section 61A.02, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 61B; repealing Minnesota Statutes 1992, sections 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

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 106 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R.	Battaglia	Beard	Bertram	Bishop	Brown, K.
Anderson, I.	Asch	Bauerly	Bergson	Bettermann	Blatz	Carlson

Commers	Gutknecht	Klinzing	McGuire	Opatz	Seagren	Vickerman
Cooper	Haukoos	Knickerbocker	Milbert	Osthoff	Simoneau	Waltman
Davids	Holsten	Koppendraye	Molnau	Ostrom	Smith	Weaver
Dehler	Hugoson	Krinkie	Morrison	Ozment	Solberg	Wenzel
Delmont	Huntley	Krueger	Mosel	Pauly	Sparby	Wolf
Dempsey	Jacobs	Lasley	Munger	Pelowski	Stanius	Worke
Dorn	Jennings	Leppik	Murphy	Perlt	Steensma	Workman
Erhardt	Johnson, A.	Lieder	Neary	Peterson	Sviggum	Spk. Long
Evans	Johnson, R.	Limmer	Nelson	Pugh	Swenson	
Frerichs	Johnson, V.	Lindner	Ness	Reding	Tomassoni	
Garcia	Kahn	Luther	Olson, E.	Rest	Tompkins	
Girard	Kalis	Lynch	Olson, K.	Rhodes	Tunheim	
Goodno	Kelso	Macklin	Olson, M.	Rodosovich	Van Dellen	
Gruenes	Kinkel	Mahon	Onnen	Rukavina	Vellenga	

Those who voted in the negative were:

Brown, C.	Greenfield	Jaros	Mariani	Rice	Trimble
Clark	Greiling	Jefferson	McCollum	Sarna	Wagenius
Dawkins	Hasskamp	Kelley	Orenstein	Sekhon	Wejcmn
Farrell	Hausman	Lourey	Orfield	Skoglund	Winter

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

H. F. No. 592 which was temporarily laid over earlier today on Special Orders was again reported to the House.

Pugh moved to amend H. F. No. 592, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 510.01, is amended to read:

510.01 [HOMESTEAD DEFINED; EXEMPT; EXCEPTION.]

The house owned and occupied by a debtor as the debtor's dwelling place, together with the land upon which it is situated to the amount of area and value hereinafter limited and defined, shall constitute the homestead of such debtor and the debtor's family, and be exempt from seizure or sale under legal process on account of any debt not lawfully charged thereon in writing, except such as are incurred for work or materials furnished in the construction, repair, or improvement of such homestead, or for services performed by laborers or servants and as is provided in section 550.175.

Sec. 2. Minnesota Statutes 1992, section 510.02, is amended to read:

510.02 [AREA; AND VALUE; HOW LIMITED.]

The homestead may include any quantity of land not exceeding 160 acres, and not included in the laid out or platted portion of any city. If it be the homestead is within the laid out or platted portion of such place a city, its area shall must not exceed one-half of an acre. The value of the homestead exemption, whether the exemption is claimed jointly or individually, may not exceed \$200,000 or, if the homestead is used primarily for agricultural purposes, \$500,000, exclusive of the limitations set forth in section 510.05.

Sec. 3. Minnesota Statutes 1992, section 510.07, is amended to read:

510.07 [SALE OR REMOVAL PERMITTED; INSURANCE PROCEEDS; NOTICE.]

The owner may sell and convey the homestead without subjecting it, or the proceeds of such sale for the period of one year after sale, to any judgment or debt from which it was exempt in the owner's hands, except that the

proceeds of the sale are not exempt from a judgment or debt for a court ordered child support or maintenance obligation in arrears. The proceeds of an insurance claim for an exempt homestead are exempt for one year. The owner may remove therefrom without affecting such exemption, if the owner does not thereby abandon the same as the place of abode. If the owner shall cease to occupy such homestead for more than six consecutive months the owner shall be deemed to have abandoned the same unless, within such period, the owner shall file with the county recorder of the county in which it is situated a notice, executed, witnessed, and acknowledged as in the case of a deed, describing the premises and claiming the same as the owner's homestead. In no case shall the exemption continue more than five years after such filing, unless during some part of the term the premises shall have been occupied as the actual dwelling place of the debtor or the debtor's family.

Sec. 4. Minnesota Statutes 1992, section 510.08, is amended to read:

510.08 [SELECTION AFTER LEVY.]

(a) If the premises so owned and occupied by the debtor or claimed under the debtor by another as exempt shall exceed the area herein prescribed, and the homestead shall not have been set apart as such and its boundaries defined, an attachment or execution may be levied upon the whole. Thereupon the person entitled to the benefits of such exemption shall deliver to the officer making the levy a description of the part claimed as exempt, and the remainder only shall be subject to the levy so made.

(b) If the premises so owned and occupied by the debtor or claimed under the debtor by another as exempt exceeds the value prescribed in section 510.02, an attachment or execution may be levied upon the whole.

Sec. 5. Minnesota Statutes 1992, section 550.175, subdivision 3, is amended to read:

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] The debtor must designate the legal description of the homestead property to be sold separately and the debtor's estimate of the value of the property. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the debtor, and be compact so that it does not unreasonably affect the value of the remaining property. The debtor must serve a copy of the designation on the executing creditor, the sheriff, and the county recorder by ten business days before the sale is scheduled.

Sec. 6. Minnesota Statutes 1992, section 550.175, subdivision 4, is amended to read:

Subd. 4. [SALE OF PROPERTY.] (a) If the sheriff receives a homestead property designation under subdivision 3, the sheriff must offer and sell the designated homestead property, and the remaining property, separately, unless the executing creditor denies the right to the exemption, objects to the property designated, or claims the value exceeds the exemption.

(b) If the executing creditor is dissatisfied with the homestead property designation or the debtor's valuation of the property, upon proper motion to the district court of the county in which any part of the property is located, the executing creditor is entitled to a court approved designation of the homestead and a court determination of value. The court shall either approve the debtor's designation or cause the property to be surveyed and order a homestead designation consistent with the standards of subdivision 3 and require an appraisal of fair market value, as applicable. The court's designation of the homestead property must conform to the debtor's request, to the extent not inconsistent with the standards of subdivision 3.

(c) The court, in determining appraised value, shall review any appraisals provided by the debtor and executing creditor and may require a court appointed independent appraisal. The appraisals shall evaluate the property's fair market value, net of reasonable costs of sale.

(d) If the court determines that the property claimed as a homestead exceeds in value the amount of the homestead exemption or if the court determines that the property cannot be divided without material injury, the court shall order the sale of the entire property, including the designated homestead. Out of the proceeds of the sale, the court shall pay the debtor the amount of the homestead exemption and apply the balance of the proceeds of the sale on the execution.

(e) At the sale, no bid may be accepted unless it exceeds the amount of the homestead exemption. If no bid exceeds the exemption, the homestead is exempt.

(f) The cost of any court ordered survey or appraisal and of the sale must be collected on the execution, if the debtor designated as the debtor's homestead a greater quantity of property, property of greater value than the debtor was entitled to, or designated a parcel that does not meet the standards of subdivision 3. In all other cases, the costs shall be borne by the executing creditor."

Delete the title and insert:

"A bill for an act relating to creditors' remedies; limiting the value of the homestead exemption; providing for the exemption of homestead insurance proceeds; amending Minnesota Statutes 1992, sections 510.01; 510.02; 510.07; 510.08; and 550.175, subdivisions 3 and 4."

The motion prevailed and the amendment was adopted.

H. F. No. 592, A bill for an act relating to creditors' remedies; limiting the value of the homestead exemption; providing for the exemption of homestead insurance proceeds; amending Minnesota Statutes 1992, sections 510.01; 510.02; 510.07; 510.08; and 550.175, subdivisions 3 and 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Anderson, I., moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Carlson from the Committee on Education to which was referred:

H. F. No. 10, A bill for an act relating to education; establishing a youth apprenticeship program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [126.0152] [YOUTH APPRENTICESHIP PROGRAM.]

Subdivision 1. [ESTABLISHMENT; PURPOSE; NEED.] (a) A youth apprenticeship program is established to improve students' transition from high school to work by fostering partnerships between high schools, post-secondary schools, local employers, labor organizations, and communities.

(b) The purpose of the four-year combined secondary and post-secondary program is to integrate academic instruction, work-based learning, and worksite learning and experience and lead to a statewide credential of academic and occupational proficiency.

(c) The need for the program arises because improved and changing technologies in business and industry require employees to have greater occupational skills, high skill occupations require more and better trained employees, and changes in the workplace require skilled employees to solve complex problems, think critically, make important decisions, and communicate effectively.

Subd. 2. [OBJECTIVES.] (a) To improve high school students' transition from school to work, the youth apprenticeship program must obtain strong school and employer commitment and involvement.

(b) A youth apprenticeship demonstration project must accomplish the following objectives:

(1) provide students with work-based learning in skilled occupations that leads to high skill employment and opportunities for advancement;

(2) integrate students' secondary and post-secondary academic instruction and work-related learning so that they may qualify for an apprenticeship or other high skill training program;

(3) beginning in junior high school, expand the range of skilled occupations available to students to explore as career options;

(4) improve students' qualifications for an apprenticeship or other high skill training program and the opportunity to obtain secondary and post-secondary credit for their program experience;

(5) improve students' ability to use academic skills in the workplace;

(6) actively encourage women and minority students to participate in apprenticeship or other high skill training programs;

(7) increase the number of qualified students preparing to enter skilled industries and occupations and work with employers to improve students' access to such industries and occupations;

(8) involve representatives of business, industry, occupations, and labor in planning, developing, and evaluating the program, including designing the work-related curriculum;

(9) enable employers to assess students' skills and abilities before accepting the students as apprentices or employing them;

- (10) expand employers' interest in and willingness to invest in training students for skilled occupations; and
- (11) create a school program that is interesting, enjoyable, and challenging.

Subd. 3. [ACADEMIC INSTRUCTION AND WORK-RELATED LEARNING.] (a) A youth apprenticeship demonstration project must integrate academic instruction and work-related learning in the classroom and at the workplace. Schools, in collaboration with students' employers, must use competency-based measures to evaluate students' progress in the program. Students who successfully complete the program at a demonstration project must receive academic and occupational credentials from the participating school.

(b) The academic instruction provided as part of a youth apprenticeship program must:

- (1) meet applicable secondary and post-secondary education requirements;
- (2) enable the students to attain academic proficiency in at least the areas of English, mathematics, history, science, and geography; and
- (3) where appropriate, modify existing secondary and post-secondary curricula to accommodate the changing needs of the workplace.

(c) Work-based learning provided as part of the program must:

- (1) supply students with knowledge, skills, and abilities based on appropriate, nationally accepted standards in the specific industries and occupations for which the students are trained;
- (2) offer students structured job training at the worksite, including high quality supervised learning opportunities;
- (3) foster interactive, team-based learning;
- (4) encourage sound work habits and behaviors;
- (5) develop workplace skills, including the ability to manage resources, work productively with others, acquire and use information, understand and master systems, and work with technologies; and
- (6) where feasible, offer students the opportunity to participate in community service and service learning activities.

(d) Worksite learning and experience provided as part of the program must:

- (1) help youth apprentices achieve the program's academic and work-based learning requirements;
- (2) pay apprentices for their work; and
- (3) assist employers to fulfill their commitment to youth apprentices.

Subd. 4. [PROGRAM COMPONENTS.] (a) A youth apprenticeship demonstration project must require representatives of secondary and post-secondary school systems, business, industry, occupations, labor, and the community to be actively and collaboratively involved in advising and managing the program.

(b) The entities participating in a demonstration project must consult with local private industry councils to ensure that the youth apprenticeship program meets local labor market demands and provides student apprentices with the high skill training necessary for career advancement within an occupation.

(c) The program must meet applicable state education requirements and labor standards, provide support services to program participants, and accommodate the integrating of work-related learning and academic instruction through flexible schedules for students and teachers and appropriately modified curriculum.

(d) Local employers, collaborating with labor organizations where appropriate, must assist the program by analyzing workplace needs, creating work-related curriculum, employing and adequately paying youth apprentices engaged in work-related learning in the workplace, training youth apprentices to become skilled in an occupation,

providing student apprentices with a workplace mentor, periodically informing the school of an apprentice's progress, and making a reasonable effort to employ youth apprentices who successfully complete the program.

(e) A student participating in a demonstration project must sign a youth apprenticeship agreement with participating entities that obligates youth apprentices, their parents or guardians, employers, and schools to meet program requirements, indicates how academic instruction, work-based learning, and worksite learning and experience will be integrated, ensures that successful youth apprentices will receive a recognized credential of academic and occupational proficiency, and establishes the wage rate and other benefits for which youth apprentices are eligible while employed during the program.

(f) Secondary school principals or counselors or business mentors familiar with the demonstration project must inform entering secondary school students about available occupational and career opportunities and the option of entering a youth apprenticeship program to obtain post-secondary academic and occupational credentials.

Subd. 5. [NONDISPLACEMENT.] An employer participating in a youth apprenticeship demonstration project shall not displace any employee engaged in work similar to the work performed by a youth apprentice or remove any similar position as a result of the project. This precludes an employer from reducing an employee's hours of work, wages, or employment benefits.

Subd. 6. [YOUTH APPRENTICESHIP COUNCIL.] A 14-member youth apprenticeship council is established, composed of the commissioners of education, labor and industry, and jobs and training, or their designees, the chancellors of the technical and community colleges, or their designees, the president of Minnesota Technology, Inc., or the president's designee, one representative each from the Minnesota education association and the Minnesota federation of teachers, and two representatives each from business, labor, and industry organizations appointed by appropriate statewide organizations. Members serving not as a result of their office have three-year terms except that the first appointees' terms must be staggered into four one-year, five two-year, and five three-year terms as determined by lot at the council's first meeting. The council shall assist in developing and implementing youth apprenticeship programs throughout the state and, where feasible, in integrating community service and service learning curriculum into youth apprenticeship programs. The council shall submit a report to the legislature and the governor, annually by January 15, describing the actions taken during the previous calendar year to develop and implement youth apprenticeship programs under this section, what waivers of law, if any, are necessary to accomplishing the purposes of this section, and the budget and staffing needs of the programs.

Sec. 2. [YOUTH APPRENTICESHIP DEMONSTRATION PROJECT GRANTS.]

Subdivision 1. [ESTABLISHMENT; ELIGIBILITY.] The youth apprenticeship council shall establish a grant program to fund youth apprenticeship demonstration projects under section 1. A grant applicant must represent secondary and post-secondary school systems, affected secondary school principals, business, industry, occupations, labor, and the local community.

Subd. 2. [APPLICATION PROCESS.] To obtain a grant to participate in a project, the applicant must submit an application to the youth apprenticeship council in the form and manner established by the council. The application must describe how the applicant will meet the program objectives in Minnesota Statutes, section 126.0152, subdivision 2, and what resources will be available to continue the project if it is found to be effective. The council may require additional information from the applicant.

Subd. 3. [GRANT AWARDS.] Grant recipients must be located throughout the state. The amount of the grant shall not exceed \$100,000. Grant recipients shall use the grant money to implement a youth apprenticeship demonstration project.

Subd. 4. [EVALUATION.] The council shall evaluate the projects to determine the extent to which the objectives in Minnesota Statutes, section 126.0152, subdivision 2, are realized and recommend to the legislature by January 1, 1995, whether or not such projects should be made available throughout the state. If the council recommends that the projects should be made available statewide, the council also shall recommend an implementation process.

Sec. 3. [APPROPRIATION; DEMONSTRATION PROJECTS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] There is appropriated from the general fund to the department of education for developing and implementing youth apprenticeship programs under section 1:

\$1,000,000

1994.

The appropriation is available until June 30, 1995. Of this amount, \$50,000 in fiscal year 1994 and \$50,000 in fiscal year 1995 is available to the department to employ a staff person to assist the youth apprenticeship council in section 1.

The youth apprenticeship council shall actively seek a dollar for dollar match in funding or in-kind contributions from nonstate sources, including local program participants.

Subd. 2. [DEMONSTRATION PROJECTS.] The youth apprenticeship council under section 1, shall implement the demonstration youth apprenticeship projects during the 1994-1995 biennium. Industries and occupations participating in the demonstration projects must offer youth apprentices entry-level employment with opportunities for advancing into high skill, high wage positions.

Entities participating in a demonstration project must make a five-year commitment to effectively implementing a youth apprenticeship program."

Delete the title and insert:

"A bill for an act relating to education; establishing a youth apprenticeship program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126."

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

The report was adopted.

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

H. F. No. 483, A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 501B.89, is amended to read:

501B.89 [EXCULPATORY CLAUSES TRUST PROVISIONS LINKED TO PUBLIC ASSISTANCE ELIGIBILITY UNENFORCEABLE; SUPPLEMENTAL NEEDS TRUSTS.]

Subdivision 1. [TRUSTS CONTAINING LIMITATIONS LINKED TO ELIGIBILITY FOR PUBLIC ASSISTANCE.]

(a) Except as allowed by subdivision 2, a provision in a trust created after July 1, 1992, purporting to make assets or income unavailable to a beneficiary that provides for the suspension, termination, limitation, or diversion of the principal, income, or beneficial interest of a beneficiary if the beneficiary applies for or is determined eligible for, or receives public assistance or benefits under a public health care program is unenforceable as against the public policy of this state, without regard to the irrevocability of the trust or the purpose for which the trust was created.

(b) This subdivision applies to trust provisions created after July 1, 1992. For purposes of this section, a trust provision is created on the date of execution of the first instrument that contains the provision, even though the trust provision is later amended or reformed or the trust is not funded until a later date.

Subd. 2. [SUPPLEMENTAL TRUSTS FOR PERSONS WITH DISABILITIES.] (a) It is the public policy of this state to enforce supplemental needs trusts as provided in this subdivision.

(b) For purposes of this subdivision, a "supplemental needs trust" is a trust created for the benefit of a person with a disability and funded by someone other than the trust beneficiary, the beneficiary's spouse, or anyone obligated to pay any sum for damages or any other purpose to or for the benefit of the trust beneficiary under the terms of a settlement agreement or judgment.

(c) For purposes of this subdivision, a "person with a disability" means a person who, prior to creation of a trust which otherwise qualifies as a supplemental needs trust for the person's benefit:

(1) is considered to be a person with a disability under the disability criteria specified in Title II or Title XVI of the Social Security Act; or

(2) has a physical or mental illness or condition which, in the expected natural course of the illness or condition, either prior to or following creation of the trust, to a reasonable degree of medical certainty, is expected to:

(i) last for a continuous period of 12 months or more; and

(ii) substantially impair the person's ability to provide for the person's care or custody.

Disability may be established conclusively for purposes of this subdivision by the written opinion of a licensed professional who is qualified to diagnose the illness or condition, confirmed by the written opinion of a second licensed professional who is qualified to diagnose the illness or condition.

(d) The general purpose of a supplemental needs trust must be to provide for the reasonable living expenses and other basic needs of a person with a disability when benefits from publicly funded benefit programs are not sufficient to provide adequately for those needs. Subject to the restrictions contained in this paragraph, a supplemental needs trust may authorize distributions to provide for all or any portion of the reasonable living expenses of the beneficiary. A supplemental needs trust may allow or require distributions only in ways and for purposes that supplement or complement the benefits available under medical assistance, Minnesota supplemental aid, and other publicly funded benefit programs for disabled persons. A supplemental needs trust must contain provisions that prohibit disbursements that would have the effect of replacing, reducing, or substituting for publicly funded benefits otherwise available to the beneficiary or rendering the beneficiary ineligible for publicly funded benefits.

(e) A supplemental needs trust is not enforceable if the trust beneficiary becomes a patient or resident after age 64 in a state institution or nursing facility for six months or more and, due to the beneficiary's medical need for care in an institutional setting, there is no reasonable expectation that the beneficiary will ever be discharged from the institution or facility. For purposes of this paragraph "reasonable expectation" means that the beneficiary's attending physician has certified that the expectation is reasonable. For purposes of this paragraph, a beneficiary participating in a group residential program is not deemed to be a patient or resident in a state institution or nursing facility.

(f) The trust income and assets of a supplemental needs trust are considered available to the beneficiary for medical assistance purposes to the extent they are considered available to the beneficiary under medical assistance, supplemental security income, or aid to families with dependent children methodology, whichever is used to determine the beneficiary's eligibility for medical assistance. For other public assistance programs established or administered under state law, assets and income will be considered available to the beneficiary in accordance with the methodology applicable to the program.

(g) Nothing in this subdivision requires submission of a supplemental needs trust to a court for interpretation or enforcement.

(h) Paragraphs (a) to (g) apply to supplemental needs trusts whenever created, but the limitations and restrictions in paragraphs (c) to (g) apply only to trusts created after June 30, 1993.

Sec. 2. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective retroactive to July 1, 1992.

Notwithstanding the provisions of section 1, subdivision 2, providing that a supplemental needs trust may not be funded by the beneficiary or a person obligated to pay the beneficiary under a settlement agreement or judgment, a supplemental needs trust may be established with the proceeds of payments made by the social security administration pursuant to the United States Supreme Court decision in Sullivan v. Zebley, 110 S.Ct. 885 (1990)."

Delete the title and insert:

"A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89."

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1256, A bill for an act relating to economic development; providing for community development corporations; appropriating money; amending Minnesota Statutes 1992, sections 116J.982; and 462A.21, by adding a subdivision; repealing Minnesota Statutes 1992, section 116J.982, subdivisions 6a, 8, and 9.

Reported the same back with the following amendments:

Page 5, line 19, delete "new organizations."

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

The report was adopted.

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

H. F. No. 1294, A bill for an act relating to medical assistance; increasing asset allowances; removing the 30-month limitation on prohibited transfers for medical assistance eligibility; requiring the commissioner of human services to seek necessary federal law changes or waivers; providing for medical assistance liens on real property; appropriating money; amending Minnesota Statutes 1992, sections 256B.059, subdivisions 3 and 5; and 256B.0595, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 514.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 256B.059, subdivision 3, is amended to read:

Subd. 3. [COMMUNITY SPOUSE ASSET ALLOWANCE.] (a) An institutionalized spouse may transfer assets to the community spouse solely for the benefit of the community spouse. Except for increased amounts allowable under subdivision 4, the maximum amount of assets allowed to be transferred is the amount which, when added to the assets otherwise available to the community spouse, is the greater of:

(1) \$12,000 prior to July 1, 1994.

(i) \$14,148;

(2) (ii) the lesser of the spousal share or ~~\$60,000~~ \$70,740; or

(3) (iii) the amount required by court order to be paid to the community spouse;

(2) for the period from July 1, 1994, to June 30, 1995,

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(3) for the period beginning July 1, 1995,

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse.

If the assets available to the community spouse are already at the limit permissible under this section, or the higher limit attributable to increases under subdivision 4, no assets may be transferred from the institutionalized spouse to the community spouse. The transfer must be made as soon as practicable after the date the institutionalized spouse is determined eligible for medical assistance, or within the amount of time needed for any court order required for the transfer. On January 1, 1990, and every January 1 thereafter, the ~~\$12,000 and \$60,000~~ limits in this subdivision shall be adjusted by the same percentage change in the consumer price index for all urban consumers (all items; United States city average) between the two previous Septembers. These adjustments shall also be applied to the ~~\$12,000 and \$60,000~~ limits in subdivision 5.

Sec. 2. Minnesota Statutes 1992, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) ~~\$12,000~~ prior to July 1, 1994,

(i) \$14,148; or

(2) (ii) the lesser of the spousal share or ~~\$60,000~~ \$70,740; or

(3) (iii) the amount required by court order to be paid to the community spouse;

(2) for the period from July 1, 1994, to June 30, 1995,

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(3) for the period beginning July 1, 1995,

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse.

If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 2; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 3. Minnesota Statutes 1992, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] ~~(a) If a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long term care services for the period of time determined under subdivision 2. A person, a person's spouse, or a person's authorized representative may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for medical assistance, any transfer of an asset for less than fair market value may be considered. Any transfer made within 60 months preceding application for medical assistance or during the period of medical assistance eligibility is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for medical assistance for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose. Any other transfer of an asset for less than fair market value more than 60 months prior to application for medical assistance eligibility may be considered for purposes of determining eligibility.~~

(b) This section applies to transfers, for less than fair market value, of income or assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments.

(c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(d) This section applies to the portion of any asset or interest that a person or a person's spouse transfers to an irrevocable trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse while alive, based on estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based on the need for long-term care.

(e) For purposes of this section, long-term care services include nursing facility services, and home- and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home- and community-based services under section 256B.491.

Sec. 4. Minnesota Statutes 1992, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] For ~~any~~ uncompensated ~~transfer~~ transfers, the number of months of ineligibility for long-term care services shall be ~~the lesser of 30 months, or the total uncompensated transfer amount value of the resources transferred,~~ divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin in the month the first assets were transferred. In calculating the value of uncompensated transfers, uncompensated transfers not to exceed \$1,000 in total value per month shall be disregarded for each month prior to the month of application for medical assistance. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Sec. 5. Minnesota Statutes 1992, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.] (a) An institutionalized person is not ineligible for ~~long-term care~~ medical assistance services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

- (1) title to the homestead was transferred to the individual's
 - (i) spouse;
 - (ii) child who is under age 21;
 - (iii) blind or permanently and totally disabled child as defined in the supplemental security income program;
 - (iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or
 - (v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of ~~long-term care~~ medical assistance services granted ~~within 30 months of the transfer during the period of ineligibility under subdivision 2~~ or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

Sec. 6. Minnesota Statutes 1992, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for ~~long-term care~~ medical assistance services if one of the following conditions applies:

- (1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of ~~long-term care~~ medical assistance services granted ~~within 30 months of the transfer~~, during the period of ineligibility determined under subdivision 2 or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.

Sec. 7. Minnesota Statutes 1992, section 256B.15, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1 1a, clause (b), and the total amount of general assistance medical care rendered, and shall not include interest. Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

Sec. 8. [514.980] [MEDICAL ASSISTANCE LIENS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 514.980 to 514.985.

Subd. 2. [MEDICAL ASSISTANCE AGENCY OR AGENCY.] "Medical assistance agency" or "agency" means the state or any county medical assistance agency that provides a medical assistance benefit.

Subd. 3. [MEDICAL ASSISTANCE BENEFIT.] "Medical assistance benefit" means a benefit provided under chapter 256B to a person while in a medical institution.

Subd. 4. [MEDICAL INSTITUTION.] A "medical institution" means a nursing facility, intermediate care facility, or inpatient hospital.

Sec. 9. [514.981] [MEDICAL ASSISTANCE LIEN.]

Subdivision 1. [PROPERTY SUBJECT TO LIEN; LIEN AMOUNT.] (a) Subject to sections 514.980 to 514.985, payments made by a medical assistance agency to provide medical assistance benefits to a medical assistance recipient who owns property in this state or to the recipient's spouse constitute a lien in favor of the agency upon all real property that is owned by the medical assistance recipient on or after the time when the recipient is institutionalized.

(b) The amount of the lien is limited to the same extent as a claim against the estate under section 256B.15, subdivision 2.

Subd. 2. [ATTACHMENT.] (a) A medical assistance lien attaches and becomes enforceable against specific real property as of the date when the following conditions are met:

(1) payments have been made by an agency for a medical assistance benefit;

(2) notice and an opportunity for a hearing have been provided under paragraph (b);

(3) a lien notice has been filed as provided in section 514.982;

(4) if the property is registered property, the lien notice has been memorialized on the certificate of title of the property affected by the lien notice; and

(5) all restrictions against enforcement have ceased to apply.

(b) An agency may not file a medical assistance lien notice until the medical assistance recipient and the recipient's spouse or their legal representatives have been sent, by certified or registered mail, written notice of the agency's lien rights and there has been an opportunity for a hearing under section 256.045. In addition, the agency may not file a lien notice unless the agency determines that the medical assistance recipient cannot reasonably be expected to be discharged from a medical institution to return home, as medically verified by the recipient's attending physician.

(c) An agency may not file a medical assistance lien notice against real property while it is the home of the recipient's spouse.

(d) An agency may not file a medical assistance lien notice against real property that was the homestead of the medical assistance recipient or the recipient's spouse when the medical assistance recipient received medical institution services if any of the following persons are lawfully residing in the property:

(1) a child of the medical assistance recipient if the child is under age 21 or is blind or permanently and totally disabled according to the supplemental security income criteria;

(2) a child of the medical assistance recipient if the child resided in the homestead for at least two years immediately before the date the medical assistance recipient received medical institution services, and the child provided care to the medical assistance recipient that permitted the recipient to live without medical institution services; or

(3) a sibling of the medical assistance recipient if the sibling has an equity interest in the property and has resided in the property for at least one year immediately before the date the medical assistance recipient began receiving medical institution services.

(e) A medical assistance lien applies only to the specific real property described in the lien notice.

Subd. 3. [CONTINUATION OF LIEN NOTICE AND LIEN.] A medical assistance lien notice remains effective from the time it is filed until it can be disregarded under sections 514.980 to 514.985. A medical assistance lien that has attached to specific real property continues until the lien is satisfied, becomes unenforceable under subdivision 6, or is released and discharged under subdivision 5.

Subd. 4. [LIEN PRIORITY.] A medical assistance lien that attaches to specific real property is subject to the rights of any other person, including an owner, other than the recipient or recipient's spouse, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest in the real property is perfected before a lien notice has been filed under section 514.982. The rights of the other person have the same protections against a medical assistance lien as are afforded against a judgment lien that arises out of an unsecured obligation and that arises as of the time of the filing of the medical assistance lien notice under section 514.982. A medical assistance lien is inferior to a lien for taxes or special assessments or other lien that would be superior to the perfected lien of a judgment creditor.

Subd. 5. [RELEASE.] (a) An agency that files a medical assistance lien notice shall release and discharge the lien in full if:

(1) the medical assistance recipient is discharged from the medical institution and returns home;

(2) the medical assistance lien is satisfied;

(3) the agency has received reimbursement for the amount secured by the lien or a legally enforceable agreement has been executed providing for reimbursement of the agency for that amount; or

(4) the medical assistance recipient, if single, or the recipient's surviving spouse, has died, and a claim may not be filed against the estate of the decedent under section 256B.15, subdivision 3.

(b) Upon request, the agency that files a medical assistance lien notice shall release a specific parcel of real property from the lien if:

(1) the property is or was the homestead of the recipient's spouse during the time of the medical assistance recipient's institutionalization, or the property is or was attributed to the spouse under section 256B.059, subdivision 3 or 4, and the spouse is not receiving medical assistance benefits;

(2) the property would be exempt from a claim against the estate under section 256B.15, subdivision 4;

(3) the agency receives reimbursement, or other collateral sufficient to secure payment of reimbursement, in an amount equal to the lesser of the amount secured by the lien, or the amount the agency would be allowed to recover upon enforcement of the lien against the specific parcel of property if the agency attempted to enforce the lien on the date of the request to release the lien; or

(4) the medical assistance lien cannot lawfully be enforced against the property because of an error, omission, or other material defect in procedure, description, identity, timing, or other prerequisite to enforcement.

(c) The agency that files a medical assistance lien notice may release the lien if the attachment or enforcement of the lien is determined by the agency to be contrary to the public interest.

(d) The agency that files a medical assistance lien notice shall execute the release of the lien and file the release as provided in section 514.982, subdivision 2.

Subd. 6. [TIME LIMITS; CLAIM LIMITS.] (a) A medical assistance lien is not enforceable against specific real property if any of the following occurs:

(1) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within 18 months of the agency's receipt of notice of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later; or

(2) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within three years of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later. This limitation is tolled during any period when the provisions of section 514.983, subdivision 2, apply to delay enforcement of the lien.

(b) A medical assistance lien is not enforceable against the real property of an estate to the extent there is a determination by a court of competent jurisdiction, or by an officer of the court designated for that purpose, that there are insufficient assets in the estate to satisfy the agency's medical assistance lien in whole or in part in accordance with the priority of claims established by chapters 256B and 524. The agency's lien remains enforceable to the extent that assets are available to satisfy the agency's lien, subject to the priority of other claims, and to the extent that the agency's claim is allowed against the estate under chapters 256B and 524.

Sec. 10. [514.982] [MEDICAL ASSISTANCE LIEN NOTICE.]

Subdivision 1. [CONTENTS.] A medical assistance lien notice must be dated and must contain:

(1) the full name, last known address, and social security number of the medical assistance recipient and the full name, address, and social security number of the recipient's spouse;

(2) a statement that medical assistance payments have been made to or for the benefit of the medical assistance recipient named in the notice, specifying the first date of eligibility for benefits;

(3) a statement that all interests in real property owned by the persons named in the notice may be subject to or affected by the rights of the agency to be reimbursed for medical assistance benefits; and

(4) the legal description of the real property upon which the lien attaches, and whether the property is registered property.

Subd. 2. [FILING.] Any notice, release, or other document required to be filed under sections 514.980 to 514.985 must be filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real

property is located. Notwithstanding section 386.77, the agency shall pay the applicable filing fee for any document filed under sections 514.980 to 514.985. The commissioner of human services shall reimburse the county agency for filing fees paid under this section. An attestation, certification, or acknowledgment is not required as a condition of filing. Upon filing of a medical assistance lien notice, the registrar of titles shall record it on the certificate of title of each parcel of property described in the lien notice. The county recorder of each county shall establish an index of medical assistance lien notices, other than those that affect only registered property, showing the names of all persons named in the medical assistance lien notices filed in the county, arranged alphabetically. The index must be combined with the index of state tax lien notices. The filing or mailing of any notice, release, or other document under sections 514.980 to 514.985 is the responsibility of the agency. The agency shall send a copy of the medical assistance lien notice by registered or certified mail to each record owner and mortgagee of the real property.

Sec. 11. [514.983] [LIEN ENFORCEMENT; LIMITATION.]

Subdivision 1. [FORECLOSURE PROCEDURE.] Subject to subdivision 2, a medical assistance lien may be enforced by the agency that filed it by foreclosure in the manner provided for foreclosure of a judgment lien under chapter 550.

Subd. 2. [HOMESTEAD PROPERTY.] (a) A medical assistance lien may not be enforced against homestead property of the medical assistance recipient or the spouse while it remains the lawful residence of the medical assistance recipient's spouse.

(b) A medical assistance lien remains enforceable as provided in sections 514.980 to 514.985, notwithstanding any law limiting the enforceability of a judgment.

Sec. 12. [514.984] [LIEN DOES NOT AFFECT OTHER REMEDIES.]

Sections 514.980 to 514.985 do not limit the right of an agency to file a claim against the estate of a medical assistance recipient or the estate of the spouse or limit any other claim for reimbursement of agency expenses or the availability of any other remedy provided to the agency.

Sec. 13. [514.985] [AMOUNTS RECEIVED TO SATISFY LIEN.]

Amounts received by the state to satisfy a medical assistance lien filed by the state must be deposited in the state treasury and credited to the fund from which the medical assistance payments were made. Amounts received by a county medical assistance agency to satisfy a medical assistance lien filed by the county medical assistance agency must be deposited in the county treasury and credited to the fund from which the medical assistance payments were made.

Sec. 14. [WAIVER REQUEST TO LIMIT ASSET TRANSFERS.]

The commissioner of human services shall seek federal law changes and federal waivers necessary to implement Minnesota Statutes, section 256B.0595, subdivisions 1 and 2.

Sec. 15. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of human services for purposes of implementing this act and reimbursing counties for filing fees under Minnesota Statutes, section 514.982, and the complement of the department of human services is increased by three. Two of these positions must be used to file, monitor, and enforce medical assistance liens under Minnesota Statutes, sections 514.980 to 514.985. One position must be used to implement sections 1 to 4 and to provide technical assistance to state and county agencies dealing with estate planning and other asset and income issues.

Sec. 16. [EFFECTIVE DATE.]

Section 1 shall apply to all persons who begin their first continuous period of institutionalization on or after July 1, 1993. Sections 3 and 4 apply to transfers that occur after June 30, 1993, or after the effective date of the waivers or law changes referred to in section 14, whichever is later."

Delete the title and insert:

"A bill for an act relating to medical assistance; increasing asset allowances; removing the 30-month limitation on prohibited transfers for medical assistance eligibility; requiring the commissioner of human services to seek necessary federal law changes or waivers; providing for medical assistance liens on real property; appropriating money; amending Minnesota Statutes 1992, sections 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; and 256B.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 514."

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

The report was adopted.

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

H. F. No. 1588, A bill for an act relating to metropolitan government; providing for an advisory council on metropolitan governance.

Reported the same back with the following amendments:

Page 2, after line 30, insert:

"Sec. 3. [APPROPRIATION.]

\$..... is appropriated for fiscal year 1994 from the general fund to the metropolitan council for the purposes of sections 1 and 2."

Page 2, line 31, delete "3" and insert "4"

Correct internal references

Amend the title as follows:

Page 1, line 3, before the period insert "; appropriating money"

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

The report was adopted.

Carlson from the Committee on Education to which was referred:

H. F. No. 1727, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1992, sections 3.9741; 16A.127, subdivision 8; 126.56, subdivision 5; 135A.03, subdivision 7; 135A.06, subdivision 1; 135A.061; 136A.02, subdivisions 5, 6, and 7; 136A.04, subdivision 1; 136A.0411; 136A.08; 136A.101, subdivision 7; 136A.121, subdivisions 6 and 9; 136A.125, subdivision 3; 136A.1352, subdivisions 1 and 2; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.1701, subdivision 4, and by adding a subdivision; 136A.233; 136A.653, subdivision 1; 136A.69; 136A.87; 136C.15; 136C.61, subdivision 7; 136E.04, subdivision 3; 137.022, subdivision 3, and by adding a subdivision; 141.25, subdivision 8; 141.26, subdivisions 1 and 5; Laws 1990, chapter 591, article 3, section 10, as amended; Laws 1991, chapter 356, articles 6, section 4, as amended;

and 9, section 8, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136A.121, subdivision 10; 136A.134; 136A.1352, subdivision 3; 136A.234; 136A.70; 136A.85; 136A.86; 136A.88; Laws 1991, chapter 356, article 8, section 23.

Reported the same back with the following amendments:

Page 5, after line 46, insert:

"Subd. 4. Cambridge Center

The board may not expend any part of this appropriation for intercollegiate athletics until it has allocated the necessary resources to the Cambridge center to achieve equity in funding between Cambridge and campuses of similar size, as required in Laws 1991, chapter 356, article 1, section 4, subdivision 2."

Page 8, line 27, delete everything after the period

Page 8, delete lines 28 to 32

Page 24, line 8, delete "January" and insert "July"

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.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Rest, for the Committee on Taxes, introduced:

H. F. No. 1735, A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax classifications and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivision 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09,

by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

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

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Smith moved that his name be stricken as an author on H. F. No. 410. The motion prevailed.

Farrell moved that his name be stricken as an author on H. F. No. 619. The motion prevailed.

Osthoff moved that his name be stricken and the names of Ostrom, Frerichs and Jefferson be added as authors on H. F. No. 746. The motion prevailed.

McGuire moved that the name of Erhardt be added as an author on H. F. No. 1721. The motion prevailed.

Brown, C., moved that the names of Cooper and Winter be added as authors on H. F. No. 1726. The motion prevailed.

Wenzel moved that S. F. No. 238 be recalled from the Committee on Agriculture and together with H. F. No. 1639, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Clark moved that H. F. No. 1569 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Health and Human Services. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, April 19, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, April 19, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

THIRTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 16, 1993

The Senate met on Friday, April 16, 1993, which was the Thirty-seventh Legislative Day of the Seventy-eighth Session of the Minnesota State Legislature. The House of Representatives did not meet on this date.

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

THIRTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 19, 1993

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

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

A quorum was present.

Brown, C.; Girard; Krinkie; Krueger; Rukavina and Tomassoni were excused.

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

REPORTS OF CHIEF CLERK

S. F. No. 64 and H. F. No. 813, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hasskamp moved that the rules be so far suspended that S. F. No. 64 be substituted for H. F. No. 813 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 238 and H. F. No. 1639, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wenzel moved that the rules be so far suspended that S. F. No. 238 be substituted for H. F. No. 1639 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 483 and H. F. No. 607, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Johnson, A., moved that S. F. No. 483 be substituted for H. F. No. 607 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 490 and H. F. No. 258, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Perlt moved that S. F. No. 490 be substituted for H. F. No. 258 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 754 and H. F. No. 934, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Stanius moved that the rules be so far suspended that S. F. No. 754 be substituted for H. F. No. 934 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1466 and H. F. No. 1528, 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. 1466 be substituted for H. F. No. 1528 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

38TH DAY]

MONDAY, APRIL 19, 1993

1517

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 15, 1993

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 399, relating to commerce; unclaimed property; regulating certain notices and reports.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 15, 1993

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 254, relating to public bodies; providing for the place of residence of members.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>1993</i>	<i>Date Filed</i> <i>1993</i>
215		29	11:12 a.m. April 15	April 15
729		30	11:13 a.m. April 15	April 15
	399	31	11:15 a.m. April 15	April 15
	254	32	11:18 a.m. April 15	April 15

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

Anderson, I., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 73, A bill for an act relating to local governments; permitting local governments to require the payment of legal fees incurred by peace officers who are the subject of investigation by a civilian review authority; amending Minnesota Statutes 1992, section 471.44.

Reported the same back with the following amendments:

Page 2, line 6, after the first "complaint" insert "after probable cause is found"

With the recommendation that when so amended the bill pass.

The report was adopted.

Reding from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 187, A bill for an act relating to insurance; workers' compensation; regulating distributions of excess surplus made by the workers' compensation reinsurance association; clarifying the law regulating distributions of excess surplus; providing penalties; amending Minnesota Statutes 1992, section 79.34, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 79.

Reported the same back with the following amendments:

Page 1, line 23, before the period insert "under section 79.40"

Page 2, line 1, after the period insert "A distribution of excess surplus is declared on the date the board votes to make a distribution."

Page 2, line 15, after "member" insert "including the assigned risk plan and the state fund mutual"

Page 2, line 17, after "association" insert "excess" and after "of" insert "excess"

Page 2, line 21, delete "insurer paid"

Page 2, line 22, after "premiums" insert "paid" and before the period insert "by all insurers including the assigned risk plan and state fund mutual insurance company"

Page 3, line 19, delete "the" and insert "any"

Page 3, line 36, after "association" insert "excess"

Page 4, lines 4 and 10, after "association" insert "excess"

Page 4, line 25, delete "REFUND" and insert "DISTRIBUTION" and delete "refund" and insert "distribution of excess surplus"

Page 5, line 9, after "or" insert "section"

Page 5, line 11, before the period insert "and shall not be presumed to be abandoned property"

Page 5, line 25, delete "company's" and insert "state fund mutual's"

Page 5, line 29, before "distribution" insert "share of the"

Page 5, lines 30 and 34, delete "refund" and insert "excess surplus"

Page 6, line 12, before "distribution" insert "share of the"

Page 6, lines 13 and 17, delete "refund" and insert "excess surplus"

Page 6, line 33, before "distribution" insert "share of the"

Page 6, line 34, delete "refund" and insert "excess surplus"

Page 7, lines 2 and 6, delete "refund" and insert "excess surplus"

Page 7, line 12, delete "REFUNDS" and insert "DISTRIBUTIONS"

Page 8, after line 7, insert:

"Sec. 8. [COSTS OF LITIGATION.]

The workers' compensation reinsurance association shall reimburse the state for any and all legal costs incurred in defending any legal dispute relating to the validity of sections 1 to 9, including, but not limited to attorneys' fees."

Page 8, line 8, delete "8" and insert "9"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 192, A bill for an act relating to retirement; providing continued coverage in the Minnesota state retirement system for certain employees; amending Minnesota Statutes 1992, sections 352.01, subdivision 2a; and 352.04, subdivision 6.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. [MISSISSIPPI RIVER CRITICAL AREA; LEGISLATIVE FINDINGS.]

The legislature finds that the construction, retrofitting, or renovation of steam generating facilities, which are capable of being powered primarily by coal for the primary purpose of space heating, located within the portion of the Mississippi National River and Recreational Area that is within the St. Anthony Falls heritage interpretive zone established in Minnesota Statutes, sections 138.761 to 138.766, is inconsistent with:

(1) the designation of the Mississippi river critical area in Minnesota Statutes, section 116G.15; and

(2) the public and private investment made within the city of Minneapolis to return Mississippi riverfront lands to scenic, aesthetic, and recreational uses, including investment in Boom Island Park, Nicollet Island restoration, Riverplace, St. Anthony Main, Hennepin Bluffs Park, Lower Gorge Park, the Stone Arch Bridge, the Great River Road, and the Mississippi Riverfront Regional Park.

The legislature finds that feasible and prudent alternatives to such facilities exist that will have a less adverse environmental effect on the state's natural resources as defined in Minnesota Statutes, section 116B.02.

The legislature further finds that, given the emission of greenhouse gases and heavy metals and the addition to overall urban air pollution problems caused by facilities that burn coal and the existence of alternative technologies and sites, the importance of maintaining and improving environmental and public health quality in the St. Anthony Falls heritage interpretive zone portion of the Mississippi critical area is inconsistent with expanding or enhancing existing facilities located within the interpretive zone that burn coal primarily to produce steam for space heating.

Sec. 2. [116G.15] [PROHIBITION.]

No state agency may issue a permit for the construction, retrofitting, renovation, or operation of a facility capable of being powered primarily by coal for the principal purpose of providing space heating if the facility is located within that portion of the Mississippi river critical area established in section 116G.15 that is within the St. Anthony Falls heritage interpretive zone established in sections 138.761 to 138.766.

The prohibition in this section does not apply to issuance of a permit or modification of an existing permit necessary to retrofit or renovate pollution control equipment at an existing facility for the purpose of complying with sulphur dioxide emission standards."

Page 3, after line 9, insert:

"Sec. 5. [STUDY OF BENEFIT OPTIONS FOR PUBLIC EMPLOYEES WHO BECOME NONPUBLIC EMPLOYEES.]

The legislative commission on pensions and retirement shall study the issue of benefit options for public employees who become nonpublic employees for the purpose of assuring that the employees have the same or similar benefits subsequent to public employment as they did during public employment. The commission shall report the results of the study and any proposed legislation to the chairs of the committee on governmental operations and gambling and the committee on ways and means of the house of representatives and the committee on governmental operations and reform and the committee on finance of the senate by January 15, 1994."

Page 3, line 11, delete "and 2" and insert "to 5" and after "1993," insert "Section 1 applies retroactively to July 1, 1992, and contributions for that retroactive application period must be paid to the state employees retirement fund, plus interest at the annual compound rate of 8.5 percent."

Re-number the sections in sequence

Correct internal cross-references

Delete the title and insert:

"A bill for an act relating to state heating plant facilities; prohibiting state permits for expansion or enhancement of coal-fired steam heating facilities within a certain portion of the Mississippi river critical area; providing continued coverage in the Minnesota state retirement system for certain employees affected by changes in the operation of heating facilities; amending Minnesota Statutes 1992, sections 352.01, subdivision 2a; and 352.04, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 116G."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Education to which was referred:

H. F. No. 350, A bill for an act relating to education; clarifying the early childhood family education formula; modifying the pupil transportation levy for late activities; amending Minnesota Statutes 1992, sections 124.226, subdivision 9; and 124.2711, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION

Section 1. Minnesota Statutes 1992, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision 3; 124.575, subdivision 3; and 124.914, subdivision 1; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the May, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus ~~50.0~~ 48.5 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~50.0~~ 48.5 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 124.914, subdivision 1, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 136C.411.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 2. Minnesota Statutes 1992, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year; or

(2) ~~50.0~~ 48.5 percent of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of homestead and agricultural credit aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 3. Minnesota Statutes 1992, section 123.34, subdivision 9, is amended to read:

Subd. 9. [SUPERINTENDENT.] (a) All districts maintaining a classified secondary school shall employ a superintendent who shall be an ex officio nonvoting member of the school board. The authority for selection and employment of a superintendent shall be vested in the school board in all cases. An individual employed by a school board as a superintendent shall have an initial employment contract for a period of time no longer than three years from the date of employment. Any subsequent employment contract must not exceed a period of three years. A school board, at its discretion, may or may not renew an employment contract. A school board may terminate a superintendent during the term of an employment contract for any of the grounds specified in section 125.12, subdivision 6 or 8. A superintendent shall not rely upon an employment contract with a school board to assert any other continuing contract rights in the position of superintendent under section 125.12. Notwithstanding the provisions

of sections 122.532, 122.541, 125.12, subdivision 6a or 6b, or any other law to the contrary, no individual shall have a right to employment as a superintendent based on order of employment in any district. If two or more school districts enter into an agreement for the purchase or sharing of the services of a superintendent, the contracting districts have the absolute right to select one of the individuals employed to serve as superintendent in one of the contracting districts and no individual has a right to employment as the superintendent to provide all or part of the services based on order of employment in a contracting district. The superintendent of a district shall perform the following:

(1) visit and supervise the schools in the district, report and make recommendations about their condition when advisable or on request by the board;

(2) recommend to the board employment and dismissal of teachers;

(3) superintend school grading practices and examinations for promotions;

(4) make reports required by the commissioner of education; and

(5) perform other duties prescribed by the board.

(b) The school board shall not renew or extend the duration of the existing employment contract or replace the existing employment contract until 365 days prior to the expiration date of the existing employment contract.

Sec. 4. Minnesota Statutes 1992, section 124.19, subdivision 4, is amended to read:

Subd. 4. In a school where the number of instructional hours in the school day is greater than the number of instructional hours prescribed in the rules of the state board for the school day, the excess number of instructional hours for those days may be included in calculating the required number of days school is in session for purposes of fulfilling the requirements of subdivision 1, provided that ~~the school is in session for not less than 160 days during the school year, and provided that~~ no instructional hours are included from half-day sessions or any school day which has less instructional hours than the number of instructional hours prescribed in the rules of the state board unless the average number of instructional hours for all school days in the school year equals or exceeds the number of instructional hours prescribed in the rules of the state board. The district shall notify the department of each adjustment.

Sec. 5. Minnesota Statutes 1992, section 124.73, subdivision 1, is amended to read:

Subdivision 1. The board of any school district may borrow money upon negotiable tax anticipation certificates of indebtedness, in the manner and subject to the limitations set forth in sections 124.71 to 124.76, for the purpose of anticipating general taxes theretofore levied by the district for school purposes, but the aggregate of such borrowing under this subdivision shall never exceed ~~50~~ 75 percent of such taxes which are due and payable in the calendar year, and as to which taxes no penalty for nonpayment or delinquency has attached. In determining the amount of taxes due and payable in the calendar year, any amounts paid by the state to replace such taxes, whether paid in that calendar year or not, shall be included.

Sec. 6. [124.755] [STATE PAYMENT OF CERTIFICATES OF INDEBTEDNESS UPON POTENTIAL DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.]

Subdivision 1. [NOTIFICATIONS; PAYMENT; APPROPRIATION.] (a) If a school district believes that it may be unable to make a principal or interest payment on any outstanding certificate of indebtedness on the date that the payment is due, it may notify the commissioner of education of that fact as soon as possible, but not less than 15 working days before the date that the principal or interest payment is due. The notice shall include the name of the school district, an identification of the certificate of indebtedness issue in question, the date the payment is due, the amount of principal and interest due on the payment date, the amount of principal or interest that the school district will be unable to repay on that date, the paying agent for the certificates of indebtedness, the wire transfer instructions to transfer funds to that paying agent, and an indication as to whether a payment is being requested under this section. If a paying agent becomes aware of a potential default, it shall inform the commissioner of education of that fact. After receipt of a notice which requests a payment under this section, after consultation with the school district and the paying agent, and after verification of the accuracy of the information provided, the commissioner of education shall notify the commissioner of finance of the potential default. Upon receipt of this notice from the commissioner of education, which must include a final figure as to the amount due that the school district will be

unable to repay on the date due, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for the certificates of indebtedness the specified amount on or before the date due subject to the availability of appropriations. The amounts needed for the purposes of this subdivision are annually appropriated to the department of education from the state general fund to the extent the amount available is sufficient to meet the state's obligation under this subdivision. The obligation of the state under this subdivision shall constitute a current expense of the state for each fiscal year and does not constitute or create a general or moral obligation or indebtedness of the state within the meaning of the Constitution and laws of the state in excess of the money from time to time appropriated and the state has no continuing obligation to appropriate money for payments under this subdivision.

(b) The departments of education and finance shall jointly develop detailed procedures for school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 2. [SCHOOL DISTRICT BOUND; INTEREST RATE ON STATE PAID AMOUNT.] If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's certificates of indebtedness on a specific date, the school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the state treasurer's invested cash rate as it is certified by the commissioner of finance.

Subd. 3. [PLEDGE OF DISTRICT'S FULL FAITH AND CREDIT.] If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's certificates of indebtedness on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district to repay the principal and interest due on those certificates of indebtedness shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district to repay to the state the amount paid, with interest. Amounts paid by the state shall be repaid in the order in which the state payments were made.

Subd. 4. [AID REDUCTION FOR REPAYMENT.] Except as provided in this subdivision, the state shall reduce the state aid payable to the school district under chapters 124, 124A, and 273 by the amount paid by the state under this section on behalf of the school district, plus the interest due on it, and the amount reduced shall revert from the appropriate account to the state general fund. If, after review of the financial situation of the school district, the commissioner of education advises the commissioner of finance that a total reduction of the aids would cause an undue hardship on or an undue disruption of the educational program of the school district, the commissioner of education, with the approval of the commissioner of finance, may establish a different schedule for reduction of those aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the school district from other revenue sources.

Subd. 5. [TAX LEVY FOR REPAYMENT.] (a) With the approval of the commissioner of education, a school district may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. The proceeds of this levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or section 124.98 or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. The amount of aids to be reduced to repay the state shall be decreased by the amount levied. This levy by the school district is not eligible for debt service equalization under section 124.95.

(b) If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state makes the payment, the commissioner of education may require the school district to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess shall be used to repay other state payments made under this section or section 124.98 or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. If the commissioner orders the district to levy, the amount of aids reduced to repay the state shall be decreased by the amount levied. This levy by the school district is not eligible for debt service equalization under section 124.95 or any successor provision.

Subd. 6. [ELECTION AS TO MANDATORY APPLICATION.] A school district may covenant and obligate itself prior to the issuance of an issue of certificates of indebtedness, to notify the commissioner of education of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those certificates of indebtedness when due. If the school district obligates itself to be bound by this section, it shall covenant in the resolution that authorizes the issuance of the certificates of indebtedness to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner of education under subdivision 1 that it will be unable to make all or a portion of that payment. A school district that has obligated itself shall include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner of education if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. If a school district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of certificates of indebtedness, the provisions of this section shall be binding as to that issue as long as any certificates of indebtedness of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of obligations and a district is unable to make payments on one or more of those issues, it shall continue to make payments on the remaining issues.

Subd. 7. [MANDATORY PLAN; TECHNICAL ASSISTANCE.] If a school district receives state payments under this section or defaults in the payment of principal or interest on an outstanding certificate of indebtedness, it shall submit a plan to the commissioner of education for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department of education shall provide technical assistance to the school district in preparing its plan. If the commissioner determines that a school district's plan is not adequate, the commissioner shall notify the school district that the plan has been disapproved, the reasons for the disapproval, and that the school district shall not receive future payments under this section for certificates of indebtedness issued after the date specified in the notice until its plan is approved. The commissioner may also notify the school district that until its plan is approved, its aids will be withheld after a date specified in the notice.

Sec. 7. [124.98] [STATE PAYMENT OF SCHOOL DISTRICT GENERAL OBLIGATION BONDS UPON POTENTIAL DEFAULT; REPAYMENT; STATE OBLIGATION NOT DEBT.]

Subdivision 1. [NOTIFICATIONS; PAYMENT; APPROPRIATION.] (a) If a school district believes that it may be unable to make a principal or interest payment on any outstanding general obligation bond on the date that the payment is due, it may notify the commissioner of education of that fact as soon as possible, but not less than 15 working days before the date that the principal or interest payment is due. The notice shall include the name of the school district, an identification of the bond issue in question, the date payment is due, the amount of principal or interest due on the payment date, the amount of principal or interest that the school district will be unable to repay on that date, the paying agent for the bonds, the wire transfer instructions to transfer funds to that paying agent, and an indication as to whether a payment is being requested under this section. If more than one bond issue is involved, the school district shall provide the information specified for each bond issue. If a paying agent becomes aware of a potential default, it shall inform the commissioner of education of that fact. After receipt of a notice which requests a payment under this section, after consultation with the school district and the paying agent, and after verification of the accuracy of the information provided, the commissioner of education shall notify the commissioner of finance of the potential default or defaults. Upon receipt of this notice from the commissioner of education, which must include a final figure as to the amount or amounts due for each bond issue that the school district will be unable to repay on the date due, the commissioner of finance shall issue a warrant and authorize the commissioner of education to pay to the paying agent for each bond issue the specified amount on or before the date due subject to the availability of appropriations. The amounts needed for the purposes of this subdivision are annually appropriated to the department of education from the state general fund to the extent that the amount available is sufficient to meet the state's obligation under this subdivision. The obligation of the state under this subdivision shall constitute a current expense of the state for each fiscal year and does not constitute or create a general or moral obligation or indebtedness of the state within the meaning of the Constitution and laws of the state in excess of the money from time to time appropriated and the state has no continuing obligation to appropriate money for payments under this subdivision.

(b) The departments of education and finance shall jointly develop detailed procedures for school districts to notify the state that they have obligated themselves to be bound by the provisions of this section, procedures for school districts and paying agents to notify the state of potential defaults and to request state payment under this section, and procedures for the state to expedite payments to prevent defaults. The procedures are not subject to chapter 14.

Subd. 2. [SCHOOL DISTRICT BOUND; INTEREST RATE ON STATE PAID AMOUNT.] If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's general obligation bonds on a specific date, the school district is bound by all provisions of this section and the amount paid shall bear taxable interest from the date paid until the date of repayment at the state treasurer's invested cash rate as it is certified by the commissioner of finance.

Subd. 3. [PLEDGE OF DISTRICT'S FULL FAITH AND CREDIT.] If, at the request of a school district, the state has paid part or all of the principal or interest due on a school district's general obligation bonds on a specific date, the pledge of the full faith and credit and unlimited taxing powers of the school district to repay the principal and interest due on those bonds shall also, without an election or the requirement of a further authorization, become a pledge of the full faith and credit and unlimited taxing powers of the school district to repay to the state the amount paid, with interest. Amounts paid by the state shall be repaid in the order in which the state payments were made. If payments for multiple bond issues are made on the same date, the priority for repayment shall be that the amounts attributable to the issue with the earliest date of original issue or lowest series designation are repaid first.

Subd. 4. [AID REDUCTION FOR REPAYMENT.] Except as provided in this subdivision, the state shall reduce the state aid payable to the school district under chapters 124, 124A, and 273 by the amount paid by the state under this section on behalf of the school district, plus the interest due on it, and the amount reduced shall be transferred from the appropriate account to the state general fund. If, after review of the financial situation of the school district, the commissioner of education advises the commissioner of finance that a total reduction of the aids would cause an undue hardship on or an undue disruption of the educational program of the school district, the commissioner of education, with the approval of the commissioner of finance, may establish a different schedule for reduction of those aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the school district from other revenue sources.

Subd. 5. [TAX LEVY FOR REPAYMENT.] (a) With the approval of the commissioner of education, a school district may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. The proceeds of this levy may be used only for this purpose and to replace state aids reduced or to be reduced under subdivision 4. Any excess levy proceeds shall be used to repay other state payments under this section or section 124.755 or shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. This levy by the school district is not eligible for debt service equalization under section 124.95.

(b) If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state makes the payment, the commissioner of education may require the school district to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the school district. The proceeds of the levy may be used only for this purpose and to replace state aids reduced or to be reduced under subdivision 4. Any excess levy proceeds shall be used to repay other state payments made under this section or section 124.755 shall be deposited in the debt redemption fund of the school district. This levy shall be an increase in the levy limits of the school district for purposes of section 275.065, subdivision 6. This levy by the school district is not eligible for debt service equalization under section 124.95 or any successor provision.

Subd. 6. [ELECTION AS TO MANDATORY APPLICATION.] A school district may covenant and obligate itself, prior to the issuance of an issue of general obligation bonds, to notify the commissioner of education of a potential default and to use the provisions of this section to guarantee payment of the principal and interest on those bonds when due. If the school district obligates itself to be bound by this section, it shall covenant in the resolution that authorizes the issuance of the bonds to deposit with the paying agent three business days prior to the date on which a payment is due an amount sufficient to make that payment or to notify the commissioner of education under subdivision 1 that it will be unable to make all or a portion of that payment. A school district that has obligated itself shall include a provision in its agreement with the paying agent for that issue that requires the paying agent to inform the commissioner of education if it becomes aware of a potential default in the payment of principal or interest on that issue or if, on the day two business days prior to the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent. If a school district either covenants to be bound by this section or accepts state payments under this section to prevent a default of a particular issue of bonds, the provisions of this section shall be binding as to that issue as long as any bonds of that issue remain outstanding. If the provisions of this section are or become binding for more than one issue of obligations and a district is unable to make payments on one or more of those issues, it shall continue to make payments on the remaining issues.

Subd. 7. [MANDATORY PLAN; TECHNICAL ASSISTANCE.] If a school district receives state payments under this section or defaults in the payment of principal or interest on an outstanding bond issue, it shall submit a plan to the commissioner of education for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. The department shall provide technical assistance to the school district in preparing its plan. If the commissioner determines that a school district's plan is not adequate, the commissioner shall notify the school district that the plan has been disapproved, the reasons for the disapproval, and that the school district shall not receive future payments under this section for general obligation bonds issued after the date specified in the notice until its plan is approved. The commissioner may also notify the school district that until its plan is approved, its aids will be withheld after a date specified in the notice.

Sec. 8. Minnesota Statutes 1992, section 124A.03, subdivision 1c, is amended to read:

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1992; 1994; or
- (2) the district's referendum allowance for fiscal year 1993;
- (3) 30 (i) 25 percent of the formula allowance for the fiscal year for which it is attributable; or
- (4) for a district that held a successful referendum levy election in calendar year 1991, 35 percent of the formula allowance for the fiscal year to which it is attributable 1995;

(ii) 22 percent of the formula allowance for fiscal year 1996; and

(iii) 20 percent of the formula allowance for 1997 and later fiscal years.

(b) The allowance calculated in paragraph (a) must be reduced by the amount of the referendum allowance reduction computed in subdivision 3b.

Sec. 9. Minnesota Statutes 1992, section 124A.03, is amended by adding a subdivision to read:

Subd. 3b. [REFERENDUM ALLOWANCE REDUCTION.] A district's referendum allowance under subdivision 1c is reduced by the amounts calculated in paragraphs (a), (b), and (c).

(a) The referendum allowance reduction equals the amount by which a district's supplemental revenue reduction exceeds the district's supplemental revenue allowance for fiscal year 1993.

(b) Notwithstanding paragraph (a), if a district's initial referendum allowance is less than ten percent of the formula allowance for that year, the reduction equals the lesser of (1) the discretionary revenue amount, or (2) the amount calculated in paragraph (a).

(c) Notwithstanding paragraph (a) or (b), a school district's referendum allowance reduction equals (1) the discretionary revenue amount, times (2) one minus the ratio of 20 percent of the initial referendum allowance limit minus the district's initial referendum allowance limit to 20 percent of the formula allowance for that year if:

(i) the district's adjusted net tax capacity for assessment year 1992 per actual pupil unit for fiscal year 1995 is less than \$3,000;

(ii) the district's net unappropriated operating fund balance as of June 30, 1993, divided by the actual pupil units for fiscal year 1995 is less than \$200;

(iii) the district's supplemental revenue allowance for fiscal year 1993 is equal to zero; and

(iv) the district's initial referendum revenue authority for the current year divided by the district's net tax capacity for assessment year 1992 is greater than ten percent.

Sec. 10. Minnesota Statutes 1992, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance for 1992 and subsequent fiscal years 1993 and 1994 is \$3,050. The formula allowance for fiscal year 1995 is \$3,200. The formula allowance for fiscal year 1996 is \$3,300. The formula allowance for fiscal year 1997 and later is \$3,400.

Sec. 11. Minnesota Statutes 1992, section 124A.22, subdivision 4, is amended to read:

Subd. 4. [TRAINING AND EXPERIENCE REVENUE.] (a) For fiscal year 1992, the training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract 1.6 from the training and experience index;

(2) multiply the result in clause (1) by the product of \$700 times the actual pupil units for the school year.

(b) For 1993 and later fiscal years, the maximum training and experience revenue for each district equals the greater of zero or the result of the following computation:

(1) subtract .8 from the training and experience index;

(2) multiply the result in clause (1) by the product of ~~\$575~~ \$660 times the actual pupil units for the school year.

(c) For 1993 and later fiscal years, the previous formula training and experience revenue for each district equals the amount of training and experience revenue computed for that district according to the formula used to compute training and experience revenue for fiscal year 1992.

(d) For fiscal year 1993, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-fourth of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(e) For fiscal year 1994, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus one-half of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(f) For fiscal year 1995, the training and experience revenue for each district equals the district's previous formula training and experience revenue plus three-fourths of the difference between the district's maximum training and experience revenue and the district's previous formula training and experience revenue.

(g) For fiscal year 1996 and thereafter, the training and experience revenue for each district equals the district's maximum training and experience revenue.

Sec. 12. Minnesota Statutes 1992, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. ~~If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, the commissioner shall designate one school in the district as a high school for the purposes of this section.~~

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of one-half the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 13. Minnesota Statutes 1992, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SECONDARY SPARSITY REVENUE.] (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

- (1) the formula allowance for the school year, multiplied by
- (2) the secondary average daily membership of the high school, multiplied by
- (3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by
- (4) the lesser of one or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23 shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 14. Minnesota Statutes 1992, section 124A.22, subdivision 8, is amended to read:

Subd. 8. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue allowance for fiscal year 1992 1994 and later fiscal years equals the ~~product of the~~ district's supplemental revenue for fiscal year 1991 ~~times the ratio of~~

- (1) 1993 divided by the district's 1991-1992 1992-1993 actual pupil units; to
- (2) ~~the district's 1990 1991 actual pupil units adjusted for the change in secondary pupil unit weighting from 1.35 to 1.3 made in section 124.17, subdivision 1.~~

~~(b) If a district's minimum allowance exceeds the sum of its basic revenue, previous formula compensatory education revenue, previous formula training and experience revenue, secondary sparsity revenue, and elementary sparsity revenue per actual pupil unit for a fiscal year, and the excess is less than \$250 per actual pupil unit, the district shall receive supplemental revenue equal to the amount of the excess times the actual pupil units for the school year. If the amount of the excess is more than \$250 per actual pupil unit, the district shall receive the greater of (1) \$250 times the actual pupil units; or (2) the amount of the excess times the actual pupil units less the sum of (i) the difference between the district's training and experience revenue and its previous formula training and experience revenue; and (ii) the difference between the district's compensatory education revenue and its previous formula compensatory education revenue. A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 9.~~

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its actual pupil units for that year.

Sec. 15. Minnesota Statutes 1992, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [~~DEFINITION FOR SUPPLEMENTAL REVENUE REDUCTION.~~] ~~(a) The definition in this subdivision applies only to subdivision 8.~~

~~(b) "Minimum allowance" for a district means:~~

~~(1) the district's general education revenue for fiscal year 1992, according to subdivision 1, divided by~~

~~(2) the district's 1991-1992 actual pupil units. A district's supplemental revenue allowance is reduced by the sum of:~~

~~(1) the sum of one-fourth of the difference between \$3,100 and the formula allowance for fiscal year 1994 and one-fourth of the difference of (i) the sum of the district's training and experience revenue and compensatory revenue per actual pupil unit for that fiscal year, and (ii) the sum of district's training and experience revenue and compensatory revenue per actual pupil unit for fiscal year 1994; and~~

~~(2) the difference between the formula allowance for the current fiscal year and \$3,100.~~

A district's supplemental revenue allowance may not be less than zero.

Sec. 16. Minnesota Statutes 1992, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises ~~\$916,000,000 for fiscal year 1993 and \$969,800,000 for fiscal year 1994 and \$1,052,000,000 for fiscal year 1995~~ and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

Sec. 17. Minnesota Statutes 1992, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the prior school year exceeds ~~\$600~~ 25 percent of the formula allowance for the current fiscal year times the fund balance pupil units in the prior year. For purposes of this subdivision and section 124.243, subdivision 2, fund balance pupil units means the number of resident pupil units in average daily membership, including shared time pupils, according to section 124A.02, subdivision 20, plus

(1) pupils attending the district for which general education aid adjustments are made according to section 124A.036, subdivision 5; minus

(2) the sum of the resident pupils attending other districts for which general education aid adjustments are made according to section 124A.036, subdivision 5, plus pupils for whom payment is made according to section 126.22, subdivision 8, or 126.23. The amount of the reduction shall equal the lesser of:

(1) the amount of the excess, or

(2) \$150 ~~\$250~~ times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 18. Minnesota Statutes 1992, section 124A.26, is amended by adding a subdivision to read:

Subd. 4. [ALLOCATION AMONG OPERATING FUNDS.] The revenue reduction required under this section must be allocated to the transportation fund and the community service fund in the following manner:

(1) each year, a school district shall calculate the ratio of the transportation net unappropriated operating fund balance and the community service net unappropriated operating fund balance to the total net unappropriated operating fund balance;

(2) multiply the ratios computed in clause (1) by the total fund balance reduction required under this section;

(3) the school district shall transfer the amounts, if any, calculated in clause (2) from the transportation and community service funds to the general fund.

Sec. 19. Minnesota Statutes 1992, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, AND VIOLENCE PREVENTION, AND PARENTAL INVOLVEMENT PROGRAMS.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for in-service education for violence prevention programs under section 126.77, subdivision 2, or staff development programs, including outcome-based education and challenging instructional activities and experiences, under section 126.70, subdivisions 1 and 2a. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 126.69. A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.

Sec. 20. [124A.698] [POLICY.]

Financing the education of our children is one of state government's most important functions. In performing this function, the state seeks to provide sufficient funding while encouraging equity, accountability, and incentives toward quality improvement. To help achieve these goals and to help control future spending growth, the state will fund core instruction, will facilitate improvement in the quality and delivery of programs and services, and will equalize revenues raised locally for discretionary purposes.

Sec. 21. Minnesota Statutes 1992, section 124A.70, is amended to read:

124A.70 [BASIC CORE INSTRUCTIONAL AID.]

Subdivision 1. [BASIC OUTCOMES.] Basic outcomes are defined as learner outcomes that must be achieved as a requirement for graduation, specified in rule by the state board of education. Basic outcomes are ~~those outcomes that have standards of achievement determined by the state board~~ the basic knowledge and skills determined necessary by the board for graduates to become productive employees, parents, and citizens. The board shall review and amend, if necessary, its graduation rule every two years.

Subd. 2. [AID AMOUNT.] Basic Core instructional aid is equal to the aid allowance cost determined necessary by the legislature to achieve the basic outcomes for each student times the number of actual pupil units for the school year. The core instructional aid allowance for fiscal year 2000 1998 and thereafter is zero.

~~Subd. 3. [SPECIAL NEED AID.] Each district shall receive special need aid equal to zero times the number of actual pupil units for the school year times the district's special need index.~~

~~Subd. 4. [COST DIFFERENTIAL AID.] Each district shall receive aid equal to zero times the number of actual pupil units for the school year times its cost differential index. This aid is only available if the district has implemented a career teacher program.~~

Subd. 3a. [AID TO LEARNING SITES.] Each district is encouraged to direct core instructional aid to the learning sites in the district and minimize the core instructional aid used for other programs or services. Each district shall, to the extent possible, facilitate allocation of each learning site's core instructional aid by site management teams consisting of site administrators, teachers, parents, and other interested persons.

Subd. 5. [AID USES.] Aid received under this section may only be used to deliver instructional services needed to assure that all pupils in the district achieve the basic outcomes through the following uses programs and services:

(1) salaries and benefits for licensed and nonlicensed instructional staff used to instruct or direct instructional delivery or provide academic instructional support services;

(2) instructional supplies and resources including, but not limited to, curricular materials, maps, individualized instructional materials, test materials, and other related supplies;

(3) ~~tuition~~ payments to other service providers for direct instruction or instructional materials; ~~and~~

(4) computers, interactive television, and other technologically related equipment used in the direct delivery of instruction;

(5) programs and services related to students' academic and career progression including, but not limited to, community- and work-based learning through mentoring, community service, and youth apprenticeships;

(6) early childhood education programs designed to ensure that students are ready to learn when they enter the education system; and

(7) activities related to measurement of student progress toward basic outcomes.

Sec. 22. [124A.711] [SUPPORT SERVICES AID.]

Subdivision 1. [SUPPORT SERVICES.] "Support services" means services and programs beyond the core instruction considered essential to allow students to achieve the basic outcomes including, but not limited to, the following:

(1) counselors, psychologists, and social workers;

(2) services and programs for students needing special education and handicapped children aged zero to three;

(3) health care, including early childhood screening;

(4) transportation;

(5) nutrition programs;

(6) libraries and other media and information centers;

(7) programs for specialized curricula relating to programs such as violence prevention, AIDS awareness and prevention, and drug abuse prevention; and

(8) programs and services for students judged to be at high risk of not completing their education or otherwise having a social or economic problems in excess of other students.

Subd. 2. [DETERMINATION OF AID.] The total amount of support services aid shall be determined according to indices for each service recommended by the commissioner of education after consultations with appropriate state agencies, educators, and other interested persons. The commissioner shall recommend indices and aid amounts to the legislature by February 1 of each odd-numbered year. The indices shall reflect the need for each service based on the economic, geographic, demographic, and other appropriate characteristics of each district.

Sec. 23. Minnesota Statutes 1992, section 124A.72, is amended to read:

124A.72 [LOCAL DISCRETIONARY SERVICES.]

Subdivision 1. [LOCAL DISCRETIONARY REVENUE SERVICES.] Local discretionary revenue is available for districts to implement programs to offer outcomes or to cover other district operating expenditures not provided according to sections 124A.697 and 124A.70 to 124A.711. Local discretionary services include, but are not limited to, costs associated with the school board and central administration, athletics and extracurricular activities, facilities and academic programs in excess of the core, and community education.

Subd. 2. [DISCRETIONARY SERVICES REVENUE.] A district's local discretionary revenue is equal to the amount authorized according to section 124A.03. ~~Revenue may not exceed zero times the actual pupil units for the year the revenue is attributable by a discretionary services levy plus the district's discretionary services aid.~~

Subd. 3. [DISCRETIONARY SERVICES LEVY.] ~~A district is authorized to levy a local discretionary levy is equal to provide local discretionary revenue times the lesser of one or the ratio of:~~

(1) ~~net tax capacity divided by the number of pupil units for the year the revenue is attributable, divided by~~

(2) ~~the equalizing factor services. A levy shall be approved and may be implemented by the local board under applicable laws, including truth-in-taxation, unless the anticipated discretionary services revenue would increase district education spending by more than 25 percent above the district's total revenue for core instruction and support services. If such an increase occurs, the entire levy is not effective until approved in a referendum. All new referendum levies must be levied on the adjusted market value of properties within the district.~~

Subd. 4. [DISCRETIONARY SERVICES AID.] Local discretionary aid is equal to local discretionary revenue minus local discretionary levy. ~~If a district levies less than the authorized amount, the aid shall be reduced proportionately.~~

Subd. 5. [EFFECTIVE PERIOD FOR REFERENDA.] ~~Unless an earlier date is provided for, all excess levy referenda enacted before January 1, 1994, expire no later than June 30, 1999. After July 1, 1994, all referenda shall be consistent with this act. A referendum is not effective for more than five years after enactment.~~

Sec. 24. Minnesota Statutes 1992, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [PERMITTED USES.] (a) A school board may approve a plan to accomplish any of the following purposes:

- (1) foster readiness for learning;
- (2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, and community members to address pupils' needs;
- (3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning goals and by encouraging pupils and their parents to assume responsibility for their education;
- (4) design and develop programs containing various instructional opportunities that recognize pupils' individual needs and utilize family and community resources;
- (5) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;
- (6) provide staff time for peer review of probationary, continuing contract, and nonprobationary teachers;
- (7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways; and
- (8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment.

(b) If a school board approves a plan to accomplish any of the purposes listed in paragraph (a), it must also provide challenging instructional activities and experiences that recognize and cultivate students' advanced abilities and talents.

Sec. 25. Minnesota Statutes 1992, section 473F.02, is amended by adding a subdivision to read:

Subd. 24. [LOCAL TAX RATE.] "Local tax rate" means a governmental unit's levy, including any portion levied against market value under section 124A.03, subdivision 2a, divided by its net tax capacity.

Sec. 26. Laws 1991, chapter 265, article 1, section 30, is amended to read:

Sec. 30. [BADGER SCHOOL DISTRICT FUND BALANCE.]

If independent school district No. 676, Badger, receives payment of delinquent property taxes and the payment is more than five percent of the total property taxes paid in the fiscal year in which the payment is received, general education revenue for the district shall not be reduced according to Minnesota Statutes, section 124A.26, subdivision 1, for an excess fund balance for the following ~~two~~ five fiscal years.

Sec. 27. [SALARY SETTLEMENTS AFFECTING CLASS SIZE.]

Subdivision 1. [EMPHASIS ON CLASS SIZE.] A school district may not enter into a collective bargaining agreement or other contract with teachers, principals, assistant principals, superintendents, or assistant superintendents that would increase the compensation costs paid by the district if the contract would result in larger class sizes in the district, unless the board has complied with subdivision 2. Each school board shall determine if a proposed collective bargaining agreement or contract would result in larger class sizes and if increases in compensation costs will occur.

Subd. 2. [NOTICE OF CLASS SIZE INCREASE.] (a) Before entering into a contract described in subdivision 1, a school board must comply with this subdivision.

(b) The board must publish notice of the proposed salary settlement describing the overall increase in compensation, the increase due to cost-of-living adjustments, the increase due to step and lane adjustments, the increase due to the increased costs of health and fringe benefits and deferred compensation. The notice must be published at least ten days before the next board meeting at which the contract will be considered. The publication and notice requirements do not apply if the teachers in the district are on strike or have filed a notice of intent to strike under Minnesota Statutes, section 179A.18, subdivision 3.

(c) The board must hold a board meeting on the proposed salary settlement. After public testimony on the proposed salary settlement, the board may vote to ratify the settlement.

Subd. 3. [APPLICABILITY.] This section supersedes any other law to the contrary. An arbitrator may not issue an award that would cause a violation of this section. It is not an unfair labor practice for a school board to take any action necessary to comply with this section. This section only applies to collective bargaining agreements and contracts, including renewal of contracts, entered into between July 1, 1993 to June 30, 1995. The January 15 contract deadline date contained in Minnesota Statutes, section 124A.22, subdivision 2a, is extended to January 31, for calendar year 1994 only. For purposes of this section, a school board must disregard compensation paid to teachers in technical colleges and class size in technical colleges.

Sec. 28. [SPECIAL DEFINITION OF A PUPIL UNIT IN ONAMIA.]

Notwithstanding Minnesota Statutes, section 124.17, for fiscal year 1994 only, a resident pupil of independent school district No. 480, Onamia, who enrolls in a nonpublic school located on a reservation shall be counted as one-half of a pupil unit in average daily membership.

Sec. 29. [GENERAL EDUCATION REVENUE REDUCTION; SLAYTON.]

Subdivision 1. [QUALIFICATION.] Independent school district No. 504, Slayton, is eligible for revenue under this section if the district has an approved plan for cooperation and combination. If the referendum required under Minnesota Statutes, section 122.243, subdivision 2, fails, the aid adjustment required in subdivision 2 cancels and the department of education shall make a negative adjustment to the following year's aid payments for any amount actually paid to the district. If the referendum fails, the district's levy authority under subdivision 3 is canceled. If the levy has already been certified, the department of education shall make a negative levy adjustment to the following year's general education levy limitations.

Subd. 2. [AID ADJUSTMENT.] For fiscal year 1994 only, the department of education shall include in the general education aid calculation for independent school district No. 504, Slayton, the sum of the amounts by which the district's general education aid was reduced for fiscal years 1992 and 1993 under Minnesota Statutes, section 124A.26.

Subd. 3. [LEVY ADJUSTMENT.] For 1993 taxes payable in 1994 only, independent school district No. 504, Slayton, or its successor district, may levy an amount not to exceed the sum of the levy reductions for fiscal years 1992 and 1993 resulting from the general education revenue fund balance reduction under Minnesota Statutes, section 124A.26.

Sec. 30. [TRANSITION PROVISIONS.]

The commissioner of education, after consultations with the state board of education; the commissioners of revenue and finance; the advisory commission on intergovernmental relations; and other interested persons must deliver to the legislature, no later than January 31, 1995, a financial plan to achieve the policy and implement this act. The plan shall include, but not be limited to, the following:

- (1) proposed definitions and estimated costs of core instruction, support services, and local discretionary services;
- (2) a schedule of implementation which shall provide for a phase-in of this act with total implementation completed no later than fiscal year 2000;
- (3) appropriate transfers of aids and credits from other local government assistance and property tax relief programs and the transfers to such units of excess tax capacity resulting from reduced local education levies;
- (4) a comprehensive plan to ensure that total state funding for education exceeds 70 percent of the total funding;
- (5) a detailed plan for measuring outcomes of education and a proposed system for rewarding progress toward achieving the outcomes and providing assistance to those learning sites unable to achieve such progress;
- (6) necessary changes in the state's uniform financial and accounting reporting system to better enable monitoring and achievement of the financial restructuring goals of this act; and
- (7) other law and rule changes necessary to accomplish the purposes and policy of this act.

Sec. 31. [EMPLOYMENT PRACTICES.]

The governor, after consultations with representatives of business and labor, shall deliver to the legislature, no later than January 31, 1995, a plan suggesting amendments to staff employment, compensation, and collective bargaining laws to facilitate achievement of the goals of this act.

Sec. 32. [LEVY ADJUSTMENT; APPLETON.]

Notwithstanding any law to the contrary, independent school district No. 784, Appleton, must not receive a negative levy adjustment for any referendum levy certified for taxes payable in 1992. For taxes payable in 1994 only, independent school district No. 784, Appleton, shall make a positive levy adjustment in an amount equal to the amount of the negative levy adjustment attributable to the district's referendum levy made to the district's 1992 taxes payable in 1993.

Sec. 33. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [GENERAL AND SUPPLEMENTAL EDUCATION AID.] For general and supplemental education aid:

<u>\$1,788,051,000</u>	.....	<u>1994</u>
<u>\$1,972,000,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$257,551,000 for 1993 and \$1,530,500,000 for 1994.

The 1995 appropriation includes \$266,000,000 for 1994 and \$1,706,000,000 for 1995.

Sec. 34. [REPEALER.]

Laws 1988, chapter 486, section 59, is repealed. Minnesota Statutes 1992, section 124.197, is repealed July 1, 1993.

Sec. 35. [EFFECTIVE DATE.]

Sections (124.755, 124.98) 27, and 29 are effective the day following final enactment. Section 14 is effective for supplemental revenue beginning July 1, 1993. Sections 8 to 13, 15, 17, and 18 are effective for revenue for fiscal year 1995. Section (473F.02) is effective for taxes payable in 1994 and subsequent years. Section 123.34, subdivision 9, is effective the day after final enactment and applies to any employment contract entered into, amended, or replaced between a superintendent and a school board on or after the effective date of section 1.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1992, section 123.39, is amended by adding a subdivision to read:

Subd. 15. [PUPIL TRANSPORT ON STAFF DEVELOPMENT DAYS.] A school district may provide bus transportation between home and school for pupils on days devoted to parent-teacher conferences, teacher's workshops, or other staff development opportunities. If approved by the commissioner as part of a program of educational improvement, the cost of providing this transportation, as determined by generally accepted accounting principles, must be considered part of the authorized cost for regular transportation for the purposes of section 124.225. The commissioner shall approve inclusion of these costs in the regular transportation category only if the total number of instructional hours in the school year divided by the total number of days for which transportation is provided equals or exceeds the number of instructional hours per day prescribed in the rules of the state board.

Sec. 2. Minnesota Statutes 1992, section 124.225, subdivision 1, is amended to read:

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

(a) "FTE" means a ~~transported~~ full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (c), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, paragraph (c), which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone.

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards.

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(d) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(e) "Current year" means the school year for which aid will be paid.

(f) "Base year" means the second school year preceding the school year for which aid will be paid.

(g) "Base cost" means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in paragraph (b) plus the actual cost in the base year for excess transportation as defined in paragraph (c);

(2) to the sum of the number of weighted ~~FTE pupils transported~~ FTE's in the regular and excess categories in the base year.

(h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of ~~FTE pupils transported~~ FTE's in the regular and excess categories in the base year.

(2) Raise the result in clause (1) to the one-fifth power.

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's ~~transported~~ by the district in the regular and excess categories in the base year.

(k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) Multiply the district's sparsity index by 20.

(2) Select the lesser of one or the result in clause (1).

(3) Multiply the district's percentage of regular FTE's ~~transported~~ in the current year using vehicles that are not owned by the school district by the result in clause (2).

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 3. Minnesota Statutes 1992, section 124.225, subdivision 3a, is amended to read:

Subd. 3a. [PREDICTED BASE COST.] A district's predicted base cost equals the result of the following computation:

(a) Multiply the transportation formula allowance by the district's sparsity index raised to the one-fourth power. The transportation formula allowance is \$421 ~~\$447~~ for the 1989-1990 1991-1992 base year and \$434 ~~\$463~~ for the 1990-1991 1992-1993 base year.

(b) Multiply the result in paragraph (a) by the district's density index raised to the 35/100 power.

(c) Multiply the result in paragraph (b) by the district's contract transportation index raised to the 1/20 power.

Sec. 4. Minnesota Statutes 1992, section 124.225, subdivision 7b, is amended to read:

Subd. 7b. [INFLATION FACTORS.] The adjusted predicted base cost determined for a district under subdivision 7a for the base year must be increased by ~~4.0~~ 2.0 percent to determine the district's regular transportation allowance for the ~~1991-1992~~ 1993-1994 school year and by ~~2.0~~ 4.0 percent to determine the district's regular transportation allowance for the ~~1992-1993~~ 1994-1995 school year, but the regular transportation allowance for a district cannot be less than the district's minimum regular transportation allowance according to Minnesota Statutes 1990, section 124.225, subdivision 1, paragraph (t).

Sec. 5. Minnesota Statutes 1992, section 124.225, subdivision 7d, is amended to read:

Subd. 7d. [TRANSPORTATION REVENUE.] Transportation revenue for each district equals the sum of the district's regular transportation revenue and the district's nonregular transportation revenue.

(a) The regular transportation revenue for each district equals the district's regular transportation allowance according to subdivision 7b times the sum of the number of FTE's transported by the district in the regular, desegregation, and handicapped categories in the current school year.

~~(b) The nonregular transportation revenue for each district for the 1991-1992 school year equals the lesser of the district's actual costs in the 1991-1992 school year for nonregular transportation services or the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year according to section 124.17, subdivision 2, times 1.03, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the 1991-1992 school year according to subdivision 7e.~~

~~(c) For the 1992-1993 and later school years, the nonregular transportation revenue for each district equals the lesser of the district's actual cost in the current school year for nonregular transportation services or the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year according to section 124.17, subdivision 2, times the nonregular transportation inflation factor for the current year, minus the amount of regular transportation revenue attributable to FTE's transported in the desegregation and handicapped categories in the current school year, plus the excess nonregular transportation revenue for the current year according to subdivision 7e. The nonregular transportation inflation factor is 1.0345 for the 1992-1993 1993-1994 school year ~~is 1.061~~ and 1.0345 for the 1994-1995 school year.~~

Sec. 6. Minnesota Statutes 1992, section 124.225, subdivision 7e, is amended to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.] ~~(a) A district's excess nonregular transportation revenue for the 1991-1992 school year equals an amount equal to 80 percent of the difference between:~~

~~(1) the district's actual cost in the 1991-1992 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), and~~

~~(2) the product of the district's actual cost in the 1990-1991 school year for nonregular transportation services as defined for the 1991-1992 school year in subdivision 1, paragraph (c), times 1.15, times the ratio of the district's average daily membership for the 1991-1992 school year to the district's average daily membership for the 1990-1991 school year.~~

~~(b) A district's excess nonregular transportation revenue for the 1992-1993 school year and later school years equals an amount equal to 80 percent of the difference between:~~

~~(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and~~

~~(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times 1.30, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.~~

~~(c) The state total excess nonregular transportation revenue must not exceed \$2,000,000 for the 1991-1992 school year and \$2,000,000 for the 1992-1993 school year. If the state total revenue according to paragraph (a) or (b) exceeds the limit set in this paragraph, the excess nonregular transportation revenue for each district equals the district's revenue according to paragraph (a) or (b), times the ratio of the limitation set in this paragraph to the state total revenue according to paragraph (a) or (b).~~

Sec. 7. Minnesota Statutes 1992, section 124.226, subdivision 1, is amended to read:

Subdivision 1. [BASIC TRANSPORTATION.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation tax rate times the adjusted net tax capacity of the district for the preceding year. The commissioner of education shall establish the basic transportation tax rate by July 1 of each year for levies payable in the following year. The basic transportation tax rate shall be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation tax rate for transportation shall be the rate that raises ~~\$64,300,000 for fiscal year 1993 and \$68,000,000 for fiscal year 1994 and \$68,600,000 for fiscal year 1995 and subsequent fiscal years.~~ The basic transportation tax rate certified by the commissioner of education must not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been certified.

Sec. 8. Minnesota Statutes 1992, section 124.226, subdivision 3, is amended to read:

Subd. 3. [OFF-FORMULA ADJUSTMENT.] In a district if the basic transportation levy under subdivision 1 attributable to that fiscal year is more than the difference between (1) the district's transportation revenue under section 124.225, subdivision 7d, and (2) the sum of the district's maximum nonregular levy under subdivision 4 and the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a, the district's transportation levy in the second year following each fiscal year must be reduced by the difference between the amount of the excess and the amount of the aid reduction for the same fiscal year according to subdivision 3a.

Sec. 9. Minnesota Statutes 1992, section 124.226, is amended by adding a subdivision to read:

Subd. 3a. [TRANSPORTATION LEVY EQUITY.] (a) If a district's basic transportation levy for a fiscal year is adjusted according to subdivision 3, an amount must be deducted from the state payments that are authorized in chapter 273 and that are receivable for the same fiscal year. The amount of the deduction equals the difference between:

(1) the district's transportation revenue under section 124.225, subdivision 7d; and

(2) the sum of the district's maximum basic transportation levy under subdivision 1, the district's maximum nonregular levy under subdivision 4, the district's maximum excess transportation levy under subdivision 5, the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a.

(b) Notwithstanding paragraph (a), for fiscal year 1995, the amount of the deduction is one-fourth of the difference between clauses (1) and (2); for fiscal year 1996, the amount of the deduction is one-half of the difference between clauses (1) and (2); and for fiscal year 1997, the amount of the deduction is three-fourths of the difference between clauses (1) and (2).

(c) The amount of the deduction in any fiscal year must not exceed the amount of state payments that are authorized in chapter 273 and that are receivable for the same fiscal year in the district's transportation fund.

Sec. 10. Minnesota Statutes 1992, section 124.226, subdivision 9, is amended to read:

Subd. 9. [LATE ACTIVITY BUSES.] (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the district's regular transportation revenue for that school year according to section 124.225, subdivision 7d, paragraph (a).

(b) A district that levies under this section must provide late transportation home from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

~~(c) A district may levy under this subdivision only if the district provided late transportation home from school during fiscal year 1991.~~

Sec. 11. [ADDITIONAL LATE ACTIVITY LEVY.]

A school district that is eligible to certify a levy under section (124.26, subdivision 9) and was not eligible to certify a levy under Minnesota Statutes, section 124.226, subdivision 9, may certify an additional amount in 1993 for taxes payable in 1994 equal to the amount it would have been authorized to certify in 1992 for taxes payable in 1993 had it been eligible. A levy authorized under this section must be recognized according to Minnesota Statutes, section 124.918, subdivision 6.

Sec. 12. [RULE REVIEW.]

The department of education shall review Minnesota Rules, part 3520.4831, relating to body-chassis sizes for school buses, to determine the purpose of the rule. The state board of education shall revise the rule to accurately reflect its purpose.

Sec. 13. [TRANSPORTATION FOR CERTAIN OPEN ENROLLMENT PUPILS.]

Notwithstanding Minnesota Statutes, sections 120.062, subdivision 9, and 124.225, subdivision 8l, transportation provided by independent school district No. 319, Nashwauk-Keewatin, between home and school for a resident pupil of independent school district No. 318, Grand Rapids, attending school under Minnesota Statutes, section 120.062, is authorized for aid under Minnesota Statutes, section 124.225, subdivision 7d, paragraph (c), if the following criteria are met:

(1) the school that the pupil was attending prior to enrolling in independent school district No. 319, Nashwauk-Keewatin, under Minnesota Statutes, section 120.062, is closed;

(2) the distance from the closed school to the next nearest school in the district that the student could attend is at least 20 miles;

(3) the pupil's residence is at least 20 miles from any school that the pupil could attend in independent school district No. 318, Grand Rapids; and

(4) the pupil's residence is closer to the school of attendance in independent school district No. 319, Nashauk-Keewatin, than to any school the pupil could attend in independent school district No. 318, Grand Rapids.

Sec. 14. Laws 1991, chapter 265, article 2, section 19, subdivision 2, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

\$116,340,000	.....	1992
\$123,133,000	.....	1993

The 1992 appropriation includes \$17,679,000 for 1991 and \$98,661,000 for 1992.

The 1993 appropriation includes \$17,146,000 for 1992 and \$105,987,000 for 1993.

~~\$1,500,000~~ \$2,000,000 in fiscal year 1992 and ~~\$1,000,000~~ \$500,000 in fiscal year 1993 are for desegregation costs not funded in the regular or nonregular transportation formulas. The department shall allocate these amounts in proportion to the unfunded desegregation costs. Any excess of the 1992 amount is not available for transfer under Minnesota Statutes, section 124.14, subdivision 7 and is available for unfunded desegregation costs in 1993.

In fiscal year 1992, only, for purposes of this subdivision, "desegregation costs" means all expenditures for desegregation transportation as defined in Minnesota Statutes, section 124.225, subdivision 1, paragraph (c), clause (4), for which aid is authorized in Minnesota Statutes, section 124.223, plus an amount equal to one year's depreciation, computed according to Minnesota Statutes, section 124.225, subdivision 1, paragraph (b), clauses (2), (3), and (4), on district school buses used primarily for desegregation transportation.

Sec. 15. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

<u>\$127,390,000</u>	<u>.....</u>	<u>1994</u>
<u>\$139,855,000</u>	<u>.....</u>	<u>1995</u>

The 1994 appropriation includes \$18,327,000 for 1993 and \$109,063,000 for 1994.

The 1995 appropriation includes \$19,246,000 for 1994 and \$120,609,000 for 1995.

Subd. 3. [TRANSPORTATION AID FOR POST-SECONDARY ENROLLMENT OPTIONS.] For transportation of pupils attending post-secondary institutions according to Minnesota Statutes, section 123.3514:

<u>\$52,000</u>	<u>.....</u>	<u>1994</u>
<u>\$58,000</u>	<u>.....</u>	<u>1995</u>

Subd. 4. [TRANSPORTATION AID FOR ENROLLMENT OPTIONS.] For transportation of pupils attending nonresident districts according to Minnesota Statutes, section 120.0621:

<u>\$15,000</u>	<u>.....</u>	<u>1994</u>
<u>\$19,000</u>	<u>.....</u>	<u>1995</u>

Subd. 5. [TRANSFER AUTHORITY.] If the appropriation in subdivision 3 or 4 for either year exceeds the amount needed to pay the state's obligation for that year under that subdivision, the excess amount may be used to make payments for that year under the other subdivision.

Sec. 16. [EFFECTIVE DATE.]

Sections (124.226, subdivision 9, and the section authorizing an additional late activity levy) are effective for levies certified in 1993 for taxes payable in 1994.

Section (transportation for certain open enrollment pupils) is effective the day following final enactment.

Sections (124.226, subdivisions 3 and 3a) are effective July 1, 1994.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1992, section 124.273, is amended by adding a subdivision to read:

Subd. 2c. [SUPPLY AND EQUIPMENT AID.] Each year the state shall pay a school district for supplies and equipment purchased or rented for use in the instruction of pupils of limited English proficiency an amount equal to 47 percent of the sum actually spent by the district but not to exceed an average of \$47 in any one school year for each pupil of limited English proficiency receiving instruction.

Sec. 2. Minnesota Statutes 1992, section 124.32, subdivision 1d, is amended to read:

Subd. 1d. [CONTRACT SERVICES.] For special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, the state shall pay each district 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the amount of time fraction of the school day the pupil receives services under the contract. For special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, the state shall pay each district 52 percent of the amount of the contract for that pupil.

Sec. 3. Minnesota Statutes 1992, section 124.322, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) "Base revenue" means the following:

(1) for the first fiscal year after approval of the district's application, base revenue means the sum of the district's revenue for the preceding fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 5, and 10, and 124.321, subdivision 1;

(2) for the second fiscal year after approval of a district's application, base revenue means the sum of the district's revenue for the second prior fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 5, and 10, and 124.321, subdivision 1; and

(3) for the third fiscal year after approval of a district's application, and thereafter, base revenue means the sum of the revenue a district would have been entitled to in the second prior fiscal year for its special education program under sections 124.32, subdivisions 1b, 1d, 2, 5, and 10, and 124.321, subdivision 1, based on activities defined as reimbursable under state board rules for special education and nonspecial education students, and additional activities as detailed and approved by the commissioner of education.

(b) "Base aid" means the following:

(1) for the first fiscal year after approval of a district's application, base aid means the sum of the district's gross aid for the preceding fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 5, and 10;

(2) for the second fiscal year after approval of a district's application, base aid means the sum of the district's gross aid for the second prior fiscal year for its special education program under section 124.32, subdivisions 1b, 1d, 2, 5, and 10; and

(3) for the third fiscal year after approval of a district's application and thereafter, base aid means the sum of the gross aid the district would have been entitled to in the second prior fiscal year for its special education program

under section 124.32, subdivisions 1b, 1d, 2, 5, and 10, based on activities defined as reimbursable under state board of education rules for special education and nonspecial education students, and additional activities as detailed and approved by the commissioner of education in the application plan.

(c) Notwithstanding paragraphs (a) and (b), base revenue and base aid for 1995 and later fiscal years must not include revenue and aid under section 124.32, subdivision 5.

(d) "Alternative delivery revenue inflator" means:

(1) For the first fiscal year after approval of a district's application, the greater of 1.017 or the ratio of (i) the statewide average special education revenue under sections 124.32 and 124.321 per pupil in average daily membership for the current fiscal year, to (ii) the statewide average special education revenue per pupil in average daily membership for the previous fiscal year.

(2) For the second and later fiscal years, the greater of 1.034 or the ratio of (i) the statewide average special education revenue under sections 124.32 and 124.321 per pupil in average daily membership for the current fiscal year, to (ii) the statewide average special education revenue per pupil in average daily membership for the second prior fiscal year.

(e) The commissioner of education shall adjust each district's base revenue and base aid to reflect any changes in special education services required by rule or statute.

Sec. 4. Minnesota Statutes 1992, section 124.322, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF ALTERNATIVE DELIVERY REVENUE.] ~~For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under section 124.32, subdivisions 1b, 2, 5, and 10, and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 124.321, subdivisions 1 and 2, as applicable, district's alternative delivery revenue equals its base revenue multiplied by 1.03 the product of the alternative delivery revenue inflator times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the immediately preceding fiscal year. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year multiplied by 1.03. For the second and later fiscal years a district's alternative delivery revenue equals its base revenue multiplied by the product of the alternative delivery revenue inflator times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the second preceding fiscal year.~~

Sec. 5. Minnesota Statutes 1992, section 124.322, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE DELIVERY AID.] ~~For the first fiscal year after approval of an application, a district shall receive the sum of the aid it received for the preceding fiscal year under section 124.32, subdivisions 1b, 2, 5, and 10, district's alternative delivery aid equals its base aid multiplied by 1.03 the product of 1.017 times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the preceding fiscal year. For the second and later fiscal years a district's alternative delivery aid equals its base aid multiplied by the product of 1.034 times the ratio of the district's average daily membership for the current fiscal year to the district's average daily membership for the second preceding fiscal year. The aid for the first year of revenue shall not be prorated. For each of the next two fiscal years, the district shall receive the amount of aid it received for the previous fiscal year multiplied by 1.03. A district that receives aid under this subdivision shall not receive aid under section 124.32, subdivisions 1b, 1d, 2, 5, and 10, for the same fiscal year.~~

Sec. 6. Minnesota Statutes 1992, section 124.322, subdivision 4, is amended to read:

Subd. 4. [ALTERNATIVE DELIVERY LEVY REVENUE.] ~~A district shall receive alternative delivery levy revenue equal to the difference between the alternative delivery revenue and the alternative delivery aid. If the alternative delivery aid for a district is prorated for the second or third fiscal years, the alternative delivery levy revenue shall be increased by the amount not paid by the state due to proration. For fiscal year 1993 and thereafter, The alternative delivery levy revenue shall be included under section 124.321, subdivision 1, for purposes of computing the special education levy under section 124.321, subdivision 3, and the special education levy equalization aid under section 124.321, subdivision 4.~~

Sec. 7. [124.323] [SPECIAL EDUCATION EXCESS COST AID.]

Subdivision 1. [DEFINITIONS.] In this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, and equipment eligible for revenue under sections 124.32, subdivisions 1b, 1d, 2, and 10, and 124.322, subdivision 2; plus

(2) expenditures for tuition bills received under section 120.17; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under sections 124.32, subdivisions 1b, 1d, 2, and 10; 124.321, subdivision 1, clause (1); and 124.322, subdivision 2; minus

(4) tuition receipts under section 120.17.

(b) "General revenue" means the sum of the general education revenue according to section 124A.22, subdivision 1, plus the total referendum revenue according to section 124A.03, subdivision 1e.

Subd. 2. [EXCESS COST AID.] For 1995 and later fiscal years, a district's special education excess cost aid equals the product of:

(1) 70 percent of the difference between (i) the district's unreimbursed special education cost per actual pupil unit and (ii) six percent of the district's general revenue per actual pupil unit, times

(2) the district's actual pupil units for that year.

Sec. 8. Minnesota Statutes 1992, section 124.332, subdivision 2, is amended to read:

Subd. 2. [AID AMOUNT.] An eligible district shall receive individualized learning and development aid in an amount equal to \$64 for 1991-1992 and \$66 for 1992-1993 and thereafter times the district's average daily membership in kindergarten to grade 2 for the 1991-1992 school year, and in kindergarten to grade 3 for the 1992-1993 school year and thereafter and \$42 times the district's average daily membership in grade 4. Aid received under this subdivision for kindergarten to grade 3 must be used only to achieve the district's instructor-learner ratios and prepare and use individualized learning plans for learners in the grades for which the district is receiving aid. If the district has achieved and is maintaining the district's instructor-learner ratios in kindergarten to grade 3, then the district may use the aid to work to improve program offerings throughout the district. Aid received under this subdivision for grade 4 must be used to implement learners' individualized learning plans.

Sec. 9. Minnesota Statutes 1992, section 124.574, is amended by adding a subdivision to read:

Subd. 4a. [ADDITIONAL AID.] A school district may contract with another Minnesota school district or cooperative center for career assessment services for children with a disability for children that are not yet enrolled in grade 12. The formula for payment equals 52 percent of the difference between the amount of the contract and the basic revenue of the district for that pupil for the amount of time the pupil receives services under the contract. The contracts must be approved by the commissioner.

Sec. 10. Minnesota Statutes 1992, section 125.189, is amended to read:

125.189 [LICENSURE REQUIREMENTS.]

In addition to other requirements, The board of teaching will review and determine appropriate licensure requirements for a candidate for a license or an applicant for a continuing license to teach hearing-impaired deaf and hard of hearing students in kindergarten prekindergarten through grade 12. In addition to other requirements, a candidate must demonstrate the minimum level of proficiency in American sign language as determined by the Quality Assurance Systems Project of the department of education board.

Sec. 11. [ASL GUIDELINES.]

(a) In determining appropriate licensure requirements for teachers of deaf and hard of hearing students under Minnesota Statutes, section 125.189, the board of teaching shall develop the requirements according to the guidelines described in this section.

(b) Each teacher must complete the American sign language sign communication proficiency interview or a comparable American sign language evaluation that the board of teaching, the Minnesota association of deaf citizens, and the Minnesota council for the hearing impaired accept as a means for establishing the teacher's baseline level of American sign language skills. A teacher shall not be charged for this evaluation.

(c) Each teacher must complete 60 continuing education credits in American sign language, American sign language linguistics, or deaf culture for every 120 continuing education credits the teacher is required to complete to renew a teaching license.

(d) As a condition of obtaining an initial license to teach deaf and hard of hearing students, a person must demonstrate in the sign communication proficiency interview an intermediate plus level of proficiency in American sign language.

(e) Each teacher applying to renew a teaching license and each teacher holding a teaching license from another state who wishes to apply for a Minnesota teaching license must take the American sign language sign communication proficiency interview or a comparable American sign language evaluation every five years until the teacher demonstrates a minimum, or survival plus, level of proficiency in American sign language.

(f) A teacher working directly with students whose primary language is American sign language should demonstrate at least an advanced level of proficiency in American sign language. The board should not consider a minimum, or survival plus, level of proficiency adequate for providing direct instruction to students whose primary language is American sign language.

(g) To renew a teaching license, a teacher must comply with paragraphs (c) and (e) in addition to other applicable board requirements. A teacher's ability to demonstrate a minimum, or survival plus, level of proficiency in American sign language is not a condition for renewing the teacher's license.

(h) A teacher who demonstrates an increased proficiency in American sign language skill in the American sign language sign communication proficiency interview or a comparable American sign language evaluation shall receive credit toward completing the requirements of paragraph (c). The number of continuing education credits the teacher receives is based on the teacher's increased level of proficiency from the teacher's baseline level:

- (1) 35 continuing education credits for demonstrating an intermediate level of proficiency;
- (2) 40 continuing education credits for demonstrating an intermediate plus level of proficiency;
- (3) 45 continuing education credits for demonstrating an advanced level of proficiency;
- (4) 50 continuing education credits for demonstrating an advanced plus level of proficiency;
- (5) 55 continuing education credits for demonstrating a superior level of proficiency; and
- (6) 60 continuing education credits for demonstrating a superior plus level of proficiency.

Sec. 12. [DEVELOPING GREATER FLEXIBILITY IN DELIVERING SPECIAL EDUCATION SERVICES.]

Subdivision 1. [PURPOSE; AUTHORIZATION.] In an effort to change the overall emphasis in special education from complying with laws and rules to also improving educational opportunities for a wide range of students, including those who are disabled, those for whom English is a second language, and those with unique learning styles, a pilot project is established to permit independent school district No. 625, St. Paul, to develop and implement an integrated service model for delivering special education services and programs to eligible students under Minnesota Statutes, section 120.17, and alternative delivery of specialized instructional services under Minnesota Statutes, section 120.173. As part of the pilot project, the state board of education shall waive all state special education rules if the St. Paul school district complies with the requirements in subdivision 2.

Subd. 2. [PROJECT REQUIREMENTS.] (a) To participate in the pilot project, the district must:

(1) notify the commissioner of education, the state board of education, and the advisory council under paragraph (c) by June 15, 1993, of its intent to develop and implement an integrated service model for delivering special

education services and programs to eligible and low-performing students that complies with all applicable federal rules governing the delivery of special education;

(2) complete by November 30, 1993, with assistance from the commissioner as described in paragraph (b) and the advisory council in paragraph (c), a proposed plan for realizing an integrated service model, which includes a description of each applicable federal rule and the approach the district will use to effect that rule;

(3) include in the proposed plan measures to protect students' civil rights, provide equal educational opportunities, and prohibit discrimination as required under state and federal law;

(4) receive local school board approval of the proposed plan by December 31, 1993, and file a copy of the approved plan with the commissioner;

(5) begin in-service training of district personnel on February 1, 1994, to ensure that the district complies with all applicable federal regulations governing the delivery of special education; and

(6) implement the integrated service model beginning July 1, 1994.

(b) If the St. Paul school district indicates its intent to develop an integrated service model under paragraph (a), clause (1), the commissioner shall assist the district beginning August 1, 1993, in developing its plan to realize the integrated service model by:

(1) providing technical assistance through the state department of education; and

(2) using discretionary funds under Public Law Number 101-476 to contract for technical assistance as needed.

(c) The district must establish an advisory council for the pilot project that reflects the demographic composition of the district and is composed of members of existing special education-related committees, parents of eligible students with varying disabilities and of different ages enrolled in the district, representative of advocacy agencies, and district personnel affected by this section. Parents shall compose the majority of council members. The district must continuously consult with the advisory council on planning, delivering, and modifying the district's special education programs and services.

Subd. 3. [EVALUATION.] Upon implementing the integrated service model, the district, with technical assistance provided or contracted for by the commissioner, must annually evaluate the efficacy of the model over at least a four-year period. The district must address in its evaluation the seven points listed in Minnesota Statutes, section 120.173, subdivision 3, and document parents' responses to the model. The district must submit to the education committees of the legislature a progress report by February 1, 1997, and a final report by February 1, 1999, on the efficacy of the model.

Sec. 13. [FISCAL REPORTS; AUTHORIZATION REQUIRED.]

(a) The state interagency council, with technical assistance from the state department of education, shall submit to the education committees of the legislature by February 15, 1994, an accurate and detailed fiscal analysis and summary of the short and long term fiscal impact to the state of participating in the fifth and in succeeding fiscal years of the federal Part H program under United States Code, title 20, section 1471, et seq. (Part H, Public Law Number 102-119).

(b) The state department of education shall not apply to the secretary of education under United States Code, title 20, section 1471, et seq. (Part H, Public Law Number 102-119) to participate in the fifth or any succeeding fiscal year of the federal Part H program contained in the Individuals with Disabilities Education Act until specifically authorized by law to do so.

Sec. 14. [TASK FORCE TO REVIEW SPECIAL EDUCATION RULES.]

Subdivision 1. [ESTABLISHMENT.] A task force to review the state's special education rules is established to recommend to the legislature changes that can be made to simplify the rules while ensuring that the rules meet applicable federal requirements and support the state's interest in education outcomes.

Subd. 2. [MEMBERSHIP; STAFF.] (a) The speaker of the house of representatives and the administrative subcommittee on committees of the senate shall jointly appoint 22 demographically representative members

knowledgeable in elementary and secondary special education matters from throughout the state to serve on the task force and shall select a task force chairperson from among the members, who shall convene and preside over task force meetings. Task force members shall include six parents of students with varying disabilities and of differing ages, two licensed teachers who provide general education instruction, two licensed teachers who provide special education instruction, one urban or suburban school principal, one rural school superintendent, three directors of special education, one of whom represents a single urban or suburban school district, one of whom represents a rural special education cooperative, and one of whom represents an intermediate district, one person with expertise in special education instruction from the department of education, one state senator and one state representative, and three advocates of children with disabilities and their families.

(b) The house research department, senate counsel and research, and other legislative staff offices shall provide staff for the task force.

Subd. 3. [DUTIES.] In recommending changes to simplify the state's special education rules, the task force shall examine each special education rule to determine whether it:

- (1) provides meaningful educational opportunities to students with disabilities;
- (2) encourages educational innovations;
- (3) complies with applicable federal requirements; and
- (4) can be implemented at reasonable cost.

Subd. 4. [ADMINISTRATIVE RULES.] To accommodate the task force's review of the state's special education rules, and notwithstanding Minnesota Statutes, section 121.11, subdivision 12, or any other law to the contrary, the state board of education shall not adopt, amend, or repeal a special education rule until June 1, 1994, unless compelled by a newly enacted or adopted federal requirement.

Subd. 5. [REPORT.] The task force shall submit its recommendations for simplifying the state's special education rules to the education committees of the legislature by February 15, 1994.

Sec. 15. [ALTERNATIVE DELIVERY OF SPECIAL EDUCATION SERVICES AND PROGRAMS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE; GOAL.] A three-year pilot project is established to permit 12 school districts selected by the commissioner of education to use an alternative process for delivering certain special education services and programs to eligible students under Minnesota Statutes, section 120.17. The purpose of the project is to explore, in a deliberate way, effective alternatives to the special education rules listed in subdivision 3 while adhering to the intent of the rules and the procedural and substantive protections afforded eligible students under law. The ultimate goal of the project is to improve the instructional services and educational outcomes and opportunities available to eligible students.

Subd. 2. [ELIGIBILITY; APPLICATIONS.] The commissioner shall make application forms available to school districts interested in exploring effective alternatives for delivering certain special education services and programs as described in this section. Interested school districts must have their application to participate in the project approved by their local school board after a public hearing on the matter. Applications must be submitted to the commissioner by January 1, 1994. The application must describe how the applicant proposes to realize the purpose and goal of the project, including what activities and procedures the applicant proposes and whether the applicant seeks to be exempted from Minnesota Rules, part 3525.1341. The commissioner may require additional information of an applicant. The commissioner shall approve 12 applications before March 1, 1995. The commissioner shall ensure an equitable geographical distribution of project participants throughout the state.

Subd. 3. [EXEMPTIONS.] (a) All school districts participating in the project are exempt from the following special education rules through the 1997-1998 school year:

- (1) Minnesota Rules, part 3525.1335;
- (2) Minnesota Rules, part 3525.2335;
- (3) Minnesota Rules, part 3525.2750; and

(4) Minnesota Rules, part 3525.2925, subparts 2B, 4, 5, 6, 7, and 9.

(b) After reviewing the applications of the district selected to participate in the project, the commissioner shall exempt six of the 12 project participants from Minnesota Rules, part 3525.1341.

(c) During the term of the project, participating school districts exempt from the rules listed in this subdivision must adhere to the intent of the rules and the procedural and substantive safeguards afforded eligible students under the law.

Subd. 4. [STUDENTS' RIGHTS.] School districts participating in the project must individually evaluate eligible students enrolled in the district to determine the students' levels of performance. Eligible students are entitled to the procedural protections provided under Public Law Number 101-476 in any matter that affects the students' identification, evaluation, placement, or change in placement, and protections provided under Minnesota Statutes, sections 127.26 to 127.39, in a dismissal proceeding that may result in students' suspension, exclusion, or expulsion. Participating school districts must ensure the protection of students' civil rights, provide equal educational opportunities, and prohibit discrimination. Failure to comply with this subdivision will at least cause a district to become ineligible to participate in the project.

Subd. 5. [TECHNICAL ASSISTANCE.] The commissioner, through the office of compliance and monitoring, shall provide technical assistance to the project participants. In addition, the commissioner shall use discretionary funds available under Public Law Number 101-476 to contract for technical assistance from an independent evaluator in the field of special education to assist project participants in developing and implementing a valid and uniform procedure to evaluate their alternative delivery process.

Subd. 6. [ADVISORY COMMITTEE.] Each project participant shall have an advisory council that reflects the demographic composition of the local community and is composed of members of existing special education-related committees, parents of eligible students with varying disabilities and of different ages enrolled in a participating district, and district personnel in the field of special education who are potentially affected by the rule exemptions under subdivision 3. Parents shall compose a majority of council members. The council shall advise the district on planning, delivering, and modifying special education programs and services under this section. If a project participant is unable to have members of existing special education-related committees on the council, it shall include on the council additional parents of eligible students.

Subd. 7. [EVALUATION; REPORT.] (a) The commissioner shall use the discretionary funds available under Public Law Number 101-476 to contract with an independent evaluator for technical assistance to develop a uniform evaluation procedure for all participants to use to complete a formative and summative evaluation of their experiences in delivering special education services and programs under this section. Participants shall work with the independent evaluator to focus the evaluation on the overall efficacy of the alternative delivery process, including the extent to which the educational outcomes and opportunities of eligible students are improved. Project participants shall each select one member of their advisory council to meet together periodically with the independent evaluator to evaluate the participants' progress. Project participants, in consultation with their advisory council, shall use the interim evaluations and the responses of affected parents to the alternative delivery process to modify the process where appropriate.

(b) Each project participant shall submit to the commissioner a progress report by September 1, 1996, and a final report by January 1, 1998, evaluating the efficacy of its alternative delivery process. The commissioner shall compile the results of the reports to present to the education committees of the legislature by March 1, 1998. When presenting the reports, the commissioner, after consulting with the independent evaluator, shall recommend appropriate amendments to the rules listed in subdivision 3.

Sec. 16. [REALLOCATION.]

Any funds saved through the flexibility in special education service delivery authorized by this article must be reallocated by the district for the benefit of students with special education needs in the district.

Sec. 17. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund or other named fund to the department of education for the fiscal years designated.

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid according to Minnesota Statutes, section 124.32:

<u>\$176,257,000</u>	.....	<u>1994</u>
<u>\$186,649,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$25,087,000 for 1993 and \$151,170,000 for 1994.

The 1995 appropriation includes \$26,677,000 for 1994 and \$159,972,000 for 1995.

Subd. 3. [SPECIAL PUPIL AID.] For special education aid according to Minnesota Statutes, section 124.32, subdivision 6, for pupils with handicaps placed in residential facilities within the district boundaries for whom no district of residence can be determined:

<u>\$318,000</u>	.....	<u>1994</u>
<u>\$337,000</u>	.....	<u>1995</u>

If the appropriation for either year is insufficient, the appropriation for the other year is available. If the appropriations for both years are insufficient, the appropriation for special education aid may be used to meet the special pupil obligations.

Subd. 4. [SUMMER SPECIAL EDUCATION AID.] For special education summer program aid according to Minnesota Statutes, section 124.32, subdivision 10:

<u>\$5,081,000</u>	.....	<u>1994</u>
<u>\$5,140,000</u>	.....	<u>1995</u>

The 1994 appropriation is for 1993 summer programs.

The 1995 appropriation is for 1994 summer programs.

Subd. 5. [TRAVEL FOR HOME-BASED SERVICES.] For aid for teacher travel for home-based services according to Minnesota Statutes, section 124.32, subdivision 2b:

<u>\$124,000</u>	.....	<u>1994</u>
<u>\$159,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$10,000 for 1993 and \$114,000 for 1994.

The 1995 appropriation includes \$19,000 for 1994 and \$140,000 for 1995.

Subd. 6. [RESIDENTIAL FACILITIES AID.] For residential facilities aid under Minnesota Statutes, section 124.32, subdivision 5:

<u>\$2,616,000</u>	.....	<u>1994</u>
<u>\$..-0-..</u>	.....	<u>1995</u>

Subd. 7. [SPECIAL EDUCATION EXCESS COST AID.] For excess cost aid according to Minnesota Statutes, section 124.322:

<u>\$..-0-..</u>	.....	<u>1994</u>
<u>\$5,555,000</u>	.....	<u>1995</u>

The 1995 appropriation includes \$..-0-.. for 1994 and \$5,555,000 for 1995.

Subd. 8. [LIMITED ENGLISH PROFICIENCY PUPILS PROGRAM AID.] For aid under Minnesota Statutes, section 124.273, for educational programs for pupils of limited English proficiency and for supplies and equipment for limited English proficiency teachers:

<u>\$5,094,000</u>	.....	<u>1994</u>
<u>\$5,663,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$600,000 for 1993 and \$4,494,0900 for 1994.

The 1995 appropriation includes \$792,000 for 1994 and \$4,871,000 for 1995.

Subd. 9. [AMERICAN INDIAN POST-SECONDARY PREPARATION GRANTS.] For American Indian post-secondary preparation grants according to Minnesota Statutes, section 124.481:

\$857,000	.....	1994
\$857,000	.....	1995

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

Subd. 10. [AMERICAN INDIAN LANGUAGE AND CULTURE PROGRAMS.] For grants to American Indian language and culture education programs according to Minnesota Statutes, section 126.54, subdivision 1:

\$591,000	.....	1994
\$591,000	.....	1995

The 1994 appropriation includes \$88,000 for 1993 and \$503,000 for 1994.

The 1995 appropriation includes \$88,000 for 1994 and \$503,000 for 1995.

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

Subd. 11. [SECONDARY VOCATIONAL; STUDENTS WITH DISABILITIES.] For aid for secondary vocational education for pupils with disabilities according to Minnesota Statutes, section 124.574:

\$4,573,000	.....	1994
\$4,592,000	.....	1995

The 1994 appropriation includes \$684,000 for 1993 and \$3,889,000 for 1994.

The 1995 appropriation includes \$686,000 for 1994 and \$3,906,000 for 1995.

Subd. 12. [ASSURANCE OF MASTERY.] For assurance of mastery aid according to Minnesota Statutes, section 124.311:

\$12,949,000	.....	1994
\$13,163,000	.....	1995

The 1994 appropriation includes \$1,904,000 for 1993 and \$11,045,000 for 1994.

The 1995 appropriation includes \$1,948,000 for 1994 and \$11,215,000 for 1995.

Subd. 13. [INDIVIDUALIZED LEARNING AND DEVELOPMENT AID.] For individualized learning and development aid according to Minnesota Statutes, section 124.331:

\$19,081,000	.....	1994
\$19,581,000	.....	1995

The 1994 appropriation includes \$2,485,000 for 1993 and \$16,596,000 for 1994.

The 1995 appropriation includes \$2,928,000 for 1994 and \$16,653,000 for 1995.

Subd. 14. [SPECIAL PROGRAMS EQUALIZATION AID.] For special education levy equalization aid according to Minnesota Statutes, section 124.321:

\$13,572,000	.....	1994
\$16,165,000	.....	1995

The 1994 appropriation includes \$1,626,000 for 1993 and \$11,946,000 for 1994.

The 1995 appropriation includes \$2,107,000 for 1994 and \$14,058,000 for 1995.

Subd. 15. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships according to Minnesota Statutes, section 124.48:

<u>\$1,600,000</u>	.....	<u>1994</u>
<u>\$1,600,000</u>	.....	<u>1995</u>

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

Subd. 16. [AMERICAN INDIAN EDUCATION.] (a) For certain American Indian education programs in school districts:

<u>\$175,000</u>	.....	<u>1994</u>
<u>\$175,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$26,000 for 1993 and \$149,000 for 1994.

The 1994 appropriation includes \$26,000 for 1994 and \$149,000 for 1995.

(b) These appropriations are available for expenditure with the approval of the commissioner of the department of education.

(c) The commissioner must not approve the payment of any amount to a school district or school under this subdivision unless that school district or school is in compliance with all applicable laws of this state.

(d) Up to the following amounts may be distributed to the following schools and school districts for each fiscal year: \$54,800 to Pine Point School; \$9,700 to independent school district No. 166; \$14,900 to independent school district No. 432; \$14,100 to independent school district No. 435; \$42,200 to independent school district No. 707; and \$39,100 to independent school district No. 38. These amounts must be spent only for the benefit of American Indian pupils and to meet established state educational standards or statewide requirements.

(e) Before a district or school can receive money under this subdivision, the district or school must submit, to the commissioner, evidence that it has complied with the uniform financial accounting and reporting standards act, Minnesota Statutes, sections 121.90 to 121.917.

Subd. 17. [INDIAN TEACHER PREPARATION GRANTS.] (a) For joint grants to assist Indian people to become teachers:

<u>\$190,000</u>	.....	<u>1994</u>
<u>\$190,000</u>	.....	<u>1995</u>

(b) Initially, \$70,000 each year is for a joint grant to the University of Minnesota at Duluth and the Duluth school district.

(c) Initially, \$40,000 each year is for a joint grant to each of the following:

- (1) Bemidji state university and the Red Lake school district;
- (2) Moorhead state university and a school district located within the White Earth reservation; and
- (3) Augsburg college and the Minneapolis school district.

(d) Money not used for students at one location may be transferred for use at another location.

(e) Any unexpended balance remaining the first year does not cancel but is available in the second year.

Subd. 18. [TRIBAL CONTRACT SCHOOLS.] For tribal contract school aid according to Minnesota Statutes, section 124.86:

<u>\$374,000</u>	.....	<u>1994</u>
<u>\$457,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$--0-- for 1993 and \$374,000 for 1994.

The 1995 appropriation includes \$66,000 for 1994 and \$391,000 for 1995.

Subd. 19. [EARLY CHILDHOOD PROGRAMS AT TRIBAL SCHOOLS.] For early childhood family education programs at tribal contract schools:

<u>\$68,000</u>	.....	<u>1994</u>
<u>\$68,000</u>	.....	<u>1995</u>

Subd. 20. [SECONDARY VOCATIONAL EDUCATION AID.] For secondary vocational education aid according to Minnesota Statutes, section 124.573:

<u>\$12,079,000</u>	.....	<u>1994</u>
<u>\$13,244,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$1,811,000 for 1993 and \$10,268,003 for 1994.

The 1995 appropriation includes \$1,811,000 for 1994 and \$11,433,000 for 1995.

Subd. 21. [SUMMER HEALTH CARE INTERN PROGRAM.] For summer health care intern grants under Minnesota Statutes, section 124C.62:

<u>\$33,000</u>	.....	<u>1994</u>
<u>\$33,000</u>	.....	<u>1995</u>

Subd. 22. [EDUCATION IN AGRICULTURE LEADERSHIP COUNCIL.] For a grant to the Minnesota education in agriculture leadership council to cover operating expenses:

<u>\$50,000</u>	<u>1994</u>
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This appropriation is available until June 30, 1995.

Subd. 23. [ADVISORY COUNCIL COSTS.] For the costs to project participants of convening their advisory council members during the term of the pilot project under section 15:

<u>\$50,000</u>	<u>1995</u>
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Subd. 24. [TEACHER EDUCATION; HEARING IMPAIRED.] To assist school districts in greater Minnesota in educating teachers in American sign language, American sign language linguistics, and deaf culture as required under section 11, clause (c):

<u>\$25,000</u>	<u>1994</u>
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This appropriation is available until June 30, 1995.

Subd. 25. [PROFICIENCY EVALUATION.] To evaluate teachers' baseline level of proficiency in American sign language under section 11, clause (b):

<u>\$24,000</u>	<u>1994</u>
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The appropriation is available until June 30, 1995.

Sec. 18. [LCC FOR SPECIAL EDUCATION RULES REVIEW TASK FORCE.]

\$50,000 is appropriated from the general fund to the legislative coordinating commission for the purposes of the section establishing a task force to review the state's special education rules. This appropriation expires February 15, 1994.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, section 124.32, subdivision 5, is repealed effective July 1, 1994.

Sec. 20. [EFFECTIVE DATES.]

Section 12 is effective the day after final enactment and applies through the 1998-1999 school year if the St. Paul school district complies with the requirements in section 12, subdivision 2.

Section 15 is effective the day following final enactment and applies to participating school districts through the 1996-1997 school year.

Section (ASL guidelines), clause (b), is effective June 30, 1994, and section (ASL guidelines) clauses (c) and (d), are effective June 30, 1995.

The section establishing a task force to review the state's special education rules is effective immediately and shall remain in effect until February 15, 1994, except that subdivision 4 shall remain in effect until June 1, 1994.

ARTICLE 4

EARLY CHILDHOOD, COMMUNITY, AND ADULT EDUCATION

Section 1. Minnesota Statutes 1992, section 3.873, subdivision 4, is amended to read:

Subd. 4. [STAFF.] The commission may employ and fix the salaries of professional, technical, clerical, and other commission staff. The commission may use existing legislative staff to provide legal counsel, research, fiscal, secretarial, and clerical assistance.

Sec. 2. Minnesota Statutes 1992, section 3.873, subdivision 5, is amended to read:

Subd. 5. [INFORMATION COLLECTION; INTERGOVERNMENTAL COORDINATION.] (a) The commission may shall meet at least monthly to conduct public hearings and otherwise collect data and information necessary to its purposes.

(b) The commission may request information or assistance from any state agency or officer to assist the commission in performing its duties. The agency or officer shall promptly furnish any information or assistance requested.

(c) The secretary of the senate and the chief clerk of the house shall provide the commission with a copy of each bill introduced in the legislature concerning children, youth, and their families.

(d) Before implementing new or substantially revised programs relating to the subjects being studied by the commission under subdivision 7, the commissioner responsible for the program shall prepare an implementation plan for the program and shall submit the plan to the commission for review and comment. The commission may advise and make recommendations to the commissioner on the implementation of the program and may request the changes or additions in the plan it deems appropriate.

(e) (f) By July 1, 1991, the responsible state agency commissioners, including the commissioners of education, health, human services, jobs and training, and corrections, shall prepare data for presentation to the commission on the state programs to be examined by the commission under subdivision 7, paragraph (a).

(e) (f) To facilitate coordination between executive and legislative authorities, the governor shall appoint a person to act as liaison between the commission and the governor shall meet at least four times per year with the children's cabinet, which includes the commissioners of the departments of education, health, human services, jobs and training, corrections, administration, public safety, finance, and housing finance, or their designees, and the director of the office

of strategic and long-range planning, or the director's designee, to report on and recommend improvements in plans and initiatives affecting children, youth, and their families.

Sec. 3. Minnesota Statutes 1992, section 3.873, subdivision 6, is amended to read:

Subd. 6. [LEGISLATIVE REPORTS AND RECOMMENDATIONS.] The commission shall make recommendations to the legislature to implement combining education, and health and human services and related support services provided to children and their families by the departments of education, human services, health and other state agencies into a single state department of children and families to provide more effective and efficient services. The commission also shall make recommendations to the legislature or committees, as it deems appropriate to assist the legislature in formulating legislation. To facilitate coordination between executive and legislative authorities, the commission shall review and evaluate the plans and proposals of the governor and state agencies on matters within the commission's jurisdiction and shall provide the legislature with its analysis and recommendations. ~~Any analysis and recommendations must integrate recommendations for the design of an education service delivery system under Laws 1991, chapter 265, article 6, section 64.~~ The commission shall report its final recommendations under this subdivision and subdivision 7, paragraph (a), by January 1, 1993 ~~1994~~. The commission shall submit a an annual progress report by January 1, 1992 of each year.

Sec. 4. Minnesota Statutes 1992, section 3.873, subdivision 7, is amended to read:

Subd. 7. [PRIORITIES.] The commission shall give priority to studying and reporting to the legislature on the matters described in this subdivision. To the extent possible, the commission shall consult with knowledgeable individuals in communities throughout the state when developing recommendations or preparing reports on these matters.

(a) The commission must study and report on methods of improving legislative consideration of children and family issues and coordinating state agency programs relating to children and families, including the desirability, feasibility, and effects of creating a new state department of children's services, or children and family services, in which would be consolidated the responsibility for administering state programs relating to children and families.

(b) The commission must study and report on methods of consolidating or coordinating local health, correctional, educational, job, and human services, to improve the efficiency and effectiveness of services to children and families and to eliminate duplicative and overlapping services. The commission shall evaluate and make recommendations on programs and projects in this and other states that encourage or require local jurisdictions to consolidate the delivery of services in schools or other community centers to reduce the cost and improve the coverage and accessibility of services. The commission must study and recommend specific effectiveness measures to accurately determine the efficacy of programs and services provided to children and their families. The commission must consider and recommend how to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well-coordinated, and family-oriented delivery systems focused on prevention services. The commission must review and evaluate what impact the classification of data has on service providers' ability to anticipate and meet the full range of families' needs. The commission must report on any laws, rules, or procedures that interfere with the effective delivery of community-based services to children and families.

(c) The commission must study and report on methods of improving and coordinating educational, social, and health care services that assist children and families during the early childhood years. The commission's study must include an evaluation of the following: early childhood health and development screening services, headstart, child care, and early childhood family education, and parents' involvement in programs meeting the social, cognitive, physical, and emotional needs of children.

(d) The commission must study and report on methods of improving and coordinating the practices of judicial, correctional, and social service agencies in placing juvenile offenders and children who are in need of protective services or treatment.

(e) The commission must study and recommend constructive changes in preventive, community-based programs that encourage children and youth to responsibly serve their community.

(f) The commission must study and recommend how to restructure the state department of education to better consolidate the delivery of services to children and families and reduce the cost and improve the coverage and accessibility of the services.

Sec. 5. Minnesota Statutes 1992, section 3.873, subdivision 9, is amended to read:

Subd. 9. [EXPIRATION.] The commission expires on June 30, 1994 1995.

Sec. 6. [4.47] [PROGRAM TRANSFERS.]

The governor may transfer programs affecting children and family services between agencies under section 16B.37 with advice from the children's cabinet and the legislative commission on children, youth, and their families.

Sec. 7. Minnesota Statutes 1992, section 120.06, subdivision 3, is amended to read:

Subd. 3. [PUPILS, AT LEAST 21 YEARS OF AGE.] In addition to those admitted under subdivision 1, admission to a public secondary school is free to a person who is eligible under this subdivision. In order to be eligible, a person must be:

- (1) at least 21 years of age;
- (2) a resident of the district where the secondary school is located; and
- (3) eligible under section 126.22, subdivision 2.

Free admission is limited to two school years or the equivalent, or until the pupil completes the courses required to graduate, whichever is less. A district that admits a person to school under this section must have a reasonable expectation that the person can obtain a diploma within two years.

Sec. 8. Minnesota Statutes 1992, section 121.831, is amended to read:

121.831 [LEARNING READINESS PROGRAMS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A district or a group of districts may establish a learning readiness program for eligible children. The purpose of a learning readiness program is to provide all eligible children adequate opportunities to participate in child development programs that enable the children to enter school with the necessary skills and behavior and family stability and support to progress and flourish.

Subd. 2. [CHILD ELIGIBILITY.] (a) A child is eligible to participate in a learning readiness program offered by the resident district or another district if the child is:

- (1) at least ~~four~~ three and one-half years old but has not entered kindergarten; and
- (2) ~~has participated or will participate in an early childhood~~ receives developmental screening program according to under section 123.702.

~~A child may participate in a program provided by the district in which the child resides or by any other district within 90 days of enrolling in the program or the child's fourth birthday.~~

(b) A child younger than three and one-half years old may participate in a learning readiness program if the district or group of districts that establishes the program determines that the program can more effectively accomplish its purpose by including children younger than three and one-half years old.

Subd. 3. [PROGRAM ELIGIBILITY.] A learning readiness program shall include the following:

(1) a comprehensive plan to ~~coordinate~~ anticipate and meet the needs of participating families by coordinating existing social services to provide for the needs of participating families programs and for by fostering collaboration with among agencies or other community-based organizations providing and programs that provide a full range of flexible, family-focused services to families with young children;

(2) a development and learning component to help ~~a child~~ children develop socially, intellectually, physically ~~appropriate social, cognitive, and physical skills, and emotionally in a manner appropriate to the child~~ emotional well-being;

(3) health referral services to address ~~the~~ children's medical, dental, mental health, and nutritional needs ~~of the children;~~

(4) a nutrition component to meet ~~the~~ children's daily nutritional needs ~~of the children;~~ and

(5) parents' involvement ~~of parents~~ in ~~the educational~~ meeting children's educational, health, social service, and other needs ~~of the children.~~

Subd. 4. [PROGRAM CHARACTERISTICS.] Learning readiness programs ~~may include the following are~~ encouraged to:

(1) prepare an individualized service plan to meet ~~the individual needs of each child~~ child's developmental and learning needs;

(2) ensure participation by families who ~~are representative of~~ represent the racial, cultural, and economic diversity of the community;

(3) ~~parent education~~ educate parents to increase ~~parents'~~ their knowledge, understanding, skills, and experience in child development and learning;

(4) foster substantial parent involvement; that may include ~~developing~~ having parents develop curriculum or ~~serve~~ serve as a paid or volunteer educator, resource person, or other staff;

(5) ~~identification of~~ identify the needs of families ~~with respect to~~ in the context of the child's learning readiness;

(6) ~~a plan to~~ expand collaboration with public organizations, businesses, nonprofit organizations, or other private organizations to ~~promote the development of~~ develop a coordinated system of flexible, family-focused services available to anticipate and meet the full range of needs of all eligible children and their families with eligible children;

(7) ~~coordination of~~ coordinate treatment and follow-up services for ~~all~~ children's identified physical and mental health problems;

(8) develop community-based staff and program resources, including interpreters, that reflect the racial and ethnic ~~population~~ characteristics of the children participating in the program;

(9) offer transportation for eligible children and their ~~parents~~ families for whom other forms of transportation are ~~not available~~ unavailable or would constitute an excessive financial burden; and

(10) make substantial outreach efforts to assure significant participation by families with the greatest needs, including those families whose income level does not exceed the most recent update of the poverty guidelines required by sections 652 and 673(2) of the Omnibus Budget Reconciliation Act of 1981 (Public Law Number 97-35).

Subd. 5. [PURCHASE OR CONTRACT FOR SERVICES.] ~~Whenever possible, A district may~~ is encouraged to contract with a public ~~organization~~ or nonprofit organization ~~providing to provide eligible children~~ developmentally appropriate services ~~meeting one or more of that meet the program requirements in subdivision 3, clauses (1) to (4).~~ In the alternative, a district may also pay tuition or fees to place an eligible child in an existing program or. A district may establish a new program where no existing, reasonably accessible program meets the program requirements in subdivision 3. Services may be provided in a site-based program or in the home of the child or a combination of both. The district may not ~~limit~~ restrict participation to ~~district residents of the district.~~

Subd. 6. [COORDINATION WITH OTHER PROVIDERS.] (a) The district shall ~~optimize coordination of~~ coordinate the learning readiness program with existing ~~service~~ community-based social services providers ~~located in the community and foster collaboration among agencies and other community-based organizations and programs that provide flexible, family-focused services to families with children.~~ The district shall actively encourage greater sharing of responsibility and accountability among service providers and facilitate children's transition between programs.

(b) To the extent possible, resources shall follow the children ~~based on the services needed,~~ so that children have receive appropriate services in a stable environment and are not moved from one program location to program another. Where geographically feasible, the district shall actively promote colocating of services for children and their families.

Subd. 7. [ADVISORY COUNCIL.] Each learning readiness program shall have an advisory council ~~which composed of members of existing early education-related boards, parents of participating children, culturally-specific organizations, and representatives of early childhood service providers.~~ The council shall advise the school board in creating and administering the program and shall monitor the progress of the program. The council shall ensure that children at greatest risk receive appropriate services. If the school board is unable to appoint to the advisory council members of existing early education-related boards, it shall:

(1) appoint parents of children enrolled in the program who represent the racial, cultural, and economic diversity of the district and representatives of early childhood service providers as representatives to an existing advisory council; ~~or~~

~~(2) appoint a joint council made up of members of existing boards, parents of participating children, and representatives of early childhood service providers.~~

Subd. 8. [PRIORITY CHILDREN.] The district shall give ~~high~~ greatest priority to providing services to eligible children identified, through a means such as the early childhood screening process, as being developmentally disadvantaged or experiencing risk factors that could impede their learning readiness.

Subd. 9. [CHILD RECORDS.] A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record. The cumulative record is private data under chapter 13. Information in the record may be disseminated to an educator or service provider only to the extent that that person has a need to know the information.

Subd. 10. [SUPERVISION.] A program provided by a school board shall be supervised by a licensed early childhood teacher or a certified early childhood educator. A program provided according to a contract between a school district and a nonprofit organization or another private organization shall be supervised according to the terms of the contract.

Subd. 11. [DISTRICT STANDARDS.] The school board of the district shall develop standards for the learning readiness program that reflect the eligibility criteria in subdivision 3. The board shall consider including in the standards the program characteristics in subdivision 4.

Subd. 12. [PROGRAM FEES.] A district may adopt a sliding fee schedule based on a family's income but shall waive a fee for a participant unable to pay. The fees charged must be designed to enable eligible children of all socioeconomic levels to participate in the program.

Subd. 13. [ADDITIONAL REVENUE.] A district or an organization contracting with a district may receive money or in-kind services from a public or private organization.

Sec. 9. [121.835] [WAY TO GROW/SCHOOL READINESS PROGRAM.]

Subdivision 1. [ADMINISTRATION.] The commissioner of education shall administer the way to grow/school readiness program, in collaboration with the commissioners of health and human services, to promote intellectual, social, emotional, and physical development and school readiness of children prebirth to age six by coordinating and improving access to community-based and neighborhood-based services that support and assist all parents in meeting the health and developmental needs of their children at the earliest possible age.

Subd. 2. [PROGRAM COMPONENTS.] (a) A way to grow/school readiness program must:

(1) collaborate and coordinate delivery of services with other community organizations and agencies serving children prebirth to age six and their families;

(2) target services to families with children prebirth to age six with services increasing based on need;

(3) build on existing services and coordinate a continuum of prebirth to age six essential services, including but not limited to prenatal health services, parent education and support, and preschool programs;

(4) provide strategic outreach efforts to families using trained paraprofessionals such as home visitors; and

(5) support of neighborhood oriented and culturally specific social support, information, outreach, and other programs to promote healthy development of children and to help parents obtain the information, resources, and parenting skills needed to nurture and care for their children.

(b) A way to grow/school readiness program may include:

(1) a program of home visitors to contact pregnant women early in their pregnancies, encourage them to obtain prenatal care, and provide social support, information, and referrals regarding prenatal care and well-baby care to reduce infant mortality, low birth weight, and childhood injury, disease, and disability;

(2) a program of home visitors to provide social support, information, and referrals regarding parenting skills and to encourage families to participate in parenting skills programs and other family supportive services;

(3) support of neighborhood-based or community-based parent-child and family resource centers or interdisciplinary resource teams to offer supportive services to families with preschool children;

(4) staff training, technical assistance, and incentives for collaboration designed to raise the quality of community services relating to prenatal care, child development, health, and school readiness;

(5) programs to raise general public awareness about practices that promote healthy child development and school readiness;

(6) programs to expand public and private collaboration to promote the development of a coordinated and culturally specific system of services available to all families;

(7) support of periodic screening and evaluation services for preschool children to assure adequate developmental progress;

(8) support of health, educational, and other developmental services needed by families with preschool children;

(9) support of family prevention and intervention programs needed to address risks of child abuse or neglect;

(10) development or support of a jurisdiction-wide coordinating agency to develop and oversee programs to enhance child health, development, and school readiness with special emphasis on neighborhoods with a high proportion of children in need; and

(11) other programs or services to improve the health, development, and school readiness of children in target neighborhoods and communities.

Subd. 3. [ELIGIBLE GRANTEES.] An application for a grant may be submitted by any of the following entities:

(1) a city, town, county, school district, or other local unit of government;

(2) two or more governmental units organized under a joint powers agreement;

(3) a community action agency that satisfies the requirements of section 268.53, subdivision 1; or

(4) a nonprofit organization, or consortium of nonprofit organizations, that demonstrates collaborative effort with at least one unit of local government.

Subd. 4. [DISTRIBUTION.] The commissioner of education shall give priority to funding existing programs at their current levels.

To the extent possible, the commissioner shall award grants to applicants with experience or demonstrated ability in providing comprehensive, multidisciplinary, community-based programs with objectives similar to those listed in subdivision 2, or in providing other human services or social services programs using a multidisciplinary, community-based approach.

Subd. 5. [APPLICATIONS.] Each grant application must propose a five-year program designed to accomplish the purposes of this section. The application must be submitted on forms provided by the commissioner of education. The grant application must include:

(1) a description of the specific neighborhoods that will be served under the program and the name, address, and a description of each community agency or agencies with which the applicant intends to contract to provide services using grant money;

(2) a letter of intent from each community agency identified in clause (1) that indicates the agency's willingness to participate in the program and approval of the proposed program structure and components;

(3) a detailed description of the structure and components of the proposed program and an explanation of how each component will contribute to accomplishing the purposes of this section;

(4) a description of how public and private resources, including schools, health care facilities, government agencies, neighborhood organizations, and other resources, will be coordinated and made accessible to families in target neighborhoods, including letters of intent from public and private agencies indicating their willingness to cooperate with the program;

(5) a detailed, proposed budget that demonstrates the ability of the program to accomplish the purposes of this section using grant money and other available resources, including funding sources other than a grant; and

(6) a comprehensive evaluation plan for measuring the success of the program in meeting the objectives of the overall grant program and the individual grant project, including an assessment of the impact of the program in terms of at least three of the following criteria:

(i) utilization rates of community services;

(ii) availability of support systems for families;

(iii) birth weights of newborn babies;

(iv) child accident rates;

(v) utilization rates of prenatal care;

(vi) reported rates of child abuse;

(vii) rates of health screening and evaluation; and

(viii) school readiness of way to grow participants compared to nonparticipants.

Subd. 6. [MATCH.] Each dollar of state money must be matched with 50 cents of nonstate money. Programs may match state money with in-kind contributions, including volunteer assistance.

Subd. 7. [ADVISORY COMMITTEES.] The commissioner of education shall establish a program advisory committee consisting of persons knowledgeable in child development, child health, and family services, who reflect the geographic, cultural, racial, and ethnic diversity of the state; and representatives of the commissioners of education, human services, and health. This program advisory committee shall review grant applications, assist in distribution of the grants, and monitor progress of the way to grow/school readiness program. Each grantee must establish a program advisory board of 12 or more members to advise the grantee on program design, operation, and evaluation. The board must include representatives of local units of government and representatives of the project area who reflect the geographic, cultural, racial, and ethnic diversity of that community.

Subd. 8. [REPORT.] The advisory committee shall report to the education committee of the legislature by January 15, 1993, on the evaluation required in subdivision 5, clause (6), and shall make recommendations for establishing successful way to grow programs in unserved areas of the state.

Sec. 10. Minnesota Statutes 1992, section 121.882, subdivision 2b, is amended to read:

Subd. 2b. [HOME VISITING PROGRAM.] (a) The commissioner of education shall include as part of the early childhood family education programs a parent education component to prevent child abuse and neglect. This parent education component must include:

- (1) expanding statewide the home visiting component of the early childhood family education programs;
- (2) training parent educators, child educators, community outreach workers, and home visitors in the dynamics of child abuse and neglect and positive parenting and discipline practices; and
- (3) developing and ~~distributing~~ disseminating education and public information materials that promote positive parenting skills and prevent child abuse and neglect.

(b) The parent education component must:

(1) offer to isolated or at-risk families ~~direct~~ home visiting parent education services that at least address parenting skills, a child's development and stages of growth, communication skills, managing stress, problem-solving skills, positive child discipline practices, methods of improving parent-child interactions and enhancing self-esteem, using community support services and other resources, and encouraging parents to have fun with and enjoy their children;

(2) develop a risk assessment tool to determine the family's level of risk;

(3) establish clear objectives and protocols for home visits;

(4) determine the frequency and duration of home visits based on a risk-need assessment of the client, with home visits beginning in the second trimester of pregnancy and continuing, based on client need, until a child is six years old;

(5) encourage families to make a transition from home visits to site-based parenting programs to build a family support network and reduce the effects of isolation;

(6) develop and distribute education materials on preventing child abuse and neglect that may be used in home visiting programs and parent education classes and distributed to the public;

(7) initially provide at least 40 hours of training and thereafter ongoing training for parent educators, child educators, community outreach workers, and home visitors that covers the dynamics of child abuse and neglect, domestic violence and victimization within family systems, signs of abuse or other indications that a child may be at risk of being abused or neglected, what child abuse and neglect are, how to properly report cases of child abuse and neglect, respect for cultural preferences in child rearing, what community resources, social service agencies, and family support activities and programs are available, child development and growth, parenting skills, positive child discipline practices, identifying stress factors and techniques for reducing stress, home visiting techniques, and risk assessment measures;

(8) provide program services that are community-based, accessible, and culturally relevant; and

(9) foster collaboration among existing agencies and community-based organizations that serve young children and their families.

(c) Home visitors should reflect the demographic composition of the community the home visitor is serving to the extent possible.

Sec. 11. Minnesota Statutes 1992, section 123.702, subdivision 1, is amended to read:

Subdivision 1. Every school board shall provide for a mandatory program of early childhood developmental screening for children ~~who are four years old and older but who have not entered kindergarten or first grade in a public school once before school entrance, targeting children who are between 3-1/2 and 4 years old.~~ This screening program shall be established either by one board, by two or more boards acting in cooperation, by educational cooperative service units, by early childhood family education programs, or by other existing programs. This screening examination is a mandatory requirement for a student to continue attending kindergarten or first grade in

a public school. A child need not submit to developmental screening provided by a school board if the child's health records indicate to the school board that the child has received comparable developmental screening from a public or private health care organization or individual health care provider. The school districts are encouraged to reduce the costs of preschool developmental screening programs by utilizing volunteers in implementing the program.

Sec. 12. Minnesota Statutes 1992, section 123.702, subdivision 1a, is amended to read:

Subd. 1a. A child must not be enrolled in kindergarten ~~or first grade~~ in a public school unless the parent or guardian of the child submits to the school principal or other person having general control and supervision of the school a record indicating the months and year the child received developmental screening and the results of the screening not later than 30 days after the first day of attendance. If a child is transferred from one kindergarten to another ~~or from one first grade to another~~, the parent or guardian of the child must be allowed 30 days to submit the child's record, during which time the child may attend school.

Sec. 13. Minnesota Statutes 1992, section 123.702, subdivision 1b, is amended to read:

Subd. 1b. (a) A screening program shall include at least the following components: developmental assessments, hearing and vision screening or referral, immunization review and referral, the child's height and weight, ~~review of any special family circumstances that might affect development~~, identification of additional risk factors that may influence learning, an interview with the parent about the child, and referral for assessment, diagnosis, and treatment when potential needs are identified. The school district and the person performing or supervising the screening shall provide a parent or guardian with clear written notice that the parent or guardian may decline to answer questions or provide information about family circumstances that might affect development and identification of risk factors that may influence learning. The notice shall clearly state that declining to answer questions or provide information does not prevent the child from being enrolled in kindergarten or first grade if all other screening components are met. If a parent or guardian is not able to read and comprehend the written notice, the school district and the person performing or supervising the screening must convey the information in another manner. The notice shall also inform the parent or guardian that a child need not submit to the school district screening program if the child's health records indicate to the school that the child has received comparable developmental screening performed within the preceding 365 days by a public or private health care organization or individual health care provider. The notice shall be given to a parent or guardian at the time the district initially provides information to the parent or guardian about screening and shall be given again at the screening location.

(b) All screening components shall be consistent with the standards of the state commissioner of health for early developmental screening programs. No developmental screening program shall provide laboratory tests or a physical examination to any child. The school district shall request from the public or private health care organization or the individual health care provider the results of any laboratory test or physical examination within the 12 months preceding a child's scheduled screening.

(c) If a child is without health coverage, the school district shall refer the child to an appropriate health care provider.

(d) A school board may offer additional components such as nutritional, physical and dental assessments, blood pressure, laboratory tests, and health history. State aid shall not be paid for additional components.

(e) If a statement signed by the child's parent or guardian is submitted to the administrator or other person having general control and supervision of the school that the child has not been screened because of conscientiously held beliefs of the parent or guardian, the screening is not required.

Sec. 14. Minnesota Statutes 1992, section 123.702, subdivision 3, is amended to read:

Subd. 3. The school board shall inform each resident family with a child eligible to participate in the developmental screening program about the availability of the program and the state's requirement that a child receive developmental screening not later than 30 days after the first day of attending kindergarten ~~or first grade~~ in a public school.

Sec. 15. Minnesota Statutes 1992, section 123.702, subdivision 4, is amended to read:

Subd. 4. A school board may contract with or purchase service from an approved early developmental screening program in the area. Developmental screening must be conducted by either an individual who is licensed as, or has

the training ~~equal that is similar~~ to, a special education teacher, school psychologist, kindergarten teacher, prekindergarten teacher, school nurse, public health nurse, registered nurse, or physician. The individual may be a volunteer.

Sec. 16. Minnesota Statutes 1992, section 123.7045, is amended to read:

123.7045 [DEVELOPMENTAL SCREENING AID.]

Each school year, the state shall pay a school district \$25 for each child screened according to the requirements of section 123.702. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient.

Sec. 17. Minnesota Statutes 1992, section 124.26, subdivision 2, is amended to read:

Subd. 2. Each district or group of districts providing adult basic education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All aid received pursuant to this section shall be utilized solely for the purposes of adult basic education programs. In no case shall federal and state aid equal more than ~~90~~ 100 percent of the actual cost of providing these programs.

Sec. 18. Minnesota Statutes 1992, section 124.2601, subdivision 4, is amended to read:

Subd. 4. [LEVY.] A district with an eligible program may levy an amount not to exceed the amount raised by ~~.21~~ .12 percent times the adjusted tax capacity of the district for the preceding year.

Sec. 19. Minnesota Statutes 1992, section 124.2601, subdivision 6, is amended to read:

Subd. 6. [AID GUARANTEE.] (a) For fiscal year 1994, any adult basic education program that receives less state aid under subdivisions 3 and 7 than from the aid formula for fiscal year 1992 shall receive the amount of aid it received in fiscal year 1992.

(b) For 1995 and later fiscal years, an adult basic education program that receives aid shall receive at least the amount of aid it received in fiscal year 1992 under subdivisions 3 and 7, plus aid equal to the amount of revenue that would have been raised for taxes payable in 1994 under Minnesota Statutes 1992, section 124.2601, subdivision 4, minus the amount raised under subdivision 4.

Sec. 20. Minnesota Statutes 1992, section 124.261, subdivision 1, is amended to read:

Subdivision 1. [AID ELIGIBILITY.] Adult high school graduation aid for eligible pupils age 21 or over, equals 65 percent of the general education formula allowance times ~~1.30~~ 1.00 times the average daily membership under section 124.17, subdivision 2e. Adult high school graduation aid must be paid in addition to any other aid to the district. Pupils age 21 or over may not be counted by the district for any purpose other than adult high school graduation aid.

Sec. 21. Minnesota Statutes 1992, section 124.2615, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF AID.] A district is eligible to receive learning readiness aid if the program plan as required by subdivision 1 has been approved by the commissioner of education. The aid is equal to:

(1) \$200 for fiscal year 1992 and \$300 for fiscal year 1993 times the number of eligible four-year old children residing in the district, as determined according to section 124.2711, subdivision 2; plus

(2) \$100 for fiscal year 1992 and \$300 for fiscal year 1993 times the result of;

(3) the ratio of the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program to the total number of pupils enrolled in the school district; times

(4) the number of children in clause (1).

For fiscal year 1994 and thereafter, a district shall receive learning readiness aid equal to:

(1) \$500 times the number of all participating eligible children, plus the number of eligible four-year old children in the district times the ratio of 50 percent of the total learning readiness aid for that year to the total number of eligible four-year old children reported to the commissioner for that year; plus

(2) \$200 times the number of participating eligible children identified according to section 121.831, subdivision 8 the number of participating eligible children times the ratio of 15 percent of the total learning readiness aid for that year to the total number of participating eligible children for that year; plus

(3) the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program times the ratio of 35 percent of the total learning readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced school lunch program.

Sec. 22. Minnesota Statutes 1992, section 124.2615, subdivision 3, is amended to read:

Subd. 3. [USE OF AID.] Learning readiness aid shall be used only to provide a learning readiness program and may be used to provide transportation. Not more than five percent of the aid may be used for the cost of administering the program. Aid must be used to supplement and not supplant local, state, and federal funding. Aid may not be used for instruction and services required under section 120.17. Aid may not be used to purchase land or construct buildings, but may be used to lease or renovate existing buildings.

Sec. 23. Minnesota Statutes 1992, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The revenue for early childhood family education programs for a school district ~~is the amount of revenue earned by multiplying \$96.50 for fiscal year 1992 or equals \$101.25 for fiscal year 1993 and later fiscal years~~ times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on September 1 of the ~~last~~ previous school year.

Sec. 24. Minnesota Statutes 1992, section 124.2714, is amended to read:

124.2714 [ADDITIONAL COMMUNITY EDUCATION REVENUE.]

(a) A district that is eligible under section 124.2713, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) Beginning with levies for fiscal year 1995, this levy must be reduced each year by the amount of any increase in the levying district's community education revenue under section 124.2713 for that fiscal year over the amount received by the district under section 124.2713 for fiscal year 1994.

(c) The proceeds of the levy may be used for the purposes set forth in section 124.2713, subdivision 8.

Sec. 25. Minnesota Statutes 1992, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, ~~AND~~ VIOLENCE PREVENTION, ~~AND~~ PARENTAL INVOLVEMENT PROGRAMS.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for in-service education for violence prevention programs under section 126.77, subdivision 2, or staff development programs, including outcome-based education, under section 126.70, subdivisions 1 and 2a. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 126.69. ~~A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.~~ Parental involvement programs may include career teacher programs, programs

promoting parental involvement in the PER process, coordination of volunteer services, and programs designed to encourage community involvement.

Sec. 26. [124A.32] [COLLABORATION AID.]

Subdivision 1. [PURPOSE.] The purpose of this section is to provide an incentive for school districts, local social services and health providers, and other community-based groups to work together to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well-coordinated and family-oriented delivery systems focused on prevention services.

Subd. 2. [ELIGIBILITY.] To receive collaboration aid under this section, the school district must:

(1) be actively participating in accordance with section 256E.09, subdivision 3a, in discussions and planning of the community social services act plan and the community health services plan with the appropriate county official, community education official, and community-based service groups as defined in section 256E.03, subdivision 1a;

(2) enter into a written agreement with the county board or boards where the school district is located. The agreement must describe the roles of the county and school district in providing prevention, and early intervention and outreach services for children and families which have been developed collaboratively between the county and school districts. A group of counties and school districts may develop a joint collaborative plan under this section. The county shall also include these collaborative activities in the plan developed under section 256E.08. When approved by the county and the school district, the plan developed under section 256E.08 satisfies the requirements of this section for the biennial period covered in the plan; and

(3) match the collaboration aid locally at 50 percent with funds provided by a county, city, school district, community education program, or private donors.

Subd. 3. [AID AMOUNT.] Each year, collaboration aid for an eligible district equals \$1.65 times the district's actual pupil units for that year.

Subd. 4. [AID USES.] Aid received under subdivision 2 may be used for parental involvement programs, career teacher programs, coordination of volunteer services, and programs designed to encourage community involvement.

Before expending collaboration aid, the school district shall develop a list of objectively measurable outcomes to be achieved by the expenditure. The school district shall annually submit the list to the county boards in the counties in which it is located and to the department of education and report to the department of education and counties in which it is located on actual performance of its programs in comparison to the defined outcomes.

Subd. 5. [EVALUATION REPORT.] The commissioner of education shall report to the education committees of the legislature and the legislative committee on children, youth, and their families annually by February 15 on the extent to which school districts that receive aid under this section achieved their listed outcomes.

Sec. 27. Minnesota Statutes 1992, section 126.22, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE PUPILS.] The following pupils are eligible to participate in the high school graduation incentives program:

(a) any pupil who is between the ages of 12 and 16, ~~except as indicated in clause (6) 21,~~ or who is an elementary pupil, and in either case, who:

(1) is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test; or

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation; or

(3) is pregnant or is a parent; or

(4) has been assessed as chemically dependent; or

(5) has been excluded or expelled according to sections 127.26 to 127.39; or

~~(6) is between the ages of 12 and 21 and has been referred by a school district for enrollment in an eligible program or a program pursuant to section 126.23; or~~

~~(7) is a victim of physical or sexual abuse; or~~

~~(8) has experienced mental health problems; or~~

~~(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;~~
or

~~(b) any pupil who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent;~~
or

~~(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 consecutive school days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for pupils of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent;~~
or

~~(d) any person who is at least 21 years of age and who:~~

~~(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;~~

~~(2) has not completed the requirements for a high school diploma; and~~

~~(3) at the time of application, (i) is eligible for unemployment compensation benefits or has exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support services, as defined in section 268.0111, subdivision 5, or (iii) is eligible for services under the displaced homemaker program, state wage-subsidy program, or any programs under the federal Jobs Training Partnership Act or its successor.~~

~~(e) an elementary school pupil who is determined by the district of attendance to be at risk of not succeeding in school is eligible to participate in the program.~~

~~Notwithstanding section 127.27, subdivision 7, the provisions of section 127.29, subdivision 1, do not apply to a pupil under age 21 who participates in the high school graduation incentives program.~~

Sec. 28. Minnesota Statutes 1992, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2, ~~clause (a), (b), (c), (d), or (e)~~, may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2, ~~clause (b), (c), or (d)~~, and who is between the ages of 16 and 21 may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, ~~clause (a), (b), (c), (d), or (e)~~, may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, ~~clause (d)~~ (b), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) A pupil who is eligible under subdivision 2, ~~clause (a), (b), (c), or (e)~~, may enroll part time, if 16 years of age or older, or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the school district of residence to provide educational services.

(e) A pupil who is ~~eligible under subdivision 2, clause (c) or (d)~~, between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88.

Sec. 29. Minnesota Statutes 1992, section 126.22, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL ELIGIBLE PROGRAM.] A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), ~~(b)~~, or ~~(e)~~, and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonprofit, nonpublic school that has contracted with the school district of residence to provide nonsectarian educational services. Such a school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Sec. 30. Minnesota Statutes 1992, section 126.22, subdivision 4, is amended to read:

Subd. 4. [PUPIL ENROLLMENT.] Any eligible pupil may apply to enroll in an eligible program. Approval of the resident district is not required for:

(1) an eligible pupil to enroll in any eligible program in a nonresident district under subdivision 3 or an area learning center established under section 124C.45; or

(2) an eligible pupil under subdivision 2, ~~clause (e) or (d)~~, to enroll in an adult basic education program approved under section 124.26.

Sec. 31. Minnesota Statutes 1992, section 126.67, subdivision 8, is amended to read:

Subd. 8. [CAREER INFORMATION; APPROPRIATION.] (a) The department of education, through the Minnesota career information system, may provide career information to school districts and other educational organizations, employment and training services, human service agencies, libraries, and families. The department shall collect fees necessary to recover all expenditures related to the operation of the Minnesota career information service. Grants may be accepted and used for the improvement or operation of the program. All receipts must be deposited in a special account in the special revenue fund. The money in the account, along with any interest earned, is appropriated annually to the commissioner of education for the Minnesota career information system. Equipment, materials, and property purchased with Minnesota career information system money must be for the sole use and benefit of the system.

(b) The department must recognize that the Minnesota career information system operates under a self-supporting directive, and, accordingly, must be provided sufficient administrative latitude within the confines of law to enable the system to operate effectively.

Sec. 32. Minnesota Statutes 1992, section 145A.10, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY HEALTH PLAN.] The community health board must prepare and submit to the commissioner a written plan at times prescribed by the commissioner under section 145A.12, subdivision 3, but no more often than every two years. The community health plan must provide for the assessment of community health status and the integration, development, and provision of community health services that meet the priority needs of the community health service area. The plan must be consistent with the standards and procedures established under section 145A.12, subdivision 3, and must at least include documentation of the following:

(1) a review and assessment of the implementation of the preceding community health plan;

(2) the process used to assess community health status and encourage full community participation in the development of the proposed community health plan;

(3) an identification of personal health services, institutional health services, health-related environmental programs and services, and related human services in the community;

(4) an assessment of community health status, a statement of goals and objectives according to priority, and the reasons for the priority order;

(5) a description of and rationale for the method the community health board plans to use to address each identified community health goal and objective and how each program category defined in section 145A.02 and any agreements entered into under section 145A.07 will be implemented to achieve these goals and objectives;

(6) a description of the ways in which planned community health services defined in section 145A.02 will be coordinated with services and resources identified in clause (2);

(7) the projected annual budgets for expenditure of the subsidy and local match provided for in section 145A.13 and for other sources of funding for the program categories defined in section 145A.02 including a description of the ways this funding is coordinated with funding from other local, state, and federal sources; and

(8) assurances that community health services will comply with applicable state and federal laws; and

(9) collaborative efforts with each local school district in the county.

Sec. 33. Minnesota Statutes 1992, section 256E.03, is amended by adding a subdivision to read:

Subd. 1a. [COMMUNITY-BASED SERVICE GROUPS.] Community-based service groups include, but are not limited to, nonprofit corporations, sectarian organizations and voluntary associations which (1) regularly provide services to the populations specified in section 256E.03, subdivision 2 or 124A.32, subdivision 4; and (2) include on their governing boards, citizens of the towns or cities where the services are provided.

Sec. 34. Minnesota Statutes 1992, section 256E.03, is amended by adding a subdivision to read:

Subd. 8. [LOCAL SCHOOL DISTRICTS.] "Local school district" means any school district that lies in whole or in part within the county.

Sec. 35. Minnesota Statutes 1992, section 256E.08, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITIES.] The county board of each county shall be responsible for administration, planning and funding of community social services. Each county board shall singly or in combination with other county boards as provided in section 256E.09 prepare a social services plan and shall update the plan biennially. The county board shall collaborate with the community health boards and with local school districts, as required in sections 145A.10, subdivision 5, and 256E.09, subdivision 3a, in preparing the biennial plan. Upon final approval of the plan by the county board or boards, the plan shall be submitted to the commissioner. The county board shall distribute money available pursuant to sections 256E.06 and 256E.07 for community social services.

The authority and responsibilities of county boards for social services for groups of persons identified in section 256E.03, subdivision 2, shall include contracting for or directly providing:

(1) information about the symptoms and characteristics of specific problems of the identified groups to increase understanding and acceptance by the general public, to help alleviate fears of seeking help, and to enable access to appropriate assistance;

(2) an assessment of the needs of each person applying for assistance which estimates the nature and extent of the problem to be addressed and identifies the means available to meet the person's needs. These diagnostic and evaluation activities shall evaluate the functioning of each person with regard to an illness or disability, screen for placement, and determine the need for services;

(3) protection aimed at alleviating urgent needs of each person by determining urgent need, shielding persons in hazardous conditions when they are unable to care for themselves, and providing urgently needed assistance;

(4) supportive and rehabilitative activities that assist each person to function at the highest level of independence possible for the person, preferably without removing the person from home. These activities include coordinating with local public rehabilitation agencies, local education agencies, and other agencies, both to increase the client's level of functioning and to maintain current levels of functioning;

(5) a means of facilitating access of physically handicapped or impaired persons to activities appropriate to their needs; and

(6) administrative activities to coordinate and facilitate the effective use of formal and informal helping systems to best address client needs and goals. This includes assisting the client in making informed decisions about opportunities and services, assuring timely access to needed assistance, providing opportunities and encouragement

for self-help activities, and coordinating all services to meet the client's needs and goals. County case management shall be responsible for determining appropriate care and activities.

A county board may delegate to a county welfare board established under chapter 393 authority to provide or approve contracts for the purchase of the kinds of community social services that were provided or contracted for by the county welfare boards before the enactment of Laws 1979, chapter 324. The county board must determine how citizens will participate in the planning process, give final approval to the community social services plan, and distribute community social services money.

Sec. 36. Minnesota Statutes 1992, section 256E.09, subdivision 2, is amended to read:

Subd. 2. [CITIZEN PARTICIPATION.] The county board shall provide opportunities for participation by citizens in the county, including families with children enrolled in local school districts and representatives of users of services, in the development of the biennial plan and in the allocation of money for community social services. At least 60 days prior to publication of the proposed plan the county board shall publish the methods proposed to achieve citizen participation in the planning process. The county board in connection with collaboration efforts under subdivision 3a shall also provide opportunities for community-based service groups and citizens to participate in providing services.

Sec. 37. Minnesota Statutes 1992, section 256E.09, is amended by adding a subdivision to read:

Subd. 3a. [COLLABORATION WITH LOCAL SCHOOL DISTRICTS.] In preparing the plan required by this section the county board shall collaborate with all of the local school districts in the county to ensure that services will be available for children identified under section 256E.03, subdivision 2. When submitting the plan to the commissioner, the county board shall attach a written agreement entered into with each local school district in the county, under section 124A.32, describing collaborative efforts with school districts.

Sec. 38. Laws 1992, chapter 571, article 10, section 29, is amended to read:

Sec. 29. [124.2712] [ECFE REVENUE.]

In addition to the revenue in section 124.2711, subdivision 1, ~~in fiscal each year 1993~~ a district is eligible for aid equal to \$1.60 times the greater of 150 or the number of people under five years of age residing in the school district on September 1 of the last school year. This amount may be used only for in-service education for early childhood family education parent educators, child educators, and home visitors for violence prevention programs and for home visiting programs under section 6 126.77. A district that uses revenue under this paragraph for home visiting programs shall provide home visiting program services through its early childhood family education program or shall contract with a public or nonprofit organization to provide such services. A district may establish a new home visiting program only where no existing, reasonably accessible home visiting program meets the program requirements in section 6 126.77.

Sec. 39. [CHILDREN'S DATABASE.]

Subdivision 1. [PLAN.] The department of education, the department of administration, the office of strategic and long-range planning, the department of health, and the department of human services shall jointly develop a plan for an integrated statewide children's service database to facilitate the delivery of services to children and their families. The plan must contain common essential data elements that cover all children from birth through kindergarten enrollment by July 1, 1995. The essential data elements shall comprise the basis of a statewide children's service data base. Initial service areas include but are not limited to: early childhood and family education, ECFE tribal schools, learning readiness, Way to Grow, early childhood special education part H, Even Start, school health, home visitor, lead poisoning screening, child care resources and referral, child care service development, child trust fund, migrant child care, dependent child care, Head Start, and community resource program.

Subd. 2. [DATA STORAGE.] The department of education, the department of administration, the office of strategic and long-range planning, the department of health, and the department of human services must provide to the legislature by January 30, 1995, a plan for regional storage of essential data elements for use by family service centers. This plan will include reporting of data to the state as a by-product of both family service and school district internal operations.

Sec. 40. [ADULTS WITH DISABILITIES FUNDING STUDY.]

By January 15, 1994, the commissioner of education must make recommendations to the education committees of the legislature on changes in the current funding formula for the adults with disabilities program that will provide all school districts with an opportunity to provide the program. In developing the recommendations, the commissioner must consult with school districts currently providing the program and school districts that have expressed an interest in providing the program.

Sec. 41. [COMMUNITY-BASED SERVICE DELIVERY SYSTEMS FOR CHILDREN AND YOUTH.]

Subdivision 1. [PURPOSE.] A locally-based grant program for fiscal years 1994 and 1995 is established to engage residents throughout the state in designing a comprehensive service delivery system and identifying resources to address the health, developmental, educational, and family-related needs of children and youth.

Subd. 2. [COMMUNITY-BASED COALITIONS.] Community-based coalitions composed of representatives of schools, local businesses, local units of government, parents, students, clergy, health and social services providers, youth service organizations, and culturally specific community organizations where they exist shall use the planning process to develop services for children and youth. The services may include opportunities for children or youth to improve child health and development, reduce barriers to adequate school performance, improve family functioning, provide community service, enhance self esteem, and develop general employment skills.

Subd. 3. [GRANT APPLICATION AND REVIEW PROCESS.] School districts, local units of government, community-based public or private nonprofit organizations, or regional foundations are eligible to apply to the director of the office of strategic and long-range planning for grants under this section. Applications must be submitted to the director in the form and manner determined by the director. The applicant must describe the process it will use to determine existing community needs, improve community-based services for children and youth, and increase agency coordination and collaboration. Applicants must:

(1) establish, with assistance from families and service providers, clear goals for addressing the health, developmental, educational, and family-related needs of children and youth and use outcome-based indicators to measure progress toward achieving those goals;

(2) establish a comprehensive planning process that involves all sectors of the community, identifies local needs, and surveys existing local programs;

(3) integrate service funding sources so that children and their families obtain services from providers best able to anticipate and meet their needs;

(4) coordinate families' services to avoid duplicative and overlapping assessment and intake procedures;

(5) focus primarily on family-centered services;

(6) encourage parents and volunteers to actively participate by using flexible scheduling and actively recruiting volunteers;

(7) provide services in locations that are readily accessible to children and families; and

(8) use new or reallocated funds to improve or enhance services provided to children and their families.

Subd. 4. [GRANT AWARDS.] (a) The director must award all grants June 30, 1995. The director may carry forward any undistributed grant funds from fiscal year 1994 to fiscal year 1995. Grants are available on a one-time basis only. An applicant receiving a grant in fiscal year 1994 may use the grant money in fiscal year 1994 and may carry forward any unencumbered money into fiscal year 1995 or 1996. An applicant receiving a grant in fiscal year 1995 may use the grant money in fiscal year 1995 and may carry forward any unencumbered money into fiscal year 1996.

(b) In order to receive a grant under this section, an applicant must provide a dollar-for-dollar match with nonstate funds or in-kind contributions. The director must award grants based on an equitable geographic distribution of funds. No applicant may receive more than \$200,000 under this program.

Subd. 5. [EVALUATION.] Each grant proposal must include an evaluation process.

Subd. 6. [REPORTS; EFFECTIVENESS MEASURES.] The director of the office of strategic and long-range planning, with assistance from the department of administration, shall evaluate and report to the legislative commission on children, youth, and their families by January 1, 1994 and January 1, 1995, on community-based programs developed through the grant program during the preceding calendar year and by January 1 in any succeeding year in which grants are awarded under this section. The director shall include in the report a description of the effectiveness measures used to evaluate the programs and the results of the program evaluations.

Sec. 42. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund or other named fund to the department of education for the fiscal years designated.

Subd. 2. [ADULT BASIC EDUCATION AID.] For adult basic education aid according to Minnesota Statutes, section 124.26, in fiscal year 1994 and 124.2601 in fiscal year 1995:

<u>\$5,904,000</u>	.....	<u>1994</u>
<u>\$7,998,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$911,000 for 1993 and \$4,993,000 for 1994.

The 1995 appropriation includes \$880,000 for 1994 and \$7,118,000 for 1995.

Up to \$275,000 each year may be used for contracts with private, nonprofit organizations for approved programs.

Subd. 3. [ADULTS WITH DISABILITIES PROGRAM AID.] For adults with disabilities programs according to Minnesota Statutes, section 124.2715:

<u>\$670,000</u>	.....	<u>1994</u>
<u>\$670,000</u>	.....	<u>1995</u>

Any balance in the first year does not cancel and is available for the second year.

Subd. 4. [ALCOHOL-IMPAIRED DRIVER.] (a) For grants with funds received under Minnesota Statutes, section 171.29, subdivision 2, paragraph (b), clause (4):

<u>\$627,000</u>	.....	<u>1994</u>
<u>\$627,000</u>	.....	<u>1995</u>

(b) These appropriations are from the alcohol-impaired driver account of the special revenue fund. Any funds credited for the department of education to the alcohol-impaired driver account of the special revenue fund in excess of the amounts appropriated in this subdivision are appropriated to the department of education and available in fiscal years 1994 and 1995.

(c) Up to \$339,000 each year may be used by the department of education to contract for services to school districts stressing the dangers of driving after consuming alcohol. No more than five percent of this amount may be used for administrative costs by the contract recipients.

(d) Up to \$88,000 each year may be used for grants to support student-centered programs to discourage driving after consuming alcohol.

(e) Up to \$200,000 and any additional funds each year may be used for chemical abuse prevention grants.

Subd. 5. [COMMUNITY EDUCATION AID.] For community education aid according to Minnesota Statutes, section 124.2713:

<u>\$3,182,000</u>	.....	<u>1994</u>
<u>\$3,319,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$496,000 for 1993 and \$2,686,000 for 1994.

The 1995 appropriation includes \$474,000 for 1994 and \$2,845,000 for 1995.

Subd. 6. [ADULT GRADUATION AID.] For adult graduation aid:

<u>\$1,708,000</u>	<u>.....</u>	<u>1994</u>
<u>\$1,522,000</u>	<u>.....</u>	<u>1995</u>

The 1994 appropriation includes \$204,000 for 1993 and \$1,504,000 for 1994.

The 1995 appropriation includes \$265,000 for 1994 and \$1,257,000 for 1995.

Subd. 7. [HEALTH AND DEVELOPMENTAL SCREENING AID.] For health and developmental screening aid according to Minnesota Statutes, section 123.7045:

<u>\$1,558,000</u>	<u>.....</u>	<u>1994</u>
<u>\$1,550,000</u>	<u>.....</u>	<u>1995</u>

The 1994 appropriation includes \$240,000 for 1993 and \$1,318,000 for 1994.

The 1995 appropriation includes \$232,000 for 1994 and \$1,318,000 for 1995.

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

Subd. 8. [HEARING IMPAIRED ADULTS.] For programs for hearing impaired adults according to Minnesota Statutes, section 121.201:

<u>\$70,000</u>	<u>.....</u>	<u>1994</u>
<u>\$70,000</u>	<u>.....</u>	<u>1995</u>

Subd. 9. [VIOLENCE PREVENTION GRANTS.] For violence prevention education grants under Minnesota Statutes, section 126.78:

<u>\$1,400,000</u>	<u>.....</u>	<u>1994</u>
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Notwithstanding the geographical distribution requirement in Minnesota Statutes, section 126.78, subdivision 3, the commissioner shall give priority in awarding grants in fiscal year 1994 to eligible school districts that did not receive a grant in fiscal year 1993.

Subd. 10. [GED TESTS.] For payment of 60 percent of the costs of GED tests:

<u>\$180,000</u>	<u>.....</u>	<u>1994</u>
<u>\$180,000</u>	<u>.....</u>	<u>1995</u>

Subd. 11. [GED TV.] (a) For statewide purchase of broadcast costs, publicity, and coordination of the GED on TV series:

<u>\$98,000</u>	<u>.....</u>	<u>1994</u>
<u>\$98,000</u>	<u>.....</u>	<u>1995</u>

(b) The department may contract for these services.

Subd. 12. [WAY TO GROW.] For grants for way to grow programs according to Minnesota Statutes, section 145.926:

<u>\$950,000</u>	<u>.....</u>	<u>1994</u>
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This appropriation is available until June 30, 1995.

Subd. 13. [INTERAGENCY ADULT LEARNING ADVISORY COUNCIL.] For the interagency adult learning advisory council according to Minnesota Statutes, section 124C.03:

<u>\$300,000</u>	.....	<u>1994</u>
<u>\$300,000</u>	.....	<u>1995</u>

Subd. 14. [SURVEY.] For a survey of students, including those attending alternative education programs:

<u>\$150,000</u>	<u>1995</u>
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Subd. 15. [EARLY CHILDHOOD FAMILY EDUCATION AID.] For early childhood family education aid according to Minnesota Statutes, section 124.2711:

<u>\$13,464,000</u>	.....	<u>1994</u>
<u>\$13,876,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$1,875,000 for 1993 and \$11,589,000 for 1994.

The 1995 appropriation includes \$2,044,000 for 1994 and \$11,832,000 for 1995.

\$10,000 each year may be spent for evaluation of ECFE programs.

Subd. 16. [ECFE HOME VISITING.] For the early childhood family education program home visiting component according to Minnesota Statutes, section 121.882, subdivision 2b:

<u>\$425,000</u>	.....	<u>1994</u>
<u>\$500,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$.-0.-. for 1993 and \$425,000 for 1994.

The 1995 appropriation includes \$75,000 for 1994 and \$425,000 for 1995.

Subd. 17. [LEARNING READINESS PROGRAM REVENUE.] For revenue for learning readiness programs:

<u>\$6,932,000</u>	.....	<u>1994</u>
<u>\$6,493,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$1,412,000 for 1993 and \$5,520,000 for 1994.

The 1995 appropriation includes \$973,000 for 1994 and \$5,520,000 for 1995.

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

\$10,000 each year may be spent for evaluation of learning readiness programs.

Subd. 18. [VIOLENCE PREVENTION COUNCILS.] (a) For grants to cities, counties, and school boards for community violence prevention councils:

<u>\$250,000</u>	.....	<u>1994</u>
<u>\$250,000</u>	.....	<u>1995</u>

(b) During the biennium, councils shall identify community needs and resources for violence prevention and development services that address community needs related to violence prevention.

(c) Any of the funds awarded to school districts but not expended in fiscal year 1994, are available to the award recipient in fiscal year 1995 for the same purposes and activities.

(d) Any portion of the 1994 appropriation not spent in 1994 is available in 1995.

(e) One hundred percent of this aid must be paid in the current fiscal year in the same manner as specified in Minnesota Statutes, section 124.195, subdivision 9.

Subd. 19. [OMBUDSPERSONS.]

<u>\$80,000</u>	<u>1994</u>
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The appropriation is to be distributed in equal amounts to the Indian Affairs Council, the Spanish-Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans, for purposes of funding the activities of the ombudspersons authorized by Minnesota Statutes, sections 257.0755 to 257.0768. Any balance in 1994 is available until June 30, 1995.

Subd. 20. [COLLABORATION AID.] For collaboration aid according to Minnesota Statutes, section 124A.32:

<u>\$1,054,000</u>	.....	<u>1994</u>
<u>\$1,446,000</u>	.....	<u>1995.</u>

The appropriation for 1994 includes \$..-0-.. for 1993 and \$1,054,000 for 1994.

The appropriation for 1995 includes \$185,000 for 1994 and \$1,561,000 for 1995.

The commissioner shall report to the education committees of the legislature and the legislative commission on children, youth, and their families annually by February 15 on the extent to which school districts that receive aid under Minnesota Statutes, section 124A.32, achieved their listed outcomes.

Sec. 43. [LEGISLATIVE COORDINATING COMMISSION.]

\$250,000 is appropriated from the general fund to the legislative coordinating commission for the purposes of carrying out the responsibilities under Minnesota Statutes, section 3.873. This appropriation is available until June 30, 1995.

Sec. 44. [APPROPRIATIONS.]

Subdivision 1. [OFFICE OF STRATEGIC AND LONG-RANGE PLANNING.] The sums indicated in this section are appropriated from the general fund to the office of strategic and long-range planning for the fiscal years designated.

Subd. 2. [COMMUNITY-BASED GRANTS.] For grants according to section ...:

<u>\$2,500,000</u>	<u>1994.</u>
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This appropriation is available until June 30, 1995.

Subd. 3. [CHILDREN'S DATABASE, STAFFING.] For development of a statewide children's service database and for staffing for the children's cabinet:

<u>\$500,000</u>	<u>1994</u>
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This appropriation is available until June 30, 1995.

Sec. 45. [REPEALER.]

Minnesota Statutes 1992, section 126.22, subdivision 2a, is repealed.

Sec. 46. [EFFECTIVE DATE.]

Sections .. and .. are effective July 1, 1993, and apply to 1993-1994 and later school years.

Section 124.2711, subdivision 1, is effective July 1, 1993, and applies to 1993-1994 and later school years.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1992, section 121.912, is amended by adding a subdivision to read:

Subd. 8. [ENERGY CONSERVATION FUND TRANSFERS.] A school district that has contracted with a provider of energy conservation improvements, or a school district that has received a loan from a public utility to make energy conservation improvements may annually transfer from the general fund to the capital expenditure fund, the amount related to the energy savings of the energy conservation improvements.

Sec. 2. Minnesota Statutes 1992, section 123.36, is amended by adding a subdivision to read:

Subd. 15. [USE OF BUILDINGS BY LOWER GRADES.] (a) In addition to the protections provided in existing building and fire code rules and standards, the following alternatives apply for existing school buildings:

(1) rooms occupied by preschool, kindergarten, and first and second grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs may be located on any floor level below the fourth story of a school building if the building is protected throughout by a complete automatic sprinkler system and a complete automatic fire alarm system consisting of automatic smoke detection throughout the exit system and approved smoke detection in all rooms and areas other than classrooms and offices;

(2) rooms used by preschool, kindergarten, or first grade students for classrooms, latchkey, day care, early childhood family education or teen parent or similar programs, must be located on the story of exit discharge, and rooms used by second grade students, for any purpose, must be located on the story of exit discharge or one story above unless one of the following conditions is met:

(i) a complete automatic sprinkler system is provided throughout the building, the use of the affected room or space is limited to one grade level at a time, and exiting is provided from the affected room or space which is independent from the exiting system used by older students; or

(ii) a complete approved automatic fire alarm system is installed throughout the building consisting of automatic smoke detection throughout the exit system and approved detection in all rooms and areas other than classrooms and offices, the use of the affected room or space is limited to one grade level at a time and exiting is provided from the affected room or space which is independent from the exiting system used by older students.

(b) For purposes of paragraph (a), clause (2), pupils from second grade down are considered one grade level.

(c) Accessory spaces, including gymnasiums, cafeterias, media centers, auditoriums, libraries, and band and choir rooms, which are used on an occasional basis by preschool, kindergarten, and first and second grade students are permitted to be located one level above or one level below the story of exit discharge, provided the building is protected throughout by a complete automatic sprinkler system or a complete approved corridor smoke detection system.

(d) Paragraphs (a) and (c) supersede any contrary provisions of the state fire code or state building code and rules relating to those codes must be amended by the state agencies having jurisdiction of them.

(e) Paragraphs (a) to (d) are effective for new school buildings beginning July 1, 1994.

Sec. 3. [124.239] [ALTERNATIVE FACILITIES BONDING AND LEVY PROGRAM.]

Subdivision 1. [TO QUALIFY.] An independent or special school district qualifies to participate in the alternative facilities bonding and levy program if the district has:

(1) more than 66 students per grade;

(2) over 1,000,000 square feet of space;

(3) insufficient funds from projected health and safety revenue and capital facilities revenue to meet the requirements for deferred maintenance, to make accessibility improvements, or to make fire, safety, or health repairs; and

(4) a ten-year facility plan approved by the commissioner according to subdivision 2.

Subd. 2. [TEN-YEAR PLAN.] (a) A qualifying district must have a ten-year facility plan approved by the commissioner that includes an inventory of projects and costs that would be eligible for:

(1) health and safety revenue;

(2) disabled access levy; and

(3) deferred capital expenditures and maintenance projects necessary to prevent further erosion of facilities.

(b) The school district must:

(1) annually update the plan;

(2) biennially submit a facility maintenance plan; and

(3) indicate whether the district will issue bonds to finance the plan or levy for the costs.

Subd. 3. [BOND AUTHORIZATION.] A school district, upon approval of its school board and the commissioner, may issue general obligation bonds under this section to finance approved facilities plans. Chapter 475, except sections 475.58 and 475.59, must be complied with. The district may levy under subdivision 5 for the debt service revenue. The authority to issue bonds under this section is in addition to any bonding authority authorized by this chapter, or other law. The amount of bonding authority authorized under this section must be disregarded in calculating the bonding or net debt limits of this chapter, or any other law other than section 475.53, subdivision 4.

Subd. 4. [LEVY PROHIBITED FOR CAPITAL PROJECTS.] A district that participates in the alternative facilities bonding and levy program is not eligible to levy and cannot receive aid for any capital projects under sections 124.83 and 124.84. A district may levy for health and safety environmental management costs and health and safety regulatory, hazard assessment, record keeping, and maintenance programs as defined in section 19 and approved by the commissioner.

Subd. 5. [LEVY AUTHORIZED.] A district, after local board approval, may levy for costs related to an approved facility plan as follows:

(a) if the district has indicated to the commissioner that bonds will be issued, the district may levy for the principal and interest payments on outstanding bonds issued according to subdivision 3; or

(b) if the district has indicated to the commissioner that the plan will be funded through levy, the district may levy one-fifth of the amount of the approved costs of the plan each year for five years.

Subd. 6. [SEPARATE ACCOUNT.] A district must establish a separate account under the uniform financial accounting and reporting standards (UFARS) for this program. If the district's levy exceeds the necessary interest and principal payments and noncapital health and safety costs, the district must reserve the revenue to replace future bonding authority, prepay bonds authorized under this program, or make payments on principal and interest.

Sec. 4. Minnesota Statutes 1992, section 124.243, subdivision 1, is amended to read:

Subdivision 1. A school board annually shall, by resolution adopted by a two-thirds vote of its governing body and after notice and hearing, adopt a capital expenditure facilities program. The district shall publish notice of the hearing in its official newspaper at least 20 days before the hearing. A school board may amend its capital expenditure facilities program at any time. The program shall include plans for repair and restoration of existing district-owned facilities and plans for new construction. Plans for new construction and plans for repairs and restoration funded through bond proceeds must be included in the program before notice of the district's intended debt service levy is given to the commissioner for the project costs to be included in the district's required debt service levy under section 124.95 for that year. The program shall include specific provisions to correct any existing health

and safety hazards. The program must set forth the facilities to be improved, a schedule of work not more than five years from the adoption or amendment of the program, the estimated cost of the improvements to be made, the estimated property tax effects of the program for the next fiscal year, and the proposed methods of financing the program. ~~The program must be reviewed by the district biennially before July 1 of each odd-numbered year, after notice and hearing. After the review, the program may be amended to include the ensuing five-year period.~~

Sec. 5. Minnesota Statutes 1992, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals \$128 times its actual pupil units for the school year. A district's capital expenditure facilities revenue for a school year shall be reduced if the unreserved balance in the capital expenditure facilities account on June 30 of the prior school year exceeds ~~\$270~~ \$675 times the fund balance pupil units in the prior year as defined in section 124A.26, subdivision 1. If a district's capital expenditure facilities revenue is reduced, the reduction equals the lesser of (1) the amount that the unreserved balance in the capital expenditure facilities account on June 30 of the prior year exceeds ~~\$270~~ \$675 times the fund balance pupil units in the prior year, or (2) the capital expenditure facilities revenue for that year.

Sec. 6. Minnesota Statutes 1992, section 124.243, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION TO FUND BALANCE REDUCTION.] A district may apply to the commissioner for approval for an unreserved fund balance in its capital expenditure facilities account that exceeds ~~\$270~~ \$675 per fund balance pupil unit for a period not to exceed three years. If the commissioner approves the district's application, the district's capital expenditure facilities revenue shall not be reduced according to subdivision 2. The commissioner may approve a district's application for an exception only if the use of the district's capital expenditure facilities funds are consistent with plans adopted according to subdivision 1.

Sec. 7. Minnesota Statutes 1992, section 124.243, subdivision 6, is amended to read:

Subd. 6. [USES OF REVENUE.] Capital expenditure facilities revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable statutes and rules;
- (3) to rent or lease buildings, including the costs of building repair or improvement that are part of a lease agreement;
- (4) to improve and repair school sites and buildings, and equip or reequip school buildings with permanent attached fixtures;
- (5) for a surplus school building that is used substantially for a public nonschool purpose;
- (6) to eliminate barriers or increase access to school buildings by individuals with a disability;
- (7) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;
- (8) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;
- (9) to clean up and dispose of polychlorinated biphenyls found in school buildings;
- (10) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;
- (11) for energy audits for school buildings and to modify buildings if the audit indicates the cost of the modification can be recovered within ten years;
- (12) to improve buildings that are leased according to section 123.36, subdivision 10;
- (13) to pay special assessments levied against school property but not to pay assessments for service charges;

(14) to pay principal and interest on state loans for energy conservation according to section 216C.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298; and

(15) to purchase or lease interactive telecommunications equipment; and

(16) to equip and reequip school buildings and sites in an amount up to one-third of the capital expenditure facilities revenue for the current year.

Sec. 8. Minnesota Statutes 1992, section 124.243, subdivision 8, is amended to read:

Subd. 8. [FUND TRANSFERS.] (a) Money in the account for capital expenditure facilities revenue must not be transferred into any other account or fund, except that as specified in this subdivision.

(b) The school board may, by resolution, transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475.

(c) A school board may transfer all or a part of its capital expenditure facilities revenue to its capital expenditure equipment account if:

(1) the district has only one facility and that facility is less than ten years old; or

(2) the district receives approval from the commissioner to make the transfer.

(d) In considering approval of a transfer under paragraph (c), clause (2), the commissioner must consider the district's facility needs.

Sec. 9. [124.2455] [BONDS FOR CERTAIN CAPITAL FACILITIES.]

In addition to other bonding authority, with approval of the commissioner, a school district may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including equipping school buildings, improving handicap accessibility to school buildings, and bringing school buildings into compliance with life and safety codes and fire codes.

Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's adoption of a resolution stating the board's intention to issue bonds. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with not more than 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than that of the current year for the next ten years. Once finally authorized, the district must set aside the lesser of the amount necessary to make the principal and interest payments or 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with chapter 475, except as otherwise provided in this section.

Sec. 10. Minnesota Statutes 1992, section 124.37, is amended to read:

124.37 [POLICY AND PURPOSE.]

The rates of increase in school population in Minnesota and population shifts and economic changes in recent years, and anticipated in future years, have required and will require large expenditures for performing the duty of the state and its subdivisions to provide a general and uniform system of public schools. The state policy has been to require

these school costs to be borne primarily by the local subdivisions. In most instances the local subdivisions have been, and will be, able to provide the required funds by local taxation as supplemented by the aids usually given to all school districts from state income tax and other state aids. There are, however, exceptional cases due to local conditions not found in most other districts where, either temporarily or over a considerable period of years, the costs will exceed the maximum which the local taxpayers can be reasonably expected to bear. In some districts having bonds of several issues outstanding, debt service tax levy requirements are excessive for some years because of heavy bond principal payments accumulating in some of the years due to overlapping or short term issues. The policy and purpose of sections 124.36 to 124.47 is to utilize the credit of the state, to a limited degree, to relieve those school districts, but only those, where the maximum effort by the district is inadequate to provide the necessary money. It is also the purpose of sections 124.36 to 124.47 to promote efficient use of school buildings. To that end, a district that receives a maximum effort loan is encouraged to design and use its facility to integrate social services and library services.

Sec. 11. Minnesota Statutes 1992, section 124.38, is amended by adding a subdivision to read:

Subd. 4a. [LEVY.] "Levy" means a district's net debt service levy after the reduction of debt service equalization aid under section 124.95, subdivision 5. For taxes payable in 1994 and later, each district's maximum effort debt service levy for purposes of subdivision 7, shall be reduced by an equal number of percentage points if the commissioner determines that the levy reduction will not result in a statewide property tax as would be required under Minnesota Statutes 1992, section 124.46, subdivision 3. A district's levy that is adjusted under this section shall not be reduced below 18.74 percent of the district's adjusted net tax capacity.

Sec. 12. Minnesota Statutes 1992, section 124.431, subdivision 1, is amended to read:

Subdivision 1. [CAPITAL LOAN REQUESTS AND USES.] Capital loans are available only to qualifying districts. Capital loans must not be used for the construction of swimming pools, ice arenas, athletic facilities, auditoriums, ~~day care centers~~, bus garages, or heating system improvements. Proceeds of the loans may be used only for sites for education facilities and for acquiring, bettering, furnishing, or equipping education facilities. Contracts must be entered into within ~~18~~ 30 months after the date on which each loan is granted. For purposes of this section, "education facilities" includes space for Head Start programs and social service programs.

Sec. 13. Minnesota Statutes 1992, section 124.431, subdivision 1a, is amended to read:

Subd. 1a. [CAPITAL LOANS ELIGIBILITY.] Beginning July 1, 1992, a district is not eligible for a capital loan unless the district's estimated net debt tax rate as computed by the commissioner after debt service equalization aid would be more than 20 percent of adjusted net tax capacity. The estimate must assume a 20-year maturity schedule for new debt.

Sec. 14. Minnesota Statutes 1992, section 124.431, subdivision 2, is amended to read:

Subd. 2. [DISTRICT REQUEST FOR REVIEW AND COMMENT.] A school district or a joint powers district that intends to apply for a capital loan must submit a proposal to the commissioner for review and comment according to section 121.15 on or before July 1. The commissioner must prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to construct the facility. In addition to the information provided under section 121.15, subdivision 7, the commissioner shall consider the following criteria in determining whether to make a positive review and comment.

(a) To grant a positive review and comment the commissioner must determine that all of the following conditions are met:

- (1) the facilities are needed for pupils for whom no adequate facilities exist or will exist;
- (2) the district will serve, on average, at least 80 pupils per grade or is eligible for sparsity revenue;
- (3) no form of cooperation with another district would provide the necessary facilities;

(4) the facilities are comparable in size and quality to facilities recently constructed in other districts that have similar enrollments;

(5) the facilities are comparable in size and quality to facilities recently constructed in other districts that are financed without a capital loan;

(6) the district is projected to maintain or increase its average daily membership over the next five years or is eligible for sparsity revenue;

(7) the current facility poses a threat to the life, health, and safety of pupils, and cannot reasonably be brought into compliance with fire, health, or life safety codes;

(8) the district has made a good faith effort, as evidenced by its maintenance expenditures, to adequately maintain the existing facility during the previous ten years and to comply with fire, health, and life safety codes and state and federal requirements for handicapped accessibility; and

(9) the district has made a good faith effort to encourage integration of social service programs within the new facility; and

(10) evaluations by school boards of adjacent districts have been received.

(b) The commissioner may grant a negative review and comment if:

(1) the state demographer has examined the population of the communities to be served by the facility and determined that the communities have not grown during the previous five years;

(2) the state demographer determines that the economic and population bases of the communities to be served by the facility are not likely to grow or to remain at a level sufficient, during the next ten years, to ensure use of the entire facility;

(3) the need for facilities could be met within the district or adjacent districts at a comparable cost by leasing, repairing, remodeling, or sharing existing facilities or by using temporary facilities;

(4) the district plans do not include cooperation and collaboration with health and human services agencies and other political subdivisions; or

(5) if the application is for new construction, an existing facility that would meet the district's needs could be purchased at a comparable cost from any other source within the area.

Sec. 15. Minnesota Statutes 1992, section 124.431, subdivision 14, is amended to read:

Subd. 14. [BOND SALE LIMITATIONS.] A district having an outstanding state loan must not issue and sell any bonds on the public market, except to refund state loans, unless it agrees to make the maximum effort debt service levy in each later year at the higher rate provided in section 124.38, subdivision 7, and unless it schedules the maturities of the bonds according to section 475.54, subdivision 2. A district that refunds bonds at a lower interest rate may continue to make the maximum effort debt service levy in each later year at the current rate provided in section 124.38, subdivision 7, if the district can demonstrate to the commissioner's satisfaction that the district's repayments of the state loan will not be reduced below the previous year's level. The district shall report each sale to the commissioner of education.

After a district's capital loan has been outstanding for 20 years, the district must not issue bonds on the public market except to refund the loan.

Sec. 16. Minnesota Statutes 1992, section 124.494, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] Any group of school districts that meets the criteria required under subdivision 2 may apply for an incentive grant in an amount not to exceed the lesser of ~~\$6,000,000~~ \$5,000,000 or 75 percent of the approved construction costs of a cooperative secondary education facility.

Sec. 17. Minnesota Statutes 1992, section 124.494, subdivision 2, is amended to read:

Subd. 2. [REVIEW BY COMMISSIONER.] (a) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall

prepare a review and comment on the proposed facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel or improve the secondary facility. The commissioner must not approve an application for an incentive grant for any secondary facility unless the facility receives a favorable review and comment under section 121.15 and the following criteria are met:

(1) a minimum of three or more districts, with kindergarten to grade 12 enrollments in each district of no more than 1,200 pupils, enter into a joint powers agreement;

(2) a joint powers board representing all participating districts is established under section 471.59 to govern the cooperative secondary facility;

(3) the planned secondary facility will result in the joint powers district meeting the requirements of Minnesota Rules, parts 3500.2010 and 3500.2110;

(4) at least 198 pupils would be served in grades 10 to 12, 264 pupils would be served in grades 9 to 12, or 396 pupils would be served in grades 7 to 12;

(5) no more than one superintendent is employed by the joint powers board as a result of the cooperative secondary facility agreement;

(6) a statement of need is submitted, that may include reasons why the current secondary facilities are inadequate, unsafe or inaccessible to the handicapped;

(7) an educational plan is prepared, that includes input from both community and professional staff;

(8) a combined seniority list for all participating districts is developed by the joint powers board;

(9) an education program is developed that provides for more learning opportunities and course offerings, including the offering of advanced placement courses, for students than is currently available in any single member district;

(10) a plan is developed for providing instruction of any resident students in other districts when distance to the secondary education facility makes attendance at the facility unreasonably difficult or impractical; and

(11) the joint powers board established under clause (2) discusses with technical colleges located in the area how vocational education space in the cooperative secondary facility could be jointly used for secondary and post-secondary purposes.

(b) To the extent possible, the joint powers board is encouraged to provide for severance pay or for early retirement incentives under section 125.611, for any teacher or administrator, as defined under section 125.12, subdivision 1, who is placed on unrequested leave as a result of the cooperative secondary facility agreement.

(c) For the purpose of paragraph (a), clause (8), each school district must be considered to have started school each year on the same date.

(d) The districts may develop a plan that provides for the location of social service, health, and other programs serving pupils and community residents within the cooperative secondary facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(e) The districts shall schedule and conduct a meeting on library services. The school districts, in cooperation with the regional public library system and its appropriate member libraries, shall discuss the possibility of including jointly operated library services at the cooperative secondary facility.

Sec. 18. Minnesota Statutes 1992, section 124.494, is amended by adding a subdivision to read:

Subd. 4a. [COLOCATION GRANT.] A group of districts that receives a grant under subdivision 4 is also eligible to receive an additional grant in the amount of \$1,000,000. To receive the additional grant, the group of districts must develop a plan under subdivision 2, paragraph (d), that provides for the location of a significant number of noneducational student and community service programs within the cooperative secondary facility.

Sec. 19. [124.829] [HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT.]

"Health, safety, and environmental management" means school district activities necessary for a district's compliance with state law and rules of the departments of health, labor and industry, public safety, and pollution control agency as well as any related federal standards. These activities include hazard assessment, required training, record keeping, and program management.

Sec. 20. Minnesota Statutes 1992, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue for any fiscal year a district, including an intermediate district, must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire code compliance, or and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, per building, of the program by fiscal year.

Sec. 21. Minnesota Statutes 1992, section 124.83, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF PROGRAM.] A district may adopt a health and safety program. The program ~~may~~ must include plans, where applicable, for hazardous substance removal, fire code compliance, or and life safety code repairs, regulated facility and equipment violations, and health, safety, and environmental management.

(a) A hazardous substance plan must contain provisions for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, and cleanup, removal, disposal, and repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel, oil, and special fuel, as defined in section 296.01. If a district has already developed a plan for the removal or encapsulation of asbestos as required by the federal Asbestos Hazard Emergency Response Act of 1986, a new plan is not necessary the district may use a summary of that plan that includes a description and schedule of response actions, for purposes of this section. The plan must also contain provisions to make modifications to existing facilities and equipment necessary to limit personal exposure to hazardous substances: (1) as regulated by the federal Occupational Safety and Health Administration under Code of Federal Regulations, title 29, part 1910, subpart Z; or (2) as determined by the commissioner to present a significant risk to district staff or student health and safety as a result of foreseeable use, handling, accidental spill, exposure, or contamination.

(b) A fire and life safety plan must contain a description of the current fire and life safety code violation violations, a plan for the removal or repair of the fire and life safety hazard, and a description of safety preparation and awareness procedures to be followed until the hazard is fully corrected.

A life safety plan must contain a description of the life safety hazard and a plan for its removal or repair.

(c) A facilities and equipment violation plan must contain provisions to correct health and safety hazards as provided in department of labor and industry standards pursuant to section 182.655.

(d) A health, safety, and environmental management plan must contain a description of training, record keeping, hazard assessment, and program management as defined in section 19.

Sec. 22. Minnesota Statutes 1992, section 124.83, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY LEVY.] To receive health and safety revenue, a district may levy an amount equal to the district's health and safety revenue as defined in subdivision 3 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted net tax capacity of the district for the year preceding the year the levy is certified by the actual pupil units in the district for the school year to which the levy is attributable, to ~~\$3,515~~ 50 percent of the equalizing factor.

Sec. 23. Minnesota Statutes 1992, section 124.83, subdivision 6, is amended to read:

Subd. 6. [USES OF HEALTH AND SAFETY REVENUE.] Health and safety revenue may be used only for approved expenditures necessary to correct fire safety hazards, life safety hazards, or for the removal or encapsulation of asbestos from school buildings or property, asbestos-related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing heating fuel

or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01, labor and industry regulated facility and equipment hazards, and health, safety, and environmental management. Health and safety revenue must not be used for the construction of new facilities or the purchase of portable classrooms. The revenue may not be used for a building or property or part of a building or property used for post-secondary instruction or administration or for a purpose unrelated to elementary and secondary education.

Sec. 24. Minnesota Statutes 1992, section 124.83, is amended by adding a subdivision to read:

Subd. 8. [HEALTH, SAFETY, AND ENVIRONMENTAL MANAGEMENT COST.] (a) A district's cost for health, safety, and environmental management is limited to the lesser of:

(1) actual cost to implement their plan; or

(2) an amount determined by the commissioner, based on enrollment, building age, and size.

(b) Effective July 1, 1993, the department of education may contract with regional service organizations, private contractors, Minnesota safety council, or state agencies to provide management assistance to school districts for health and safety capital projects. Management assistance is the development of written programs for the identification, recognition and control of hazards, and prioritization and scheduling of district health and safety capital projects.

(c) Notwithstanding paragraph (b), the department may approve revenue, up to the limit defined in paragraph (a) for districts having an approved health, safety, and environmental management plan that uses district staff to accomplish coordination and provided services.

Sec. 25. Minnesota Statutes 1992, section 124.91, subdivision 3, is amended to read:

Subd. 3. [POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real property under an installment contract or may lease real property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

~~(3) The district may terminate the installment contract or lease purchase agreement at the end of any fiscal year during its term.~~

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

Sec. 26. Minnesota Statutes 1992, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the required eligible debt service levy revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations, ~~excluding obligations under section 124.2445~~, of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 124.2445;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or northeast Minnesota economic protection trust; and

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24.

(c) For purposes of this section, if a preexisting school district reorganized under section 122.22, 122.23, or 122.241 to 122.248 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting school districts.

Sec. 27. Minnesota Statutes 1992, section 124.95, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) The following portions of a district's debt service levy qualify for debt service equalization:

(1) debt service for repayment of principal and interest on bonds issued before July 2, 1992;

(2) debt service for bonds refinanced after July 1, 1992, if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule; and

(3) debt service for bonds issued after July 1, 1992, for construction projects that have received a positive review and comment according to section 121.15, if the commissioner has determined that the district has met the criteria under section 124.431, subdivision 2, and if the bond schedule has been approved by the commissioner and, if necessary, adjusted to reflect a 20-year maturity schedule.

(b) The criterion in section 124.431, subdivision 2, paragraph (a), clause (2), shall be considered to have been met if the district in the fiscal year in which the bonds are authorized at an election conducted under chapter 475:

(i) serves an average of at least 66 pupils per grade in the grades to be served by the facility; or

(ii) is eligible for sparsity revenue.

(c) The criterion described in section 124.431, subdivision 2, paragraph (a), clause (9), does not apply to bonds authorized by elections held before July 1, 1992.

(d) Districts identified in Laws 1990, chapter 562, article 11, section 8, do not need to meet the criteria of section 124.431, subdivision 2, to qualify.

Sec. 28. Minnesota Statutes 1992, section 124.95, subdivision 2a, is amended to read:

Subd. 2a. [NOTIFICATION.] A district eligible for debt service equalization revenue under subdivision 2 must notify the commissioner of the amount of its intended debt service levy revenue calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

Sec. 29. Minnesota Statutes 1992, section 124.95, subdivision 3, is amended to read:

Subd. 3. [DEBT SERVICE EQUALIZATION REVENUE.] (a) For fiscal years 1995 and later, the debt service equalization revenue of a district equals the required eligible debt service levy revenue minus the amount raised by a levy of ten percent times the adjusted net tax capacity of the district.

(b) For fiscal year 1993, debt service equalization revenue equals one-third of the amount calculated in paragraph (a).

(c) For fiscal year 1994, debt service equalization revenue equals two-thirds of the amount calculated in paragraph (a).

Sec. 30. Minnesota Statutes 1992, section 124.961, is amended to read:

124.961 [DEBT SERVICE APPROPRIATION.]

(a) \$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. \$17,000,000 in fiscal year 1994 and ~~\$21,000,000~~ \$26,000,000 in fiscal year 1995 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. The 1994 appropriation includes \$3,000,000 for 1993 and \$14,000,000 for 1994.

(b) ~~These amounts~~ The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 31. [124C.60] [CAPITAL FACILITIES AND EQUIPMENT GRANTS FOR COOPERATION AND COMBINATION.]

Subdivision 1. [ELIGIBILITY.] Two or more districts that have a cooperation and combination plan approved by the state board of education under section 122.242, may apply for a grant of up to \$100,000 under this section. The grant must be awarded after the districts combine according to sections 122.241 to 122.248.

Subd. 2. [PROCEDURES.] The state board shall establish procedures and deadlines for the grant application. The state board shall review each application and may require modifications consistent with sections 122.241 to 122.248.

Subd. 3. [USE OF GRANT MONEY.] The grant money may be used for any capital expenditures specified in section 124.243 or 122.244.

Sec. 32. Minnesota Statutes 1992, section 134.31, subdivision 1, is amended to read:

Subdivision 1. The state shall, as an integral part of its responsibility for public education, support the provision of library service for every citizen ~~and~~ the development of cooperative programs for the sharing of resources and services among all libraries, and the establishment of jointly operated library services at a single location.

Sec. 33. Minnesota Statutes 1992, section 134.31, subdivision 2, is amended to read:

Subd. 2. The department of education shall give advice and instruction to the managers of any public library or to any governing body maintaining a library or empowered to do so by law upon any matter pertaining to the organization, maintenance, or administration of libraries. The department may also give advice and instruction, as requested, to post-secondary educational institutions, state agencies, governmental units, nonprofit organizations, or private entities. It shall assist, to the extent possible, in the establishment and organization of library service in those areas where adequate services do not exist, and may aid in improving previously established library services. The department shall also provide assistance to school districts, regional library systems, and member libraries interested in offering joint library services at a single location.

Sec. 34. Minnesota Statutes 1992, section 134.32, subdivision 8, is amended to read:

Subd. 8. (a) The state board shall promulgate rules consistent with sections 134.32 to 134.35 governing:

(a) (1) applications for these grants;

(b) (2) computation formulas for determining the amounts of establishment grants and regional library basic system support grants; and

(c) (3) eligibility criteria for grants.

(b) To the extent allowed under federal law, a construction grant applicant, in addition to the points received under Minnesota Rules, part 3530.2632, shall receive an additional five points if the construction grant is for a project combining public library services and school district library services at a single location.

Sec. 35. Minnesota Statutes 1992, section 475.61, subdivision 3, is amended to read:

Subd. 3. [IRREVOCABILITY.] Tax levies so made and filed shall be irrevocable, except as provided in this subdivision.

In each year when there is on hand any excess amount in the debt redemption fund of a school district at the time the district makes its property tax levies, the amount of the excess shall be certified by the school board to the ~~county auditor~~ commissioner. The commissioner shall report the amount of the excess to the county auditor and the auditor shall reduce the tax levy otherwise to be included in the rolls next prepared by the amount certified. The commissioner shall prescribe the form and calculation to be used in computing the excess amount. The school board may, with the approval of the commissioner, retain the excess amount if it is necessary to ensure the prompt and full payment of the obligations and any call premium on the obligations, or will be used for redemption of the obligations in accordance with their terms. The school board may, with the approval of the commissioner, specify a tax levy in a higher amount if necessary because of anticipated tax delinquency or for cash flow needs to meet the required payments from the debt redemption fund.

If the governing body, including the governing body of a school district, in any year makes an irrevocable appropriation to the debt service fund of money actually on hand or if there is on hand any excess amount in the debt service fund, the recording officer may certify to the county auditor the fact and amount thereof and the auditor shall reduce by the amount so certified the amount otherwise to be included in the rolls next thereafter prepared.

Sec. 36. [HEALTH AND SAFETY REVENUE CAP.]

For fiscal year 1995, total capital expenditure health and safety revenue, including any revenue amounts authorized under section 3, must not exceed \$64,000,000. The commissioner shall establish criteria for prioritizing district health and safety project applications and projects approved under section 3 not to exceed this amount.

Sec. 37. [LEASE LEVY AUTHORITY; WINONA.]

Subdivision 1. [LEVY AUTHORITY.] Upon approval of the commissioner of education, independent school district No. 861, Winona, annually may levy the amount necessary to make payments required by a lease agreement for educational space with the city of Rollingstone.

Subd. 2. [EXCEPTION TO SINGLE YEAR LEASE LIMIT.] Notwithstanding any law to the contrary, independent school district No. 861, Winona, may enter into an agreement, for the number of years stated in the agreement, with the city of Rollingstone to lease space for educational purposes.

Subd. 3. [ELIGIBLE FOR DEBT SERVICE EQUALIZATION AID.] The amount of the levy under subdivision 1 shall be annually included in the district's debt service levy under Minnesota Statutes, section 124.95, subdivision 1, to determine the district's debt service equalization aid.

Sec. 38. [LEASE LEVY FOR ADMINISTRATIVE SPACE.]

Each year, upon approval of the commissioner of education, independent school district No. 709, Duluth, may levy the amount necessary to rent or lease administrative space so that existing administrative space can be used for

instructional purposes. In granting approval under this section, the commissioner must determine that the overall lease levy for the district would not be higher than it would have been under Minnesota Statutes 1992, section 124.91, subdivision 1.

Sec. 39. [CAPITAL LOANS.]

Subdivision 1. [BIG LAKE SCHOOL DISTRICT.] A capital loan in an amount not to exceed \$9,770,000 to independent school district No. 727, Big Lake, is approved according to Minnesota Statutes, section 124.431, subdivision 9, for construction of a new high school, remodeling of an existing high school into a middle school, and remodeling of an elementary school.

Subd. 2. [NETT LAKE SCHOOL DISTRICT.] A capital loan in an amount not to exceed \$7,967,000 to independent school district No. 707, Nett Lake, is approved according to Minnesota Statutes, section 124.431, subdivision 9, for remodeling of and an addition to an elementary school.

Subd. 3. [MAXIMUM EFFORT LOAN REVIEW.] When bonding is authorized for the capital loans approved in this section, the commissioner shall review the proposed plan and budgets of these maximum effort school loan projects and may reduce the amount of the loan to ensure that the project will be economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review by reducing the proceeds of the loan paid to the district.

Subd. 4. [CAPITAL LOAN PRIORITIES.] Notwithstanding Minnesota Statutes, section 124.431, subdivision 5, the capital loan applications and the state board approvals of capital loans for independent school districts No. 727, Big Lake, and No. 707, Nett Lake, do not cancel until July 1, 1995. Except for emergency requests, the school districts listed in this section are the top priority for funding capital loans until July 1, 1995.

Sec. 40. [SCHOOL AND DAY CARE RADON TESTING; EVALUATION AND MITIGATION REPORT.]

Subdivision 1. [RADON TESTING.] The commissioner of health shall coordinate with the commissioners of human services, education, and jobs and training to administer a school and day care radon testing program. All public and private school buildings housing students in kindergarten through grade 12, all child day care centers licensed under Minnesota Rules, parts 9545.0510 to 9545.0650, and all head start and learning readiness programs must be tested for radon by September 30, 1995. By December 31, 1993, the commissioner of health shall establish technical standards for the radon testing program including quality control and testing protocol. By December 31, 1993, the commissioner of education shall develop a plan for training testers, acquiring test equipment, and distributing the test equipment to all of the facilities required to be tested. Each facility must use appropriate commercial radon testing materials listed by the United States Environmental Protection Agency Radon Measurement Proficiency Program and follow the manufacturer's directions on testing methods and the duration of the test.

Subd. 2. [REPORTING.] By December 31, 1995, each facility must report the results to the commissioner of health in a form prescribed by the commissioner. If the facility has already conducted a radon test at its present location, another test does not need to be conducted if the facility reports the results to the commissioner of health. The results from each school tested must also be reported to the school district. A summary of the results of each report must be posted in a conspicuous place of each facility tested except school districts which must report a summary of the results and any mitigation taken in the district's annual program evaluation report.

Subd. 3. [NOTICE.] The commissioner of health shall coordinate with the commissioners of human services, education, and jobs and training to provide written notice to each facility under subdivision 1 of the obligation to test for radon. Notice must also be given to each facility encouraging the facility to mitigate any excessive radon level detected. The written notice to schools must include the United States Environmental Protection Agency Protocol for Radon testing in schools.

Subd. 4. [EVALUATION AND MITIGATION REPORT.] By July 1, 1996, the commissioner of health shall report, in coordination with the commissioners of human services, education, and jobs and training, to the legislature with a recommendation for mitigating excessive levels of radon in buildings required to be tested under subdivision 1. The report must summarize available radon testing information reported under subdivision 1, address the need for mitigation, describe appropriate mitigation procedures, estimate mitigation costs, and make recommendations that identify sources of funds for mitigation and apportion public and private responsibility for mitigation costs.

Sec. 41. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

<u>\$72,040,000</u>	.....	<u>1994</u>
<u>\$73,549,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$10,730,000 for 1993 and \$61,310,000 for 1994.

The 1995 appropriation includes \$10,819,000 for 1994 and \$62,730,000 for 1995.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

<u>\$35,455,000</u>	.....	<u>1994</u>
<u>\$36,180,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$5,279,000 for 1993 and \$30,179,000 for 1994.

The 1995 appropriation includes \$5,325,000 for 1994 and \$30,855,000 for 1995.

Subd. 4. [HEALTH AND SAFETY AID.] (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

<u>\$11,260,000</u>	.....	<u>1994</u>
<u>\$18,924,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 24.

(c) \$60,000 of each year's appropriation shall be used to contract with the state fire marshal to provide services under Minnesota Statutes, section 121.502. This amount is in addition to the amount for this purpose in article 11.

(d) Notwithstanding section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount and the projected deficit in the appropriation for debt service aid must be determined and the transfer made as of November 1, 1994. The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committees of the house of representatives and senate.

Subd. 5. [DEBT SERVICE AID.] For debt service aid according to Minnesota Statutes, section 124.95, subdivision 5:

<u>\$17,018,000</u>	.....	<u>1994</u>
<u>\$26,000,000</u>	.....	<u>1995</u>

\$18,000 of the fiscal year 1994 appropriation is to correct an erroneous proration of debt service equalization aid.

Subd. 6. [LIBRARY DEMONSTRATION GRANT.] For a demonstration grant to encourage jointly operated library services at a single location:

<u>\$30,000</u>	<u>1994</u>
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Subd. 7. [FACILITIES PLANNING AND COORDINATION.] For facilities planning, coordination of facility needs between school districts and other service providers, and to provide assistance to the commissioner in issuing review and comment on school construction projects:

<u>\$120,000</u>	.....	<u>1994</u>
<u>\$120,000</u>	.....	<u>1995</u>

The department may contract to provide these services.

Sec. 42. [EFFECTIVE DATE.]

Section 34 is effective July 1, 1996. Sections 16 and 18 are effective for cooperative secondary facilities grants approved by the legislature after January 1, 1994.

ARTICLE 6

ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1992, section 121.912, subdivision 6, is amended to read:

Subd. 6. [ACCOUNT TRANSFER FOR REORGANIZING DISTRICTS.] (a) A school district that has reorganized according to section 122.22, 122.23, or sections 122.241 to 122.248 may make permanent transfers between any of the funds in the newly created or enlarged district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund. Fund transfers under this section may be made only during the year following the effective date of reorganization.

(b) A district that has conducted a successful referendum on the question of combination under section 122.243, subdivision 2, may make permanent transfers between any of the funds in the district with the exception of the debt redemption fund, food service fund, and health and safety account of the capital expenditure fund for up to one year prior to the effective date of combination under sections 122.241 to 122.248.

Sec. 2. Minnesota Statutes 1992, section 122.22, is amended by adding a subdivision to read:

Subd. 21. (a) In the year prior to the effective date of the dissolution of a district, the school board of a district to which all of the dissolving district is to be attached may adopt a resolution directing the school board of the dissolving district to certify levies for general education, basic transportation, and capital expenditure and facilities in an amount not to exceed the maximum amount authorized for the dissolving district for taxes payable in the year the dissolution is effective. If the dissolving district is to be attached to more than one school district, the boards of the districts to which the dissolving district is to be attached may adopt a joint resolution that accomplishes the purpose in this paragraph.

(b) Notwithstanding any other law to the contrary, upon receipt of a resolution under paragraph (a), the board of the dissolving district must certify levies in the amounts specified in the resolution for taxes payable in the year the dissolution is effective.

Sec. 3. Minnesota Statutes 1992, section 122.242, subdivision 9, is amended to read:

Subd. 9. [FINANCES.] The plan must state:

(1) whether debt service for the bonds outstanding at the time of combination remains solely with the district that issued the bonds or whether all or a portion of the debt service for the bonds will be assumed by the combined district and paid by the combined district on behalf of the district that issued the bonds;

(2) whether obligations for a capital loan or energy loan made according to section 216C.37 or sections 298.292 to 298.298 outstanding at the time of combination remain solely with the district that obtained the loan, or whether all or a portion of all the loan obligations will be assumed by the combined district and paid by the combined district on behalf of the district that obtained the loan;

(3) the treatment of debt service levies, down payment levies under section 124.82, and referendum levies;

(4) whether the cooperating or combined district will levy for reorganization operating debt according to section 121.915, clause (1); and

(5) two- and five-year projections, prepared by the department of education upon the request of any district, of revenues, expenditures, and property taxes for each district if it cooperated and combined and if it did not.

Sec. 4. Minnesota Statutes 1992, section 122.531, subdivision 4a, is amended to read:

Subd. 4a. [REORGANIZATION OPERATING DEBT LEVIES.] (a) A district that receives revenue under section 124.2725 for cooperation or has combined according to sections 122.241 to 122.248 may levy for one or more years to eliminate reorganization operating debt as defined in section 121.915, clause (1). ~~The amount of the debt must be certified over a period of five years.~~ After the effective date of combination according to sections 122.241 to 122.248, the levy may be certified and spread either

(1) only on the property in the combined district that would have been taxable in the preexisting district that incurred the debt, or

(2) on all of the taxable property in the combined district.

(b) A district that has reorganized according to section 122.22 or 122.23 may levy for one or more years to eliminate reorganization operating debt as defined in section 121.915, clause (2). After the effective date of reorganization under section 122.22 or 122.23, the amount of debt must levy may be certified over a period not to exceed five years and may be spread either

(1) only on the property in the newly created or enlarged district which was taxable in the preexisting district that incurred the debt, or

(2) on all of the taxable property in the newly created or enlarged district.

Sec. 5. Minnesota Statutes 1992, section 122.895, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section applies to:

(1) an education district organized according to sections 122.91 to 122.95;

(2) a cooperative vocational center organized according to section 123.351;

(3) a joint powers district or board organized according to section 471.59 which employs teachers to provide instruction;

(4) a joint vocational technical district organized according to sections 136C.60 to 136C.69;

(5) an intermediate district organized according to chapter 136D; ~~and~~

(6) an educational cooperative service unit which employs teachers to provide instruction; and

(7) school districts participating in an agreement for the cooperative provision of special education services to children with disabilities according to section 120.17, subdivision 4.

Sec. 6. Minnesota Statutes 1992, section 122.895, is amended by adding a subdivision to read:

Subd. 2a. [AGREEMENTS FOR COOPERATIVE SPECIAL EDUCATION.] (a) Upon the termination of an agreement according to section 120.17, subdivision 4, a teacher employed to provide special education services by a school district participating in the agreement will be afforded rights to employment by other school districts according to subdivisions 3, 4, and 5. Nonlicensed employees of a participating district employed to provide special education services will, upon the agreement's termination, be afforded rights to employment by other participating districts according to subdivision 8.

(b) Upon a school district's withdrawal from the cooperative provision of special education under an agreement according to section 120.17, subdivision 4, a teacher employed to provide special education services by a participating

district will be afforded rights to employment by other school districts according to subdivisions 3, 6, and 7. Nonlicensed employees of a participating district will be afforded rights to employment by the withdrawing district according to subdivision 9.

Sec. 7. Minnesota Statutes 1992, section 122.895, is amended by adding a subdivision to read:

Subd. 10. [COOPERATIVES THAT MERGE.] Notwithstanding subdivisions 1 to 9, the following paragraphs apply to cooperatives that merge.

(a) If a cooperative enters into an agreement to merge with another cooperative, the boards of the cooperatives and the exclusive representatives of the teachers in the cooperatives and the teachers in each member district may negotiate a plan to assign or employ in a member district or to place on unrequested leave of absence all teachers whose positions are discontinued as a result of the agreement. If plans are negotiated and if the boards determine the plans are compatible, the boards shall include the plans in their agreement.

(b) If compatible plans are not negotiated under paragraph (a) by the March 1 preceding the effective date of the merger of the cooperatives, subdivisions 2 to 9 apply to teachers and nonlicensed employees whose positions are terminated as a result of an agreement to merge cooperatives.

Sec. 8. Minnesota Statutes 1992, section 124.2721, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An education district is eligible for education district levy revenue if the department certifies that it meets the requirements of sections 122.91, subdivisions 3 and 4, and 122.945. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Sec. 9. Minnesota Statutes 1992, section 124.2721, subdivision 3, is amended to read:

Subd. 3. [LEVY REVENUE.] Each year the education district board shall certify to the department of education the amount of education district levy revenue to be raised. The education district levy revenue is equal to the following lesser of:

(1) the amount certified by the education district revenue according to subdivision 2 board, times

(2) the lesser of

~~(a) one, or~~

~~(b) the ratio of the adjusted net tax capacity of the education district divided by the number of actual pupil units in the education district to an amount equal to \$50 divided by 1.87 percent \$50 times the actual pupil units in the education district, or~~

(3) 1.87 times the adjusted net tax capacity of the education district.

The department of education shall allocate the levy amount proportionately among the member districts based on adjusted tax capacity. The member districts shall levy the amount allocated.

Sec. 10. Minnesota Statutes 1992, section 124.2725, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION REVENUE.] Cooperation and combination revenue equals, for each resident and nonresident pupil receiving instruction in a cooperating or combined district, \$100 times the actual pupil units served in the district. For purposes of this section, pupil units served means the number of resident and nonresident pupil units in average daily membership receiving instruction in the cooperating or combined district. A district may not receive revenue under this section if it levies under section 124.912, subdivision 4.

Sec. 11. Minnesota Statutes 1992, section 124.2725, subdivision 4, is amended to read:

Subd. 4. [INCREASING LEVY.] (a) For districts that did not enter into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and that combine without cooperating, the percentage in subdivision 3, clause (2), shall be:

- (1) 50 percent for the first year of combination; and
- (2) 25 percent for the second year of combination.

(b) For districts that entered into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating, the percentages in subdivision 3, clause (2), shall be:

- (1) 100 percent for the first year of combination;
- (2) 75 percent for the second year of combination;
- (3) 50 percent for the third year of combination; and
- (4) 25 percent for the fourth year of combination.

(c) For districts that combine after one year of cooperation, the percentage in subdivision 3, clause (2), shall be:

- (1) 100 percent for the first year of cooperation;
- (2) 75 percent for the first year of combination;
- (3) 50 percent for the second year of combination; and
- (4) 25 percent for the third year of combination.

(e) (d) For districts that combine after two years of cooperation, the percentage in subdivision 3, clause (2), shall be:

- (1) 100 percent for the first year of cooperation;
- (2) 75 percent for the second year of cooperation;
- (3) 50 percent for the first year of combination; and
- (4) 25 percent for the second year of combination.

Sec. 12. Minnesota Statutes 1992, section 124.2725, subdivision 5, is amended to read:

Subd. 5. [COOPERATION AND COMBINATION AID.] (a) Districts that did not enter into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating shall receive cooperation and combination aid for the first two years of combination. Cooperation and combination aid shall not be paid after two years of combining.

(b) Districts that entered into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating shall receive cooperation and combination aid for the first four years of combination. Aid must not be paid after four years of combination.

(c) Districts that combine after one year of cooperation shall receive cooperation and combination aid for the first year of cooperation and three years of combination. Aid shall not be paid after three years of combining.

(e) (d) Districts that combine after two years of cooperation shall receive cooperation and combination aid for the first two years of cooperation and the first two years of combination. Aid shall not be paid after two years of combining.

(d) (e) In each case, cooperation and combination aid is equal to the difference between the cooperation and combination revenue and the cooperation and combination levy.

Sec. 13. Minnesota Statutes 1992, section 124.2725, subdivision 6, is amended to read:

Subd. 6. [ADDITIONAL AID.] In addition to the aid in subdivision 5, districts shall receive aid according to the following:

(1) for districts that did not enter into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating, \$100 times the actual pupil units served in the district in the first year of combination; or

(2) for districts that combine after one year or two years of cooperation, \$100 times the actual pupil units served in each district for the first year of cooperation, ~~for each resident and nonresident pupil receiving instruction in the cooperating district~~, and \$100 times the actual pupil units served in the combined district for the first year of combination; or

(3) ~~for districts that combine after two years of cooperation, \$100 times the actual pupil units in each district for the first year of cooperation, for each resident and nonresident pupil receiving instruction in the cooperating district, and \$100 times the actual pupil units in the combined district for the first year of combination for districts that entered into an agreement under section 122.541 at least three years before the date of a successful referendum held under section 122.243, subdivision 2, and combine without cooperating, \$100 times the pupil units served in the combined district for the first two years of combination.~~

Sec. 14. Minnesota Statutes 1992, section 124.2725, subdivision 10, is amended to read:

Subd. 10. [REVENUE LIMIT.] Revenue under this section shall not exceed the revenue received by cooperating districts or a combined district with 2,000 ~~actual~~ pupil units served. Revenue for cooperating districts subject to the limitation in this subdivision shall be allocated according to the number of pupil units served in the districts.

Sec. 15. Minnesota Statutes 1992, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [REVENUE FOR EXTENDED COOPERATION FAILURE TO COMBINE.] A district has failed to combine if the state board disapproves of the plan according to section 122.243, subdivision 1, or if a second third referendum fails under section 122.243, subdivision 2, cooperation and combination revenue shall equal \$50 times the actual pupil units or if the commissioner of education determines that the districts involved are not making sufficient progress toward combination.

~~(a) If a district has failed to combine, cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been \$50 times the actual pupil units. If the aid is insufficient to recover the entire amount, under subdivisions 5 and 6 shall not be paid and the authority to levy under subdivision 4 ceases. The department of education shall reduce other aids due the district to recover the entire amount equal to the aid paid under subdivision 6 plus the difference between the aid paid under subdivision 5 and the aid that would have been paid if the revenue had been \$50 times the pupil units served. The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been \$50 times the actual pupil units. A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.~~

~~(b) If a district has failed to combine, the authority to levy for reorganization operating debt under section 122.531, subdivision 4a, and for severance pay or early retirement incentives under subdivision 15 ceases.~~

Sec. 16. [REFERENDUM EXCEPTION.]

Notwithstanding Minnesota Statutes, section 122.243, subdivision 2, a referendum on the question of combination may be held in independent school district No. 893, Echo, any time after the state board approves its plan for cooperation and combination.

Sec. 17. [REVENUE FOR SUBSEQUENT DISTRICT.]

Notwithstanding Minnesota Statutes, section 124.2725, subdivision 5, if the state board of education approves a combination plan under Minnesota Statutes, section 122.243, subdivision 1, that involves independent school district No. 893, Echo, the district shall receive revenue under section 124.2725, subdivisions 4, 5, and 6 for a four-year period, as though it had been party to the initial agreement.

Sec. 18. [FIRST YEAR OF COOPERATION SPECIFIED.]

For the purpose of receiving additional cooperation and combination aid under Minnesota Statutes, section 124.2725, subdivision 6, the first year of cooperation for independent school district Nos. 918, Chandler-Lake Wilson, and 504, Slayton, is fiscal year 1993.

Sec. 19. [VERDI DISSOLUTION; REFERENDUM REVENUE.]

Notwithstanding Minnesota Statutes, section 122.531, subdivision 2, as of the effective date of the dissolution of independent school district No. 408, Verdi, and the attachment of part of its territory to independent school district No. 404, Lake Benton, the authorization for all referendum revenues previously approved by the voters of school district No. 404, Lake Benton, is the tax rate times the net tax capacity of the enlarged independent school district No. 404. Any new referendum revenue is authorized only after approval is granted by the voters of the entire enlarged district in an election under Minnesota Statutes, section 124A.03, subdivision 2.

Sec. 20. [LAKE BENTON, PIPESTONE AGREEMENT.]

(a) The school board and exclusive bargaining representative of the teachers in independent school districts No. 404, Lake Benton, and No. 583, Pipestone, may negotiate a plan to assign to district No. 583 up to 1.2 FTE positions of the teachers in district No. 404, for up to five years following the dissolution of independent school district No. 408, Verdi. A teacher in district No. 583 who is placed on unrequested leave of absence may not assert reinstatement, realignment, or bumping rights to those 1.2 FTE positions.

(b) Paragraph (a) applies to employment agreements amended, renewed, or entered into after the effective date of this section.

Sec. 21. [LAC QUI PARLE VALLEY DISTRICT NO. 6011.]

Independent school districts that belong to joint powers district No. 6011, Lac qui Parle Valley, may use cooperation and combination revenue received under Minnesota Statutes, section 124.2725, for expenses specified in Minnesota Statutes, section 124.2725, subdivision 11, that were incurred in the process of establishing or operating the cooperative secondary facility operated by joint powers district No. 6011, Lac qui Parle Valley, before cooperation and combination revenue was received.

Sec. 22. [ALTERNATIVE REFERENDUM COMBINATION METHOD.]

Subdivision 1. [ALTERNATIVE METHOD.] Notwithstanding Minnesota Statutes, sections 122.247, subdivision 1, and 122.531, if independent school district No. 233, Preston-Fountain, and No. 228, Harmony, consolidate effective July 1, 1995, the referendum revenue authorization for the new district created by that consolidation may be any local tax rate that would raise an amount for the first year that does not exceed the combined dollar amount of the referendum revenues authorized by each of the component districts for fiscal year 1995.

Subd. 2. [INCLUDE REFERENDUM AUTHORIZATION IN COMBINATION PLAN.] (a) Referendum revenue authorization may be calculated under subdivision 1 only if:

(1) independent school district No. 233, Preston-Fountain and No. 228, Harmony, specify the dollar amount of the referendum revenue authority for the consolidated district and the number of years that the referendum revenue authorization is in effect in the cooperation and combination plan adopted under Minnesota Statutes, section 122.242; and

(2) the referendum information in clause (1) is included in the summary of the plan that is published in the official newspaper of each district under Minnesota Statutes, section 122.242, subdivision 1.

(b) If the dollar amount of referendum revenue authority required under paragraph (a), clause (1), is not available at the time the cooperation and combination plan is submitted to the department of education, the districts may use an estimate calculated by the department.

Sec. 23. [EDUCATION DELIVERY SERVICE PLANNING AND REVIEW.]

Subdivision 1. [EDUCATION DELIVERY SERVICE PLANNING PROCESS.] Each school district must submit a plan for the delivery of education programs and services within the new education delivery system required under Laws 1992, chapter 499, article 6, section 33, subdivision 4, to the commissioner of education by August 1, 1993. A group of districts may submit a joint plan. The commissioner shall submit the plans to the review panel established under subdivision 2.

Subd. 2. [REVIEW PANEL.] A panel is established to review each of the plans submitted to the commissioner under subdivision 1 and make recommendations to the legislature concerning the design and implementation of a preK-12 and community education service delivery system.

Subd. 3. [MEMBERSHIP OF THE PANEL.] The review panel established under subdivision 2 shall consist of nine members:

- (1) the commissioner of education or a designee appointed by the commissioner;
- (2) two representatives of the Minnesota association of school administrators, including one principal;
- (3) one representative of the Minnesota federation of teachers;
- (4) one representative of the Minnesota education association;
- (5) one representative of the Minnesota school boards association; and
- (6) one representative of the Minnesota business partnership.

Two members of the legislature shall be appointed to the review panel. The subcommittee on committees of the committee on rules and administration of the senate shall appoint one member of the senate. The speaker of the house of representatives shall appoint one member of the house.

Subd. 4. [REVIEW PANEL SELECTION PROCESS.] To determine who shall serve as a representative of each organization listed in subdivision 3, clauses (2) to (6), each organization shall submit the names of three individuals for each representative the organization shall have on the panel to the co-chairs of the education committee of the senate, the chair of the house education committee, and the chair of the house K-12 education finance division. Each of the three individuals must represent a different geographic area of the state. The house and senate chairs shall jointly select one of the three names for each representative submitted by each organization to serve on the review panel. The chairs must consider geographic balance when selecting the representatives.

Subd. 5. [REVIEW PANEL RESPONSIBILITIES.] The review panel shall submit a summary of the school district plans received from the commissioner under subdivision 1 and recommendations on the following items to the legislature by January 15, 1994:

- (1) the services that should be provided by each of the three components of the education service delivery system that is described in Laws 1992, chapter 499, article 6, section 33, subdivision 3: the school district, the area education organization, and the central and regional delivery centers of the department of education;
- (2) the optimal number of school districts and pupils that an area education organization should serve;
- (3) the boundaries of area education organizations;
- (4) a funding mechanism for providing services through the area education organization;
- (5) the role of the school district, the area education organization, and the central and regional centers of the department in ensuring that health and other social services necessary to maximize a pupil's ability to learn are provided to pupils; and

(6) the optimal process for implementing the new preK-12 and community education service delivery system by July 1, 1995.

The review panel shall also consider how services such as special education, vocational education, technology applications, joint purchasing, and management information are provided to multiple school districts through joint powers agreements under Minnesota Statutes, section 471.59.

Subd. 6. [EXPENSES AND REIMBURSEMENTS.] Members of the review panel shall be reimbursed for expenses as provided under Minnesota Statutes, section 15.059, subdivision 3. Members of the panel shall not receive any per diem payments.

Subd. 7. [STAFF ASSISTANCE.] The education committees of the legislature and the department of education shall provide staff assistance to the review panel.

Sec. 24. [EDUCATION DISTRICT LEVY ADJUSTMENT FOR FISCAL YEAR 1994.]

Notwithstanding any other law to the contrary, a school district that certified a levy under Minnesota Statutes, section 124.2721, subdivision 3, in 1992 for taxes payable for 1993 may levy in 1993 for taxes payable in 1994 up to an amount equal to:

(1) the difference between \$50 times the actual pupil units for fiscal year 1994 of the education district for which the school district belonged, and the amount of the education district levy calculated according to Minnesota Statutes, section 124.2721, subdivision 3, for fiscal year 1994, times

(2) the ratio of the adjusted net tax capacity of the school district to the adjusted net tax capacity of the education district.

The amount of the levy permitted under this section must be transferred to the education district board under Minnesota Statutes, section 124.2721, subdivision 3a.

Sec. 25. [DIRECT REPORTING PILOT SITES.]

Notwithstanding sections 121.935 and 121.936, the department of education may designate six local education agencies as pilot sites to demonstrate the implementation of direct reporting of uniform financial accounting and reporting standards (UFARS) data elements as well as staff and student essential data elements. The department shall specify the criteria for local education agency participation and for vendor system data and edit requirements utilized in the pilot.

Sec. 26. [DEADLINE EXTENSION BECAUSE OF NEW LAW.]

If the board of any participating school district has given notice of intent to withdraw from special education services provided by a cooperative before the effective date of Minnesota Statutes, section 122.895, subdivision 2a, the deadline specified in Minnesota Statutes, section 122.895, subdivision 3, is six days following the final enactment and the deadline specified in Minnesota Statutes, section 122.895, subdivision 6, paragraph (b), for notice of a teacher's exercise of rights under that subdivision is 16 days following final enactment.

Sec. 27. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund or other named fund to the department of education for the fiscal years designated.

Subd. 2. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

\$3,516,000	.....	1994
\$3,979,000	.....	1995

The 1994 appropriation includes \$591,000 for 1993 and \$2,925,000 for 1994.

The 1995 appropriation includes \$516,000 for 1994 and \$3,463,000 for 1995.

Subd. 3. [EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) For educational cooperative service units:

<u>\$733,000</u>	.....	<u>1994</u>
<u>\$733,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$110,000 for 1993 and \$623,000 for 1994.

The 1995 appropriation includes \$110,000 for 1994 and \$623,000 for 1995.

(b) Money from this appropriation may be transmitted to ECSU boards of directors for general operations in amounts of up to \$66,700 per ECSU for each fiscal year. The ECSU whose boundaries coincide with the boundaries of development region 11 and the ECSU whose boundaries encompass development regions six and eight may receive up to \$133,400 for each fiscal year.

(c) Before releasing money to the ECSUs, the department of education shall ensure that the annual plan of each ECSU explicitly addresses the specific educational services that can be better provided by an ECSU than by a member district. The annual plan must include methods to increase direct services to school districts in cooperation with the state department of education. The department may withhold all or a part of the money for an ECSU if the department determines that the ECSU has not been providing services according to its annual plan.

Subd. 4. [MANAGEMENT INFORMATION CENTERS.] For management information centers according to Minnesota Statutes, section 121.935, subdivision 5:

<u>\$3,275,000</u>	.....	<u>1994</u>
<u>\$3,275,000</u>	.....	<u>1995</u>

\$356,000 each year is for software support of the ESV information system.

Subd. 5. [SECONDARY VOCATIONAL COOPERATION AID.] For secondary vocational cooperative aid according to Minnesota Statutes, section 124.575:

<u>\$142,000</u>	.....	<u>1994</u>
<u>\$169,000</u>	.....	<u>1995</u>

The 1994 appropriation includes -\$0- for 1993 and \$142,000 for 1994.

The 1995 appropriation includes \$24,000 for 1994 and \$145,000 for 1995.

Subd. 6. [MOUNTAIN IRON-BUHL SCHOOL DISTRICT.] For independent school district No. 712, Mountain Iron-Buhl:

<u>\$75,000</u>	.....	<u>1994</u>
<u>\$75,000</u>	.....	<u>1995</u>

Sec. 28. [LEGISLATIVE COORDINATING COMMISSION.]

\$15,000 is appropriated in fiscal year 1994 from the general fund to the legislative coordinating commission to reimburse the expenses of the review panel under the education delivery service planning and review as provided in section 23.

Sec. 29. [REPEALER.]

Minnesota Statutes 1992, section 124.2721, subdivisions 2 and 4, are repealed.

Sec. 30. [EFFECTIVE DATE.]

Minnesota Statutes, section 122.895, subdivisions 2a and 10, and section 18, relating to the Lake Benton, Pipestone agreement, are effective the day following final enactment.

Sections (referendum exception & revenue for subsequent district) are effective the day following final enactment.

ARTICLE 7

ACCESS TO EXCELLENCE

Section 1. Minnesota Statutes 1992, section 121.612, subdivision 2, is amended to read:

Subd. 2. [CREATION OF FOUNDATION.] There is created the Minnesota academic excellence foundation. The purpose of the foundation shall be to promote academic excellence in Minnesota public and nonpublic schools and communities through public-private partnerships. The foundation shall be a nonprofit organization. The board of directors of the foundation and foundation activities are under the direction of the state board of education.

Sec. 2. Minnesota Statutes 1992, section 121.612, subdivision 4, is amended to read:

Subd. 4. [FOUNDATION PROGRAMS.] The foundation may develop programs that advance the concept of educational excellence. These may include, but are not limited to:

- (a) recognition programs and awards for students demonstrating academic excellence;
- (b) summer institute programs for students with special talents;
- (c) recognition programs for teachers, administrators, and others who contribute to academic excellence;
- (d) summer mentorship programs with business and industry for students with special career interests and high academic achievements;
- (e) governor's awards ceremonies and special campaigns to promote awareness and expectation for academic competition achievement; and
- (f) an academic league to provide organized challenges requiring cooperation and competition for public and nonpublic pupils in elementary and secondary schools;
- (g) systemic transformation initiatives and assistance and training to community teams to increase school performance in the state's education institutions through strategic quality planning for continuous improvement, empowerment of multiple stakeholders, validation of results via customer-supplier relationships, and a total system approach based on best practices in key process areas; and
- (h) activities to measure customer satisfaction for delivery of services to education institutions in order to plan for and implement continuous improvement.

To the extent possible, the foundation shall make these programs available to students in all parts of the state.

Sec. 3. Minnesota Statutes 1992, section 124C.08, subdivision 1, is amended to read:

Subdivision 1. [FUNDING; TECHNICAL ASSISTANCE.] (a) Each site shall receive \$1,250 each year for two years. If fewer than 30 sites are selected, each site shall receive an additional proportionate share of money appropriated and not used. Before receiving money for the second year, a long-range plan for arts education must be submitted to the department.

(b) The department of education, in cooperation with the Minnesota alliance for arts in education, the Minnesota state arts board, and the Minnesota center for arts education, shall provide materials, training, and assistance to the arts education committees in school districts participating in the comprehensive arts planning program. The department of education may contract with the Minnesota alliance for arts in education to provide services, including staff assistance, to the program.

Sec. 4. [125.178] [ELEMENTARY PREPARATION TIME.]

The school board and the exclusive representative of the teachers may negotiate an agreement to provide daily preparation time for elementary school teachers. Failing to successfully negotiate such an agreement, provisions of Minnesota Rules, part 3500.1400, subpart 3, apply.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [AREA LEARNING CENTER GRANTS.] For grants to area learning centers:

\$150,000	.....	1994
\$150,000	.....	1995

Subd. 3. [ARTS PLANNING GRANTS.] For grants for arts planning according to Minnesota Statutes, section 124C.08:

\$38,000	.....	1994
\$38,000	.....	1995

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

Subd. 4. [OUTCOME-BASED EDUCATION PROGRAM CONTRACTS.] For entering into contracts for outcome-based education programs:

\$575,000	.....	1994
\$575,000	.....	1995

\$55,000 each year is for evaluation and administration of the program.

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

Subd. 5. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] For the state advanced placement and international baccalaureate programs, including training programs, support programs, and examination fee subsidies:

\$300,000	.....	1994
\$300,000	.....	1995

Subd. 6. [NSF MATH-SCIENCE SYSTEMIC INITIATIVE.] To meet requirements for a proposal to the National Science Foundation for a systemic initiative in mathematics and science:

\$1,500,000	.....	1994
\$1,500,000	.....	1995

Subd. 7. [EDUCATIONAL EFFECTIVENESS.] For educational effectiveness programs according to Minnesota Statutes, sections 121.608 and 121.609:

\$870,000	.....	1994
\$870,000	.....	1995

Subd. 8. [STATE PER ASSISTANCE.] For state assistance for planning, evaluating, and reporting:

\$575,000	.....	1994
\$575,000	.....	1995

At least \$45,000 each year must be used to assist districts with the assurance of mastery program.

Subd. 9. [CAPP TECHNICAL ASSISTANCE.] For materials, training and technical assistance to the arts education committees in school districts according to Minnesota Statutes, section 124C.08, subdivision 1:

\$38,000	.....	1994
\$38,000	.....	1995

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

Subd. 10. [GRADUATION STANDARDS AND ASSESSMENTS.] To develop assessments and standards through grants to local sites and to purchase certain tests, and also for state coordination and dissemination with respect to the results-oriented graduation rule required by Laws 1992, chapter 499, article 8, sections 32 and 33:

\$3,500,000	.....	1994
\$3,500,000	.....	1995

The department must ensure that the assessments and standards are free of cultural bias. Any balance remaining in the first year does not cancel but is available in the second year.

Subd. 11. [INTERNET.] To provide statewide access to INTERNET for elementary and secondary schools:

\$200,000	.....	1994
\$200,000	.....	1995

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

Subd. 12. [ACADEMIC EXCELLENCE FOUNDATION.] (a) For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$560,000	.....	1994
\$560,000	.....	1995

(b) Up to \$50,000 each year is contingent upon the match of \$1 in the previous year from private sources consisting of either direct monetary contributions or in-kind contributions of related goods or services, for each \$1 of the appropriation. The commissioner of education must certify receipt of the money or documentation for the private matching funds or in-kind contributions. The unencumbered balance from the amount actually appropriated from the contingent amount in 1994 does not cancel but is available in 1995. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.

(c) Approximately \$300,000 each year is for the foundation's partners for quality initiative.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [HECB.] The sums appropriated in this section are appropriated from the general fund to the higher education coordinating board for the fiscal years designated.

Subd. 2. [SUMMER PROGRAM SCHOLARSHIPS.] For scholarship awards for summer programs according to Minnesota Statutes, section 126.56:

\$214,000	.....	1994
\$214,000	.....	1995

Of this appropriation, any amount required by the higher education coordinating board may be used for the costs of administering the program.

Sec. 7. [MINNESOTA HUMANITIES COMMISSION.]

(a) \$50,000 in fiscal year 1994 and \$50,000 in fiscal year 1995 is appropriated from the general fund to the Minnesota Humanities Commission for the Minnesota Institute for the Advancement of Teaching.

(b) The money is for the institute to conduct noncredit summer seminars for Minnesota's K-12 teachers. The seminars must be interdisciplinary, employ varied methods of teaching and learning, incorporate community resources in a creative and instructive manner, and be dedicated to the professional development of K-12 teachers.

(c) The money is also for the institute to begin an alumni program to assist teachers who have attended the seminars to provide programs for teachers in their districts who cannot attend the residential seminars.

(d) The humanities commission may seek and accept private sector money for the institute to supplement these appropriations.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 124.195, subdivision 9, is amended to read:

Subd. 9. [PAYMENT PERCENTAGE FOR CERTAIN AIDS.] One hundred percent of the aid for the current fiscal year must be paid for the following aids: management information center subsidies, according to section 121.935; reimbursement for transportation to post-secondary institutions, according to section 123.3514, subdivision 8; aid for the program for adults with disabilities, according to section 124.2715, subdivision 2; school lunch aid, according to section 124.646; ~~tribal contract school aid, according to section 124.85;~~ hearing impaired support services aid, according to section 121.201; Indian post-secondary preparation grants according to section 124.481; integration grants according to Laws 1989, chapter 329, article 8, section 14, subdivision 3; and debt service aid according to section 124.95, subdivision 5.

Sec. 2. [124.6469] [SCHOOL BREAKFAST PROGRAM.]

Subdivision 1. [PURPOSE.] The purpose of the school breakfast program is to provide affordable morning nutrition to children so that they can effectively learn.

Subd. 2. [PROGRAM.] The state school breakfast program enables schools participating in the federal School Breakfast Program to cover their costs for breakfast.

Subd. 3. [PROGRAM REIMBURSEMENT.] State funds are provided to reimburse school breakfasts. Each school year, the state will reimburse schools for fully paid breakfasts and for free and reduced price breakfasts not eligible for the "severe need" rate at the amount of the difference between the "nonsevere need" free and reduced rate of reimbursement and the "severe need" free and reduced rate of reimbursement.

Sec. 3. Minnesota Statutes 1992, section 124.912, subdivision 2, is amended to read:

Subd. 2. [DESEGREGATION.] Each year, special school district No. 1, Minneapolis, may levy an amount not to exceed \$194 times its actual pupil units for that fiscal year; independent school district No. 625, St. Paul, may levy an amount not to exceed a gross tax rate of .80 percent times the adjusted gross tax capacity of the district for taxes payable in 1990 or a net tax rate of 1.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter \$197 times its actual pupil units for that fiscal year; and independent school district No. 709, Duluth, may levy an amount not to exceed the sum of \$660,000 and the amount raised by a tax rate of 2.0 percent times the adjusted net tax capacity of the district. Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 4. Minnesota Statutes 1992, section 124.912, subdivision 3, is amended to read:

Subd. 3. [RULE COMPLIANCE.] Each year a district that is required to implement a plan according to the requirements of Minnesota Rules, parts 3535.0200 to 3535.2200, may levy an amount not to exceed a net tax rate of 2.0 percent times the adjusted net tax capacity of the district for taxes payable in 1991 and thereafter. ~~Independent school district No. 625, St. Paul, A district that levies according to subdivision 2 may not levy according to this subdivision.~~ Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 5. [124C.43] [MINORITY TEACHER EDUCATION ACCOUNT.]

Subdivision 1. [ACCOUNT ESTABLISHED.] A minority teacher education account is established. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for minority students agreeing to enter public elementary or secondary school teaching and teach in the state of Minnesota.

Subd. 2. [ELIGIBILITY; MINORITY GROUP; SCHOOL COUNSELORS.] (a) To be eligible to participate in the program, a prospective minority teacher must submit a letter of interest to the higher education coordinating board. A student who is accepted into the program must sign a contract agreeing to teach at least two years in a public elementary or secondary school within the state upon receiving an initial teaching license.

(b) For purposes of this section, a student is a member of a minority group if the student is African-American, American Indian, Asian-Pacific American, or an American of Mexican, Puerto Rican, or Spanish origin or ancestry.

(c) High school counselors shall inform minority secondary school students about the loan forgiveness program and actively seek potentially qualified students to participate in the program.

Subd. 3. [LOAN FORGIVENESS.] Students selected to participate in the loan forgiveness program may designate for each year of attending a teacher preparation institution, up to a maximum of two years, an agreed amount, not to exceed \$....., as a qualified loan. For each year that a participant serves as a public elementary or secondary school teacher within the state, up to a maximum of two years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans. Participants who transfer from one school district to another school district within the state remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required minimum teaching commitment, the higher education coordinating board shall collect from the participant the amount paid by the board under the loan forgiveness program. The board shall deposit the money it collects in the minority teacher education account. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevent the participant from fulfilling the minimum teaching commitment.

Sec. 6. Minnesota Statutes 1992, section 125.05, subdivision 1a, is amended to read:

Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for an initial teaching license to provide direct instruction to pupils in kindergarten, prekindergarten, elementary, secondary, or special education programs. The board shall require colleges and universities offering a board approved teacher preparation program to provide remedial assistance to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language.

(c) Before admission to a pilot internship program, the board shall require a person to successfully complete an examination of general pedagogical knowledge. Before granting a first continuing license to participants in the pilot projects, the board shall require a person to successfully complete a supervised and assessed internship in a professional development school and an examination of licensure-specific teaching skills. The board shall determine effective dates for the examination of general pedagogical knowledge, the internship, and examinations of licensure-specific skills.

Sec. 7. Minnesota Statutes 1992, section 125.185, subdivision 4, is amended to read:

Subd. 4. [LICENSE AND RULES.] (a) The board shall adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board shall adopt rules requiring successful completion of an examination of skills in reading, writing, and mathematics before being admitted to a teacher preparation program. Such rules shall require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board shall adopt rules to approve teacher preparation programs.

(d) The board shall provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes.

(e) The board shall adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than July 1, 1999.

(f) Until July 1, 1998, the board may select schools to be pilot professional development schools according to initial criteria adopted by the board. Initial criteria are not subject to chapter 14. Upon specific legislative authorization to implement a statewide restructured licensure program, the board shall adopt rules to approve or disapprove professional development schools.

(g) The board shall adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(h) The board shall grant licenses to interns and to candidates for initial licenses.

(i) The board shall design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(j) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(k) The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. The board shall not establish any expiration date for application for life licenses.

(l) With regard to post-secondary vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of technical colleges.

Sec. 8. [126.81] [STATE MULTICULTURAL EDUCATION ADVISORY COMMITTEE.]

(a) The commissioner shall appoint a state multicultural education advisory committee to advise the department and the state board on multicultural education. The committee must have 12 members and be composed of representatives from among the following groups and community organizations: African-American, Asian-Pacific, Hispanic, and American Indian.

(b) The state committee shall provide information and recommendations on:

(1) department procedures for reviewing and approving district plans and disseminating information on multicultural education;

(2) department procedures for improving inclusive education plans, curriculum and instruction improvement plans, and performance-based assessments;

(3) developing learner outcomes which are multicultural; and

(4) other recommendations that will further inclusive, multicultural education.

(c) The committee shall also participate in determining the criteria for and awarding the grants established under section 14, subdivision 10.

Sec. 9. [EARLY CHILDHOOD AND PARENT EDUCATORS OF COLOR PROGRAM.]

Subdivision 1. [DEFINITION.] For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Spanish-speaking persons.

Subd. 2. [GRANT.] The higher education coordinating board shall award at least one grant for a professional development program to recruit and educate people of color in the field of early childhood or parent education, or both. Grant applicants must be a state institution of higher education with an approved early childhood education teacher license program and an approved parent education teacher license program.

Subd. 3. [PROGRAM REQUIREMENTS.] (a) Each grant recipient shall educate at least 20 people of color to be early childhood educators or parent educators and to be eligible for an early childhood education license or a parent education license. Students enrolled in the program may be undergraduate or graduate level students.

(b) The program must be administered by an approved early childhood and parent education studies program. The grant recipient shall establish an advisory council composed of representatives of communities of color, family educators, and family service agencies.

(c) The program, with the assistance of the advisory council, must recruit students, support them through the application and admission process, advise them while enrolled and link them with support resources in the college or university and the community. The program must provide support in linking program participants with jobs.

(d) Each grant recipient shall award stipends to students enrolled in the program to cover the cost of tuition, student fees, health insurance, supplies, books, and part of the cost of living expenses. Stipend awards must be based on a student's financial need. No more than 25 percent of the grant may be used for costs of administering the program.

(e) The higher education coordinating board shall establish written criteria to award grants, including whether the program:

(1) is likely to increase the recruitment into and the retention of students of color in early childhood and parent education fields;

(2) initiatives reach persons of color while still in high school;

(3) establishes a mentoring program for students of color; and

(4) has or will have a required cultural competency program for current faculty members.

Sec. 10. [PLAN FOR STATE SKILLS EXAM.]

Subdivision 1. [PLAN CONTENT.] The board of teaching shall develop a plan to assure that questions contained in the skills examination in reading, writing, and mathematics, which persons must successfully complete before being admitted to an approved teacher preparation program under Minnesota Statutes, section 125.05, subdivision 1a, clause (b) are bias free. The board shall include in the plan how it proposes to assure that the examination questions are free from cultural bias, evaluate interpersonal skills, and more effectively assess general knowledge and skills. The board shall submit its plan to the education committees of the legislature by February 15, 1994.

Subd. 2. [PROVISIONAL LICENSES.] Persons who have successfully completed an approved teacher preparation program and obtained a provisional license to teach, but have not successfully completed the skills examination required under Minnesota Statutes, section 125.05, subdivision 1a, clause (b), may continue to teach under a provisional license until the plan required under subdivision 1 is implemented.

Sec. 11. Laws 1991, chapter 256, article 8, section 14, as amended by Laws 1992, chapter 499, article 7, section 14, is amended to read:

Sec. 14. [NONOPERATING FUND TRANSFERS.]

By June 30, 1992, and by June 30, 1993, a school district may permanently transfer money from the capital expenditure facilities or equipment accounts and from the debt redemption fund, to the extent the transferred money is not needed for principal and interest payments on bonds outstanding at the time of transfer, to the transportation

fund, capital expenditure fund, or the debt redemption fund. A transfer may not be made from the capital expenditure facilities or equipment accounts that results in a deficit account balance in either account or a deficit in the combined account balance for facilities and equipment as of June 30, 1992, or as of June 30, 1993. No levies and no state aids shall be reduced as a result of a transfer. Each district transferring money from the capital expenditure facilities or equipment accounts shall report to the commissioner of education on each transfer. A district may not transfer money from the debt redemption fund to the capital expenditure fund or to the transportation fund without prior approval from the commissioner of education. The commissioner shall approve a transfer from the debt redemption fund only if: (1) the district retired its bonded indebtedness during fiscal year 1992 or 1993 or an earlier fiscal year and the district's general education levy was not reduced under Minnesota Statutes, section 475.61, subdivision 4, for taxes payable in 1993, or an earlier year, or (2) the district's 1991 payable 1992 or 1992 payable 1993 debt service levy was reduced to zero according to Minnesota Statutes, section 475.61, subdivision 3. The commissioner of education shall report to the chairs of the education funding divisions of the house of representatives and the senate the aggregate transfers, by fund, made by school districts.

Sec. 12. [FUND TRANSFERS.]

Subdivision 1. [SPRINGFIELD.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121 or other law, independent school district No. 85, Springfield, may permanently transfer a total of up to \$600,000, as necessary, from its general fund to its capital expenditure fund before July 1, 1995.

Subd. 2. [REMER-LONGVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district No. 118, Remer-Longville, may permanently transfer \$125,000 in fiscal year 1993 from the bus purchase account to the capital expenditure fund without making a levy reduction.

Subd. 3. [HOLDINGFORD.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 738, Holdingford, may permanently transfer up to \$51,000 from its debt redemption fund to its general fund.

Subd. 4. [MANKATO.] Notwithstanding Minnesota Statutes, section 124.2713, subdivision 8, or any other law to the contrary, independent school district No. 77, Mankato, may expend up to \$250,000 from the community service fund for the purpose of removing architectural barriers from the Lincoln community center to provide access to persons with disabilities.

Subd. 5. [ST. MICHAEL-ALBERTVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district No. 885, St. Michael-Albertville, may permanently transfer up to \$105,000 in fiscal year 1993 from its debt redemption fund to the capital expenditure equipment fund.

Subd. 6. [SARTELL.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993, independent school district No. 748, Sartell, may permanently transfer any amount not currently needed from its debt redemption fund to the building construction fund.

Subd. 7. [GLENCOE.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121 or other law, independent school district No. 422, Glencoe, may permanently transfer a total of up to \$100,000, as necessary, from its early childhood family education fund to its capital expenditure facilities fund before July 1, 1994.

Subd. 8. [COLD SPRING.] Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 475.61, subdivision 4, or any other law, on June 30, 1993 independent school district No. 750, Cold Spring, may permanently transfer an amount not to exceed \$66,000 from its debt redemption fund to the transportation fund.

Subd. 9. [GRYGLA.] Notwithstanding Minnesota Statutes 1992, section 121.912, subdivision 1, or any other law to the contrary, on June 30, 1993, independent school district No. 447, Grygla, may permanently transfer an amount not to exceed \$100,000 from its debt redemption fund to the capital expenditure fund.

Sec. 13. [HECB APPROPRIATIONS.]

Subdivision 1. [HECB.] The sums in this section are appropriated from the general fund to the higher education coordinating board for the fiscal years indicated.

Subd. 2. [MINORITY TEACHER EDUCATION ACCOUNT.] For the program in Minnesota Statutes 124C.43:

<u>\$300,000</u>	<u>1994</u>
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The appropriation is available until June 30, 1995.

Subd. 3. [ECFE EDUCATORS OF COLOR.] For the grant program established in section ..

<u>\$100,000</u>	<u>1994</u>
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The appropriation is available until June 30, 1995.

Sec. 14. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums in this section are appropriated, unless otherwise indicated, from the general fund to the department of education for the fiscal years designated.

Subd. 2. [ABATEMENT AID.] For abatement aid according to Minnesota Statutes, section 124.214:

<u>\$7,334,000</u>	.....	<u>1994</u>
<u>\$7,567,000</u>	.....	<u>1995</u>

The 1994 appropriation includes \$902,000 for 1993 and \$6,432,000 for 1994.

The 1995 appropriation includes \$1,135,000 for 1994 and \$6,432,000 for 1995.

Subd. 3. [INTEGRATION GRANTS.] (a) For grants to districts implementing desegregation plans mandated by the state board:

<u>\$18,844,000</u>	.....	<u>1994</u>
<u>\$18,844,000</u>	.....	<u>1995</u>

(b) \$1,385,000 each year must be allocated to independent school district No. 709, Duluth; \$9,368,300 each year must be allocated to special school district No. 1, Minneapolis; and \$8,090,500 each year must be allocated to independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must deposit any increase in state aid over the fiscal year 1993 amount in a separate account. Each district must continue to report its costs according to the uniform financial accounting and reporting system. Each district must use the increase in aid to provide educational programs including assurance of mastery under Minnesota Statutes, section 124.311, English as a second language, individualized learning and development under Minnesota Statutes, sections 124.331 to 124.333, and reading recovery. Each district must submit a report to the chairs of the education committees of the legislature about the actual expenditures it made to integrate schools using the grant money. The report must indicate changes in student performance as a result of the expenditure of these grants. These grants may be used to transport students attending a nonresident district under Minnesota Statutes, section 120.062, to the border of the resident district. A district may allocate a part of the grant to the transportation fund for this purpose.

Subd. 4. [GRANTS FOR COOPERATIVE DESEGREGATION.] (a) For grants to develop interdistrict school desegregation programs:

<u>\$300,000</u>	.....	<u>1994</u>
<u>\$300,000</u>	.....	<u>1995</u>

(b) The commissioner of the department of education shall award grants to school districts to develop pilot interdistrict cooperative programs to reduce segregation, as defined in Minnesota Rules, part 3535.0200, subpart 4, in school buildings.

(c) To obtain a grant, a district that is required to submit a plan under Minnesota Rules, part 3535.0600, with the assistance of at least one adjacent district that is not required to submit a plan, shall submit an application to the commissioner.

(d) The application shall contain a plan for:

(1) activities such as staff development, curriculum development, student leadership, student services, teacher and student exchanges, interdistrict meetings, and orientation for school boards, parents, and the community;

(2) implementation of the activities in clause (1) before possible student transfers occur; and

(3) possible voluntary transfer of students between districts beginning with the 1993-1994 school year.

(e) A grant recipient shall submit a report about its activities.

Subd. 5. [NONPUBLIC PUPIL AID.] For nonpublic pupil education aid according to Minnesota Statutes, sections 123.931 to 123.947:

\$9,043,000	.....	1994
\$9,618,000	.....	1995

The 1994 appropriation includes \$1,333,000 for 1993 and \$7,710,000 for 1994.

The 1995 appropriation includes \$1,361,000 for 1994 and \$8,257,000 for 1995.

Subd. 6. [SCHOOL LUNCH AND FOOD STORAGE AID.] (a) For school lunch aid according to Minnesota Statutes, section 124.646, and Code of Federal Regulations, title 7, section 210.17, and for food storage and transportation costs for United States Department of Agriculture donated commodities; and for a temporary transfer to the commodity processing revolving fund to provide cash flow to permit schools and other recipients of donated commodities to take advantage of volume processing rates and for school milk aid according to Minnesota Statutes, section 124.648:

\$6,425,000	.....	1994
\$6,425,000	.....	1995

(b) Any unexpended balance remaining from the appropriations in this subdivision shall be prorated among participating schools based on the number of free, reduced, and fully paid federally reimbursable student lunches served during that school year.

(c) If the appropriation amount attributable to either year is insufficient, the rate of payment for each student lunch shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year.

(d) Any temporary transfer processed in accordance with this subdivision to the commodity processing fund will be returned by June 30 in each year so that school lunch aid and food storage costs can be fully paid as scheduled.

(e) Not more than \$800,000 of the amount appropriated each year may be used for school milk aid.

Subd. 7. [SCHOOL BREAKFAST.] To operate the school breakfast program:

\$700,000	.....	1994
\$700,000	.....	1995

If the appropriation amount attributable to either year is insufficient, the rate of payment for each student breakfast shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized appropriation for that year. Any unexpected balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124.646.

Subd. 8. [MINORITY TEACHER INCENTIVES.] For minority teacher incentives according to Minnesota Statutes, section 124.278:

\$600,000	1994
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Any unexpended balance remaining in 1994 does not cancel but is available in 1995.

Subd. 9. [TEACHER MENTORSHIP.] For grants to develop mentoring programs in school districts according to Minnesota Statutes, section 125.231:

\$340,000	.....	1994
\$340,000	.....	1995

Any balance in the first year does not cancel and is available for the second year.

Subd. 10. [CROSS-CULTURAL INITIATIVES.] For cross-cultural initiatives:

\$135,000	1994
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(a) \$10,000 is for the State Multicultural Education Advisory Council established in section ...

(b) \$125,000 is for four groups of grants, each group in the total amount of \$31,250. The grants shall be awarded by the department of education to community groups representing persons of the following racial-ethnic heritages:

- (1) African-American;
- (2) American Indian;
- (3) Asian-Pacific; and
- (4) Hispanic.

At least one grant shall be awarded on behalf of persons in each racial-ethnic group in clauses (1) to (4).

The grants shall be used to enhance cross-cultural understanding among K-12 students and staff. The community groups that receive grants shall work with school districts to present or develop programs for students or staff.

The department shall develop criteria in consultation with the State Multicultural Education Advisory Council for awarding grants to community groups to develop cross-cultural understanding. Community groups must meet the criteria developed by the department and the committee in order to receive a grant.

(c) Any balance from the 1994 appropriation does not cancel but is available for fiscal year 1995.

Subd. 11. [NETT LAKE UNEMPLOYMENT COMPENSATION.] For grants to independent school district No. 707, Nett Lake, for the payment of obligations of the school district for unemployment compensation:

\$20,000	.....	1994
\$20,000	.....	1995

The appropriation must be paid to the appropriate state agency for such purposes in the name of the school district.

Subd. 12. [SUMMER FOOD SERVICE INCENTIVES.] For an increase of up to 30 in the number of department approved summer food service programs:

\$30,000	1994
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The appropriation is available until June 30, 1995.

Each new program sponsor is eligible for a \$1,000 grant.

Sec. 15. [BOARD OF TEACHING APPROPRIATION.]

Subdivision 1. [BOARD OF TEACHING.] The sums indicated in this section are appropriated from the general fund to the board of teaching in the fiscal year indicated.

Subd. 2. [FELLOWSHIP GRANTS.] (a) For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

<u>\$100,000</u>	.....	<u>1994</u>
<u>\$100,000</u>	.....	<u>1995</u>

(b) A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Sec. 16. [EFFECTIVE DATE.]

Sections (Laws 1991, chapter 265 and fund transfer) are effective the day following final enactment.

Section (plan for state skills exam) is effective the day after final enactment.

ARTICLE 9

CHOICE PROGRAMS

Section 1. Minnesota Statutes 1992, section 120.062, subdivision 5, is amended to read:

Subd. 5. [DESEGREGATION DISTRICT TRANSFERS.] (a) This subdivision applies to a transfer into or out of a district that has a desegregation plan approved by the state board of education.

(b) An application to transfer may be submitted at any time for enrollment beginning at any time.

(c) The parent or guardian of a pupil who is a resident of a district that has a desegregation plan must submit an application to the resident district. If the district accepts the application, it must forward the application to the nonresident district.

(d) The parent or guardian of a pupil who applies for enrollment in a nonresident district that has a desegregation plan must submit an application to the nonresident district.

(e) Each district must accept or reject an application it receives and notify the parent or guardian in writing within 30 calendar days of receiving the application. A notification of acceptance must include the date enrollment can begin.

(f) If an application is rejected, the district must state the reason for rejection in the notification. If a district that has a desegregation plan rejects an application for a reason related to the desegregation plan, the district must state with specificity how acceptance of the application would result in noncompliance with state board rules with respect to the school or program for which application was made.

(g) If an application is accepted, the parent or guardian must notify the nonresident district in writing within 15 calendar days of receiving the acceptance whether the pupil intends to enroll in the nonresident district. Notice of intention to enroll obligates the pupil to enroll in the nonresident district, unless the school boards of the resident and nonresident districts agree otherwise. If a parent or guardian does not notify the nonresident district, the pupil may not enroll in that nonresident district at that time, unless the school boards of the resident and nonresident district agree otherwise.

(h) Within 15 calendar days of receiving the notice from the parent or guardian, the nonresident district shall notify the resident district in writing of the pupil's intention to enroll in the nonresident district.

(i) A pupil enrolled in a nonresident district under this subdivision is not required to make annual or periodic application for enrollment but may remain enrolled in the same district. A pupil may transfer to the resident district at any time.

(j) A pupil enrolled in a nonresident district and applying to transfer into or out of a district that has a desegregation plan must follow the procedures of this subdivision. For the purposes of this type of transfer, "resident district" means the nonresident district in which the pupil is enrolled at the time of application.

(k) A district that has a desegregation plan approved by the state board of education must accept or reject each individual application in a manner that will enable compliance with its desegregation plan.

(l) Notwithstanding paragraphs (f) and (k) of this section, a district that has a desegregation plan must accept the application of a resident pupil who applies to enroll in a nonresident district that has a desegregation plan. A district that has a desegregation plan may reject the application for enrollment of a nonresident pupil who resides in a district with a desegregation plan only under subdivision 3.

Sec. 2. Minnesota Statutes 1992, section 120.062, is amended by adding a subdivision to read:

Subd. 13. [ATHLETIC PARTICIPATION.] (a) If a pupil enrolls in a nonresident district under this section, the pupil is ineligible to participate in the extracurricular varsity or junior varsity athletic activities of the nonresident district for one school year. During the year of ineligibility in the nonresident district, the pupil remains eligible to participate in the extracurricular varsity or junior varsity athletic activities of the pupil's resident district or of the nonpublic school the pupil attended before enrolling in a public school under this section. After the year of ineligibility expires, the pupil is eligible to participate in the extracurricular varsity or junior varsity athletic activities in the nonresident district or in the resident district or nonpublic school the pupil attended before enrolling in public school under this section. The pupil must not participate in extracurricular varsity or junior varsity activities in both the resident district and the nonresident district. The same restrictions apply to a pupil who transfers from one participating nonresident district to another participating nonresident district.

(b) A pupil may submit a request, in writing, to the school board of the resident district for permission to participate in the extracurricular varsity or junior varsity athletic activities of the nonresident district during the year of ineligibility. The board must grant permission if it determines that any of the following conditions apply:

(1) the extracurricular varsity or junior varsity athletic activity is not offered by the pupil's resident district or by the nonresident district from which the pupil is transferring;

(2) the pupil was denied equal opportunity to participate in extracurricular varsity or junior varsity athletic activities in the resident district or nonresident district from which the pupil is transferring because of inequity in access as described under section 126.21;

(3) the extracurricular varsity or junior varsity athletic activities of the resident district are not accessible, in terms of transportation, to the pupil;

(4) the pupil is eligible for the high school graduation incentives program under section 126.22, subdivision 2.

(c) If the resident district determines that a pupil may not participate in the nonresident district, the pupil may appeal the decision to the commissioner of education. The commissioner must consider only the criteria in paragraph (b) when acting on the appeal. The nonresident district may submit information to the commissioner for the appeal.

A school board meeting that includes consideration of pupil appeals under this subdivision must comply with the provisions of section 471.705, subdivision 1d.

Sec. 3. Minnesota Statutes 1992, section 120.0621, is amended to read:

120.0621 [ENROLLMENT OPTIONS PROGRAMS IN BORDER STATES.]

Subdivision 1. [OPTIONS FOR ENROLLMENT IN ADJOINING STATES.] Minnesota pupils and pupils residing in adjoining states may enroll in school districts in the other state according to:

(1) section 120.08, subdivision 2; or

(2) this section.

Subd. 2. [PUPILS IN MINNESOTA.] A Minnesota resident pupil may enroll in a school district in an adjoining state if the district is located in a county that to be attended borders Minnesota.

Subd. 3. [PUPILS IN BORDERING STATES.] A non-Minnesota pupil who resides in an adjoining state in a county school district that borders Minnesota may enroll in a Minnesota school district if either the school board of the

district in which the pupil resides or state in which the pupil resides pays tuition to the school district in which the pupil is enrolled. ~~The tuition must be an amount that is at least comparable to the tuition specified in section 120.08, subdivision 1.~~

Subd. 4. [PROCEDURAL REQUIREMENTS.] Except as otherwise provided in this section, the rights and duties set forth in section 120.062 apply to Minnesota pupils, parents, and school districts if a pupil enrolls in a nonresident district according to this section.

Subd. 5. [AID ADJUSTMENTS.] ~~The state of Minnesota shall make adjustments to general education aid, capital expenditure facilities aid, and capital expenditure equipment aid according to sections 124A.036, subdivision 5, and 124.245, subdivision 6, respectively, for the resident district of a Minnesota pupil enrolled in another state according to this section. The state of Minnesota shall reimburse the nonresident district, according to section 120.08, subdivision 1, in which a Minnesota pupil is enrolled according to this section.~~

Subd. 5a. [TUITION PAYMENTS.] In each odd-numbered year, before March 1, the state board of education shall agree to rates of tuition for Minnesota elementary and secondary pupils attending in other states for the next two fiscal years. The board shall negotiate equal, reciprocal rates with the designated authority in each state for pupils who reside in an adjoining state and enroll in a Minnesota school district. The rates must be at least equal to the tuition specified in section 120.08, subdivision 1. The tuition rate for a pupil with a disability must be equal to the actual cost of instruction and services provided. The resident district of a Minnesota pupil attending in another state under this section must pay the amount of tuition agreed upon in this section to the district of attendance, prorated on the basis of the proportion of the school year attended.

Subd. 5b. [TRANSPORTATION OF STUDENTS.] (a) The agreement under subdivision 5a with each state must specify that the attending district in each state transport a pupil from the district boundary to the school of attendance.

(b) Notwithstanding paragraph (a), the districts of residence and attendance may agree that either district may provide transportation from a pupil's home or agreed upon location to school. Transportation aid for Minnesota students eligible for aid shall be paid only for transportation within the resident district.

Subd. 6. [EFFECTIVE IF RECIPROCAL.] This section is effective with respect to South Dakota upon enactment of provisions by South Dakota that are essentially similar to the ~~rights and duties of provisions for Minnesota pupils residing in districts located in all South Dakota counties that border Minnesota in this section.~~ After July 1, 1993, this section is effective with respect to any other bordering state upon enactment of provisions by the bordering state that are essentially similar to the ~~rights and duties of pupils residing in and districts located in all counties that border provisions for Minnesota pupils in this section.~~

Sec. 4. Minnesota Statutes 1992, section 120.064, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] (a) A school board may sponsor an outcome-based school.

(b) A school board may authorize a maximum of two outcome-based schools. No more than a total of ~~eight~~ 16 outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Sec. 5. Minnesota Statutes 1992, section 120.064, subdivision 4, is amended to read:

Subd. 4. [FORMATION OF SCHOOL.] (a) A sponsor may authorize one or more licensed teachers under section 125.05, subdivision 1, to form and operate an outcome-based school subject to approval by the state board of education. The teachers shall organize and operate a school as a cooperative under chapter 308A or nonprofit corporation under chapter 317A.

(b) Before a teacher may begin to form and operate a school, the sponsor must file an affidavit with the state board of education stating its intent to authorize an outcome-based school. The affidavit must state the terms and conditions under which the sponsor would authorize an outcome-based school. The state board must approve or disapprove the sponsor's proposed authorization within 30 days of receipt of the affidavit. In approving or disapproving an affidavit, the state board must consider the number of approved outcome-based schools already located in a district. Failure to obtain state board approval precludes a sponsor from authorizing the outcome-based school that was the subject of the affidavit.

(c) The teachers authorized to organize and operate a school shall hold an election for members of the school's board of directors. All staff members employed at the school and all parents of children enrolled in the school may participate in the election. Licensed teachers employed at the school must be a majority of the members of the board of directors.

(d) The sponsor's authorization for an outcome-based school shall be in the form of a written contract signed by the sponsor and the board of directors of the outcome-based school.

Sec. 6. Minnesota Statutes 1992, section 120.101, subdivision 5, is amended to read:

Subd. 5. [AGES AND TERMS.] For the 1988-1989 school year and the school years thereafter, every child between seven and 16 years of age shall receive instruction for at least ~~170~~ the number of days each year required under subdivision 5b. For the 2000-2001 school year and later school years, every child between seven and 18 years of age shall receive instruction for at least ~~170~~ the number of days each year required under subdivision 5b. Every child under the age of seven who is enrolled in a half-day kindergarten, or a full-day kindergarten program on alternate days, or other kindergarten programs shall receive instruction at least equivalent to ~~170 half days~~ half of each day for the number of days each year set out in subdivision 5b. Except as provided in subdivision 5a, a parent may withdraw a child under the age of seven from enrollment at any time.

Sec. 7. Minnesota Statutes 1992, section 120.101, subdivision 5b, is amended to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruction for at least ~~the number of 170 days through the 1994-1995 school year, and for later years, at least the number of days per school year required~~ in the following schedule:

- (1) 1995-1996, 172;
- (2) 1996-1997, 174;
- (3) 1997-1998, 176;
- (4) 1998-1999, 178;
- (5) 1999-2000, 180;
- (6) 2000-2001, 182;
- (7) 2001-2002, 184;
- (8) 2002-2003, 186;
- (9) 2003-2004, 188; and
- (10) 2004-2005, and later school years, 190.

Sec. 8. Minnesota Statutes 1992, section 120.102, subdivision 1, is amended to read:

Subdivision 1. [REPORTS TO SUPERINTENDENT.] The person in charge of providing instruction to a child shall submit the following information to the superintendent of the district in which the child resides:

- (1) by October 1 of each school year, the name, age, and address of each child receiving instruction;
- (2) the name of each instructor and evidence of compliance with one of the requirements specified in section 120.101, subdivision 7;
- (3) an annual instructional calendar showing that instruction will occur on at least ~~170~~ the number of days required under section 120.101, subdivision 5b; and

(4) for each child instructed by a parent who meets only the requirement of section 120.101, subdivision 7, clause (6), a quarterly report card on the achievement of the child in each subject area required in section 120.101, subdivision 6.

Sec. 9. Minnesota Statutes 1992, section 120.73, subdivision 1, is amended to read:

Subdivision 1. A school board is authorized to require payment of fees in the following areas:

- (a) in any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;
- (b) admission fees or charges for extra curricular activities, where attendance is optional;
- (c) a security deposit for the return of materials, supplies, or equipment;
- (d) personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the school board;
- (e) items of personal use or products which a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;
- (f) fees specifically permitted by any other statute, including but not limited to section 171.04, subdivision 1, clause (1);
- (g) field trips considered supplementary to a district educational program;
- (h) any authorized voluntary student health and accident benefit plan;
- (i) for the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;
- (j) transportation of pupils to and from extra curricular activities conducted at locations other than school, where attendance is optional;
- (k) transportation of pupils to and from school for which aid is not authorized under section 124.223, subdivision 1, and for which levy is not authorized under section 124.226, subdivision 5, if a district charging fees for transportation of pupils establishes guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;
- (l) motorcycle classroom education courses conducted outside of regular school hours; provided the charge shall not exceed the actual cost of these courses to the school district;

(m) transportation to and from post-secondary institutions for pupils enrolled under the post-secondary enrollment options program. Transportation shall be provided on existing routes on a space available basis. The routes cannot be designed or expanded to accommodate these pupils. Fees collected for this service must be reasonable and shall be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 123.3514, subdivision 8, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts shall allocate costs based on the number of pupils riding the route.

Sec. 10. Minnesota Statutes 1992, section 121.16, subdivision 1, is amended to read:

Subdivision 1. The department shall be under the administrative control of the commissioner of education which office is established. The commissioner shall be the secretary of the state board. ~~The governor shall appoint the commissioner shall be appointed by the state board with the approval of the governor~~ under the provisions of section 15.06. ~~For purposes of section 15.06, the state board is the appointing authority.~~

The commissioner shall be a person who possesses educational attainment and breadth of experience in the administration of public education and of the finances pertaining thereto commensurate with the spirit and intent of this code. Notwithstanding any other law to the contrary, the commissioner may appoint two deputy commissioners who shall serve in the unclassified service. The commissioner shall also appoint other employees as may be necessary.

for the organization of the department. The commissioner shall perform such duties as the law and the rules of the state board may provide and be held responsible for the efficient administration and discipline of the department. The commissioner shall make recommendations to the board and be charged with the execution of powers and duties which the state board may prescribe, from time to time, to promote public education in the state, to safeguard the finances pertaining thereto, and to enable the state board to carry out its duties.

Sec. 11. Minnesota Statutes 1992, section 121.901, subdivision 2, is amended to read:

Subd. 2. The council shall ~~expire, and~~ on June 30, 1997. The terms and removal of members shall be as provided in section 15.059. The state board shall determine the length of terms of the initial members consistent with section 15.059.

Sec. 12. Minnesota Statutes 1992, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board appointed by the governor is established. Section 15.059, subdivisions 2, ~~and 4, and 5,~~ shall govern membership terms, removal of members, ~~expiration,~~ and filling of membership vacancies. The council shall expire on June 30, 1997.

Sec. 13. Minnesota Statutes 1992, section 123.3514, subdivision 5, is amended to read:

Subd. 5. [CREDITS.] A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit. A pupil must not audit a course under this section.

A school district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. ~~Nine Seven~~ quarter or ~~six four~~ semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A school district shall also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district shall, as soon as possible, notify the state board of education, which shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the state board of education. The state board's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and secondary credits granted shall be included in the pupil's secondary school record. A pupil must provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record shall also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record shall indicate that the credits were earned at a post-secondary institution.

If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution shall award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

Sec. 14. Minnesota Statutes 1992, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A ~~public post-secondary system or private post-secondary~~ institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each ~~public post-secondary system and to each private~~ institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the ~~post-secondary system or~~ institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a ~~post-secondary system or~~ institution that an overpayment has been made, the ~~system or~~ institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary school, 12 percent of the formula allowance, according to section 124A.22, subdivision 2, times 1.3; or

(2) for a pupil who attends a secondary school part time, the formula allowance, according to section 124A.22, subdivision 2, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit, to 1020 hours.

Sec. 15. Minnesota Statutes 1992, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only.

A ~~public post-secondary system or private~~ post-secondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each ~~public post-secondary system and to each private~~ institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the ~~post-secondary system or~~ institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a ~~post-secondary system or~~ institution that an overpayment has been made, the ~~system or~~ institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 16. Minnesota Statutes 1992, section 123.3514, subdivision 6c, is amended to read:

Subd. 6c. [FINANCIAL ARRANGEMENTS FOR COURSES PROVIDED ACCORDING TO AGREEMENTS.] (a) The agreement between a school board and the governing body of a public post-secondary system or private post-secondary institution shall set forth the payment amounts and arrangements, if any, from the school board to the post-secondary institution. No payments shall be made by the department of education according to subdivision 6 or 6b. For the purpose of computing state aids for a school district, a pupil enrolled according to subdivision 4e shall be counted in the average daily membership of the school district as though the pupil were enrolled in a secondary course that is not offered in connection with an agreement. Nothing in this subdivision shall be construed to prohibit a public post-secondary system or private post-secondary institution from receiving additional state funding that may be available under any other law.

(b) If a course is provided under subdivision 4e, offered at a secondary school, and taught by a secondary teacher, the post-secondary system or institution must not require a payment from the school board that exceeds the cost to the post-secondary institution that is directly attributable to providing that course.

Sec. 17. Minnesota Statutes 1992, section 123.935, subdivision 7, is amended to read:

Subd. 7. [NONPUBLIC EDUCATION COUNCIL.] The commissioner shall appoint a 15-member council on nonpublic education. The 15 members shall represent various areas of the state, represent various methods of providing nonpublic education, and shall be knowledgeable about nonpublic education. The compensation, removal of members, filling of vacancies, and terms are governed by section 15.0575. The council ~~expires as provided in section 15.059, subdivision 5 shall not expire.~~ The council shall advise the commissioner and the state board on nonpublic school matters under this section. The council may recognize educational accrediting agencies, for the sole purpose of sections 120.101, 120.102, and 120.103. When requested by the commissioner or the state board, the council may submit its advice about other nonpublic school matters.

Sec. 18. Minnesota Statutes 1992, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:

(1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or

(2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as one pupil unit.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 19. Minnesota Statutes 1992, section 124.17, is amended by adding a subdivision to read:

Subd. 2f. [PSEO PUPILS.] The average daily membership for a student participating in the post-secondary enrollment options program equals the lesser of

(1) 1.00, or

(2) the greater of

(i) .12, or

(ii) the ratio of the number of hours the student is enrolled in the secondary school to the product of the number of days required in section 120.101, subdivision 5b, times the minimum length of day required in Minnesota Rules, part 3500.1500, subpart 1.

Sec. 20. Minnesota Statutes 1992, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least ~~170~~ 175 days through the 1994-1995 school year and the number of days required in ~~section 120.101, subdivision 5b 1b~~ thereafter, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt is made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the 1994-1995 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 5b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 21. Minnesota Statutes 1992, section 124.248, subdivision 4, is amended to read:

Subd. 4. [OTHER AID, GRANTS, REVENUE.] (a) An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district. However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

(b) Any state nongeneral fund revenue received from any public source, other than revenue that is specifically allowed for operational, maintenance, and capital expenditure equipment costs under this section, may be used only for the planning and operational start-up costs of an outcome-based school. Any unexpended nongeneral fund revenue from any source must be returned to that revenue source or conveyed to the school district, at the discretion of the revenue source.

Sec. 22. Minnesota Statutes 1992, section 124.48, subdivision 3, is amended to read:

Subd. 3. [INDIAN SCHOLARSHIP COMMITTEE.] The Minnesota Indian scholarship committee is established. Members shall be appointed by the state board with the assistance of the Indian affairs council as provided in section 3.922, subdivision 6. Members shall be reimbursed for expenses as provided in section 15.059, subdivision 6. The state board shall determine the membership terms and duration of the committee, which expires no later than ~~the date provided in section 15.059, subdivision 5~~ June 30, 1997. The committee shall provide advice to the state board in

awarding scholarships to eligible American Indian students and in administering the state board's duties regarding awarding of American Indian post-secondary preparation grants to school districts.

Sec. 23. Minnesota Statutes 1992, section 125.1885, subdivision 3, is amended to read:

Subd. 3. [PROGRAM APPROVAL.] ~~(a) The state board of education shall approve alternative preparation programs based on criteria adopted by the board, after receiving recommendations from an advisory task force appointed by the board.~~

(b) An alternative preparation program at a school district, group of schools, or an education district must be affiliated with a post-secondary institution that has a graduate program in educational administration for public school administrators.

Sec. 24. Minnesota Statutes 1992, section 126.665, is amended to read:

126.665 [STATE CURRICULUM ADVISORY COMMITTEE.]

The commissioner shall appoint a state curriculum advisory committee of 11 members to advise the state board and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, parents, teachers, administrators, and school board members. Each member shall be a present or past member of a district curriculum advisory committee. The state committee shall provide information and recommendations about at least the following:

- (1) department procedures for reviewing and approving reports and disseminating information;
- (2) exemplary PER processes;
- (3) recommendations for improving the PER process and reports; and
- (4) developing a continuous process for identifying and attaining essential learner outcomes.

The committee expires as provided in section 15.059, subdivision 5 on June 30, 1997.

Sec. 25. [126.80] [SECONDARY CREDIT FOR EIGHTH GRADE STUDENTS.]

A student in eighth grade who satisfactorily completes at least 120 hours of instruction in a high school course is eligible to receive secondary course credit and the credit shall count toward the student's graduation requirements.

Sec. 26. Minnesota Statutes 1992, section 127.15, is amended to read:

127.15 [DEALING IN SCHOOL SUPPLIES.]

Except as provided for in sections 471.87 and 471.88, no teacher in the public schools, nor any state, county, town, city, or district school officer, including any superintendent of schools, or any member of any school board, nor any person connected with the public school system in any capacity, shall be interested directly or indirectly in the sale, proceeds, or profits of any book, apparatus, or furniture used, or to be used, in any school with which the person is connected in any official capacity. Any person violating any of the provisions of this section shall forfeit not less than \$50, nor more than \$200 for each such offense. This section shall not apply to a person who may have an interest in the sale of any book of which that person is the author. Nothing in this section shall prohibit the spouse of an employee or officer covered by this section from contracting with the school district for the sale or lease of books, apparatus, furniture, or other supplies to be used in a school with which the employee or officer is connected in any official capacity, as long as the employee's or officer's position does not involve approving contracts for supplies and the school board unanimously approves the transaction.

Sec. 27. Minnesota Statutes 1992, section 127.455, is amended to read:

127.455 [MODEL POLICY.]

The commissioner of education shall maintain and make available to school boards a model sexual, religious, and racial harassment and violence policy. The model policy shall address the requirements of section 127.46.

Each school board shall submit to the commissioner of education a copy of the sexual, religious, and racial harassment and sexual, religious, and racial violence policy the board has adopted.

Sec. 28. Minnesota Statutes 1992, section 127.46, is amended to read:

127.46 [SEXUAL, RELIGIOUS, AND RACIAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual, religious, and racial harassment and sexual, religious, and racial violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted throughout each school building and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual, religious, and racial harassment and violence policy with students and school employees.

Sec. 29. Minnesota Statutes 1992, section 128A.03, subdivision 2, is amended to read:

Subd. 2. [TERMS, PAY, REMOVAL, EXPIRATION.] The terms, pay, and provisions for removal of members, ~~and for the expiration of the council~~ are in section 15.059, subdivisions 2, 3, and 4, and 5. The council shall expire on June 30, 1997.

Sec. 30. Minnesota Statutes 1992, section 134.31, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] The commissioner shall appoint an advisory committee of five members to advise the staff of the Minnesota library for the blind and physically handicapped on long-range plans and library services. Members shall be people who use the library. Section 15.059 governs this committee except that the committee shall expire on June 30, 1997.

Sec. 31. Laws 1992, chapter 499, article 8, section 33, is amended to read:

Sec. 33. [STATE BOARD GRADUATION RULE.]

The state board of education shall submit a progress report to the education committees of the legislature a progress report about on the proposed high school graduation rule by February 1, 1993, and a final report about the proposed rule by January 1, 1994. Representatives of the state board of education and the state department of education shall meet with interested members of the education committees of the legislature to discuss the specific progress being made in developing an amended high school graduation rule. At least 30 days before the rule is finally adopted, the chairs of the education committees and other interested committee members shall meet with representatives of the state board to review all the materials that are part of the official rulemaking record for the amended graduation rule. Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, the state board of education may continue its proceedings to adopt a high school graduation rule but must not take final action under Minnesota Statutes, sections 14.131 to 14.20 to adopt the rule before July 1, 1994. The 180-day time limit in Minnesota Statutes, section 14.19, does not apply to the rule.

Sec. 32. [MINNESOTA RULES, CHAPTER 3535.]

(a) Notwithstanding Minnesota Statutes, section 121.11, subdivision 12, or any other law to the contrary, and before amending any existing rule under Minnesota Rules, chapter 3535, the state board of education shall engage representatives of the metropolitan area school districts and independent school district No. 709, Duluth, and other affected or interested school districts and members of the public in public discussions concerning the amendments the board is proposing to chapter 3535. The discussions shall include, but are not limited to:

(1) what concrete steps local school districts must take to eliminate and avoid racial and ethnic segregation in their schools;

(2) how the enrollment options program under Minnesota Statutes, section 120.062, can be used to achieve school desegregation and integration;

(3) how all students enrolled in a school district with a school desegregation/integration plan may fully participate in the open enrollment options program under Minnesota Statutes, section 120.062, without the district violating the desegregation/integration plan;

(4) how the state will hold local school districts accountable for proposed actions that may have an impact on the racial composition of a school;

(5) what state conduct is being proposed to discourage school or residential segregation; and

(6) what review of demographic and other conditions within affected school districts will take place before an amended rule is formally adopted.

(b) The state board shall include as part of the official rulemaking record all comments made and all documents submitted to the board during the public discussions under paragraph (a).

Sec. 33. [1992 PSEO PART-TIME SECONDARY PUPILS.]

For fiscal year 1992, for a pupil who attended a post-secondary institution under Minnesota Statutes, section 123.3514, and attended a secondary school part time, a district shall receive revenue on behalf of the pupil under Minnesota Statutes, sections 124.12, subdivision 1, and 124.17, subdivision 2f, plus 12 percent of the formula allowance according to Minnesota Statutes 1992, section 124A.22, subdivision 2, times 1.3.

Sec. 34. [EDUCATION APPROPRIATION ACCOUNTS.]

Notwithstanding any law to the contrary, the education aid appropriation accounts relating to fiscal year 1992 shall remain open on the statewide accounting system, and the commissioner of finance shall transfer amounts among accounts and make transactions as requested by the commissioner of education as necessary to accomplish the retroactive provisions of (sections 123.3514, subd. 6; and 124.17, subs. 1 and 2), and the provisions of section 124.14, subdivision 7, for fiscal year 1992.

Sec. 35. [CHANGE-ORIENTED SCHOOLS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] (a) A five-year pilot project is established to permit up to three project participants selected by the commissioner of education to develop and implement substantive changes in a school's educational program and operational structure. A project may be extended one time for up to an additional five years at the commissioner's discretion.

(b) The purpose of the pilot project is to identify innovative educational strategies that effectively improve public education by:

(1) increasing students' academic and vocational abilities and educational opportunities through relevant, readily measurable, and clearly defined interdisciplinary subject matter and skills-oriented outcomes and performance standards;

(2) promoting innovative approaches to teaching through meaningful, site-based decision making; and

(3) developing a service-oriented management and operational structure that allows school staff at the school site to identify students' educational needs and effectively allocate resources to meet those needs.

Subd. 2. [ELIGIBILITY; APPLICATIONS.] The commissioner shall make application forms available to schools interested in developing and implementing the substantive changes described in this section. A school may apply to participate in the project after receiving approval to apply from the school board of the school district in which the school is located. The commissioner may approve a maximum of three applications before July 1, 1993. To the extent possible, the approved applications must reflect innovative educational strategies that improve public education and are geographically distributed throughout the state.

Subd. 3. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) creating a site-based management team, composed of the school principal, teachers, other school employees, parents of students enrolled in the school, and other determined by the team to be appropriate team members, that are responsible for managing the school's educational program and operational structure;
- (2) developing a relevant, appropriately rigorous, interdisciplinary curriculum;
- (3) periodically assessing the knowledge and skills of students, and the efficacy of teachers and administrators according to clearly defined substantive outcomes and measurable performance standards;
- (4) providing in-service training to implement innovative educational strategies;
- (5) using available public and private educational and financial resources at the local, state, and national levels; and
- (6) sharing educational findings, materials, and techniques with other school districts.

Subd. 4. [EXEMPTIONS; REQUIREMENTS.] (a) Except as otherwise provided in this section, a school participating in the pilot project is exempt from all state statutes and rules applicable to a school board or school district, although it may elect to comply with one or more state statutes and rules.

(b) Applicants selected to participate in the project must:

- (1) meet the health and safety requirements applicable to other school districts;
- (2) ensure that all facets of the program are nonsectarian;
- (3) provide a comprehensive education program for all enrolled students;
- (4) comply with Minnesota Statutes, section 126.21, and chapter 363;
- (5) comply with the pupil fair dismissal law, Minnesota Statutes, sections 127.26 to 127.39, and the Minnesota public school fee law, Minnesota Statutes, sections 120.71 to 120.76;
- (6) be subject to the same audit requirements as other school districts;
- (7) function as other school districts for the purposes of tort liability under Minnesota Statutes, chapter 466;
- (8) design and implement measurable education program outcomes at least equivalent to the entrance requirements of the University of Minnesota if the participating school is a high school;
- (9) comply with Minnesota Statutes, sections 120.03 and 120.17, and rules governing the education of disabled children;
- (10) provide instruction each year for at least the minimum number of days required by Minnesota Statutes, section 120.101, subdivisions 5 and 5b, or according to Minnesota Statutes, sections 120.59 to 120.67 or 121.585;
- (11) provide transportation to students enrolled at a school located within the district according to Minnesota Statutes, sections 120.062, subdivision 9, and 123.39, subdivision 6;
- (12) permit teachers employed by the district to teach at another site within the district;
- (13) function as other school districts for purposes of suing and being sued;
- (14) comply with election laws applicable to school district elections under Minnesota Statutes, section 123.11 and chapter 205A;
- (15) comply with all teacher licensure requirements in statute and rule; and
- (16) comply with all employment laws applicable to school district employees.

Subd. 5. [REPORTS.] Pilot project participants must provide a clear and concise report at least annually by October 1 to the commissioner discussing:

- (1) the state statutes and rules with which the project participant is not complying, as permitted in subdivision 4;
- (2) how not complying with state statutes and rules improves learning and educational effectiveness;
- (3) the financial impact of not complying with state statutes and rules;
- (4) the educational progress the project participant made during the previous school year;
- (5) the education goals of the project participant for the current school year; and
- (6) any other information the commissioner requests.

Sec. 36. [REPEALER.]

Minnesota Statutes 1992, sections 120.0621, subdivision 5, and 121.87, are repealed.

Sec. 37. [EFFECTIVE DATES.]

Section (120.062, subdivision 13) is effective the day following its final enactment and applies to pupils attending a nonresident district under Minnesota Statutes, section 120.062, in 1993-1994 and later school years. Notwithstanding Minnesota Statutes 1992, section 120.062, subdivision 6, a pupil who has notified a nonresident district of the pupil's intent to enroll under Minnesota Statutes, section 120.062, for the 1993-1994 school year as of the effective date of section (120.062, subdivision 13) and who does not want to attend the nonresident district because of the requirements in section (120.062, subdivision 13), may attend school in the resident district for the 1993-1994 school year if the pupil notifies the school boards of the nonresident and resident districts in writing by August 1, 1993, of the pupil's intent to attend the resident district for the 1993-1994 school year.

Section (121.16, subdivision 1) is effective when the term of the office of governor ends on the first Monday in January 1995.

Sections (123.3514, subdivision 6; 124.17, subdivision 1; and 124.17, subdivision 2f) are effective retroactive to July 1, 1991, and apply for fiscal years 1992 and thereafter.

Section (Laws 1992, chapter 499, article 8, section 33) is effective the day after final enactment.

Section (change oriented schools) is effective the day after its final enactment.

ARTICLE 10

LIBRARIES

Section 1. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years designated.

Subd. 2. [BASIC SUPPORT GRANTS.] For basic support grants according to Minnesota Statutes, sections 134.32 to 134.35:

<u>\$7,819,000</u>	<u>.....</u>	<u>1994</u>
<u>\$7,819,000</u>	<u>.....</u>	<u>1995</u>

The 1994 appropriation includes \$1,172,000 for 1993 and \$6,647,000 for 1994.

The 1995 appropriation includes \$1,172,000 for 1994 and \$6,647,000 for 1995.

Subd. 3. [MULTICOUNTY, MULTITYPE LIBRARY SYSTEMS.] For grants according to Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<u>\$527,000</u>	<u>.....</u>	<u>1994</u>
<u>\$527,000</u>	<u>.....</u>	<u>1995</u>

The 1994 appropriation includes \$79,000 for 1993 and \$448,000 for 1994.

The 1995 appropriation includes \$79,000 for 1994 and \$448,000 for 1995.

Subd. 4. [STATE AGENCY LIBRARIES.] For maintaining and upgrading the online computer-based library catalog system in state agency libraries:

<u>\$30,000</u>	<u>.....</u>	<u>1994</u>
<u>\$30,000</u>	<u>.....</u>	<u>1995</u>

Any balance in the first year does not cancel and is available in the second year. These amounts are added to amounts included in the appropriation for the department of education budget that are for the same purpose.

ARTICLE 11

STATE AGENCIES

Section 1. [121.163] [FEDERAL AID TO EDUCATION.]

Subdivision 1. [ACCEPTANCE.] The commissioner may accept and administer federal funds when such funds become available that further public education and are consistent with state policy and the mission of the department. Acceptance of the money is subject to department of finance policy and procedure regarding federal funds.

Subd. 2. [STATE PLANS.] If the granting federal agency requires a state plan addressing policy for expenditure, the state board shall adopt a state plan in conformity with state and federal regulations and guidelines prior to commissioner acceptance.

Subd. 3. [DEPOSITORY.] The state treasurer is the custodian of all money received from the United States on account of the acceptance and shall disburse the money on requisitioning of the commissioner through the state payment system for purposes consistent with the respective acts of congress and federal grant.

Sec. 2. [128A.11] [STUDENT ACTIVITIES ACCOUNT.]

Subdivision 1. [STUDENT ACTIVITIES; RECEIPTS; APPROPRIATION.] All receipts of any kind generated to operate student activities, including student fees, donations and contributions, and gate receipts must be deposited in the state treasury. The receipts are appropriated annually to the residential academies for student activities purposes. They are not subject to budgetary control by the commissioner of finance.

Subd. 2. [TO STUDENT ACTIVITIES ACCOUNT.] The money appropriated in subdivision 1 to the residential academies for student activities must be credited to a Faribault academies' student activities account and may be spent only for Faribault academies' student activities purposes.

Subd. 3. [CARRYOVER.] An unexpended balance in the Faribault academies' student activities account may be carried over from the first fiscal year of the biennium into the second fiscal year of the biennium and from one biennium to the next. The amount carried over must not be taken into account in determining state appropriations and must not be deducted from a later appropriation.

Subd. 4. [SPECIFICALLY INCLUDED AMONG RECEIPTS.] Any money generated by a Faribault academies' student activity that involves:

- (1) state employees who are receiving compensation for their involvement with the activity;
- (2) the use of state facilities; or

(3) money raised for student activities in the name of the residential academies is specifically included among the kinds of receipts that are described in subdivision 1.

Sec. 3. Minnesota Statutes 1992, section 129C.10, subdivision 1, is amended to read:

Subdivision 1. [GOVERNANCE.] The board of the Minnesota center for arts education shall consist of 15 persons, one of whom shall be knowledgeable in the field of special education. The members of the board shall be appointed by the governor with the advice and consent of the senate. At least one member must be appointed from each congressional district.

Sec. 4. Minnesota Statutes 1992, section 129C.10, is amended by adding a subdivision to read:

Subd. 3b. [APPEAL.] A parent who disagrees with a board action that adversely affects the academic program of an enrolled pupil may appeal the board's action to the state board of education within 30 days of the board's action. The decision of the state board of education shall be binding on the board. The board shall inform each pupil and parent at the time of enrolling of a parent's right to appeal a board action affecting the pupil's academic program.

Sec. 5. [APPLICABILITY.]

The requirement under Minnesota Statutes, section 129C.10, subdivision 1, that a board member be knowledgeable in the field of special education shall apply to appointments to the board made after the effective date of this act.

Sec. 6. [MINNESOTA CENTER FOR ARTS EDUCATION APPROPRIATIONS.]

The sums indicated in this section are appropriated from the general fund to the Minnesota center for arts education for the fiscal years indicated:

<u>\$4,895,000</u>	.....	<u>1994</u>
<u>\$4,895,000</u>	.....	<u>1995</u>

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

The Minnesota center for arts education may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions. Notwithstanding other law to the contrary, actual employment levels are limited by the availability of state funds appropriated for salaries, benefits and agency operations or funds available from other sources for such purposes.

In the next biennial budget, the Minnesota center for arts education must assess its progress in meeting its established performance measures and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 7. [FARIBAULT ACADEMIES APPROPRIATION.]

The sums indicated in this section are appropriated from the general fund to the department of education for the Faribault Academies:

<u>\$7,844,000</u>	.....	<u>1994</u>
<u>\$8,113,000</u>	.....	<u>1995</u>

Any balance in the first year does not cancel and is available for the second year.

The state board of education may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions of the Faribault academies. Notwithstanding other law to the contrary, actual employment levels are limited by the availability of state funds appropriated for salaries, benefits and agency operations or funds available from other sources for such purposes.

In the next biennial budget, the state board of education must assess its progress in meeting its established performance measures for the Faribault academies and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 8. [DEPARTMENT OF EDUCATION APPROPRIATIONS.]

The sums indicated in this section are appropriated from the general fund, unless otherwise indicated, to the department of education for the fiscal years designated.

\$14,639,000	....	1994
\$14,662,000	....	1995

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

\$21,000 each year is from the trunk highway fund.

\$75,000 each year is from the alcohol-impaired driver education account in the special revenue fund.

\$104,000 each year is for the academic excellence foundation.

\$219,000 each year is for the state board of education.

\$200,000 each year is for contracting with the state fire marshal to provide the services required according to Minnesota Statutes, section 121.1502.

\$244,000 each year is for providing financial management assistance to school districts.

The expenditures of federal grants and aids as shown in the biennial budget document are approved and shall be spent as indicated.

The department of education may establish full-time, part-time, or seasonal positions as necessary to carry out assigned responsibilities and missions. Notwithstanding other law to the contrary, actual employment levels are limited by the availability of state funds appropriated for salaries, benefits, and agency operations or funds available from other sources for such purposes.

In the next biennial budget, the department of education must assess its progress in meeting its established performance measures and inform the legislature on the content of that assessment. The information must include an assessment of its progress by consumers and employees.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, sections 124.615 and 124.62, are repealed.

ARTICLE 12

REALIGNMENT OF RESPONSIBILITIES

Section 1. Minnesota Statutes 1992, section 120.0751, subdivision 1, is amended to read:

Subdivision 1. ~~The state board of education commissioner~~ may permit a pupil to enroll in a school district of which the pupil is not a resident under this section.

Sec. 2. Minnesota Statutes 1992, section 120.0751, subdivision 2, is amended to read:

Subd. 2. The pupil or the pupil's parent or guardian shall make application to the ~~state board commissioner~~, explaining the particular circumstances which make the nonresident district the appropriate district of attendance for the pupil. The application must be signed by the pupil's parent or guardian and the superintendent of the nonresident district.

Sec. 3. Minnesota Statutes 1992, section 120.0751, subdivision 3, is amended to read:

Subd. 3. [CRITERIA FOR APPROVAL.] In approving or disapproving the application the ~~state board commissioner~~ shall consider the following:

(a) if the circumstances of the pupil are similar or analogous to the exceptions permitted by section 120.075, whether attending school in the district of residence creates a particular hardship for the pupil; or

(b) if the pupil has been continuously enrolled for at least two years in a district of which the pupil was not a resident because of an error made in good faith about the actual district of residence, whether attending school in the district of residence creates a particular hardship for the pupil. If the ~~board~~ commissioner finds that a good faith error was made and that attending school in the district of residence would create a particular hardship for the siblings of that pupil or foster children of that pupil's parents, ~~it~~ the commissioner may separately approve an application for any or all of the siblings of the pupil who are related by blood, adoption, or marriage and for foster children of the pupil's parents.

Sec. 4. Minnesota Statutes 1992, section 120.0751, subdivision 4, is amended to read:

Subd. 4. The ~~state board of education~~ commissioner shall render its a decision in each case within 60 days of receiving the application in subdivision 2.

Sec. 5. Minnesota Statutes 1992, section 120.75, is amended to read:

120.75 [HEARING.]

Subdivision 1. Prior to the initiation of any fee not authorized or prohibited by sections 120.73 and 120.74, the local school board shall hold a public hearing within the district upon three weeks published notice in the district's official newspaper. The local school board shall notify the ~~state board~~ commissioner of any fee it proposes to initiate under this section. If within 45 days of this notification, the ~~state board~~ commissioner does not disapprove the proposed fee, the local school board may initiate the proposed fee.

Subd. 2. The ~~state board~~ commissioner pursuant to the administrative procedure act, sections 14.001 to 14.69, and consistent with the general policy of section 120.72 shall have the power to specify further authorized and prohibited fees and to adopt rules for the purposes of sections 120.71 to 120.76.

Sec. 6. Minnesota Statutes 1992, section 121.15, subdivision 4, is amended to read:

Subd. 4. [CONDEMNATION OF SCHOOL BUILDINGS.] The commissioner may condemn school buildings and sites ~~that the state board of education determines are~~ determined to be unfit or unsafe for that use.

Sec. 7. Minnesota Statutes 1992, section 121.201, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY OF BOARD COMMISSIONER.] The ~~state board of education~~ commissioner shall coordinate and may pay for support services for hearing impaired persons to assure access to educational opportunities. Services may be provided to adult students who are hearing impaired and (a) have been denied access to educational opportunities because of the lack of support services or (b) are presently enrolled or (c) are contemplating enrollment in an educational program and would benefit from support services. The ~~state board~~ commissioner shall also be responsible for conducting in-service training for public and private agencies regarding the needs of hearing impaired persons in the adult education system.

Sec. 8. Minnesota Statutes 1992, section 121.585, subdivision 8, is amended to read:

Subd. 8. [EXEMPTION.] To operate the pilot program, the ~~state board of education~~ commissioner may exempt the district from specific rules relating to student and financial accounting, reporting, and revenue computation.

Sec. 9. Minnesota Statutes 1992, section 121.901, subdivision 1, is amended to read:

Subdivision 1. There is created an advisory council on uniform financial accounting and reporting standards, composed of 13 members appointed as follows:

(1) two employees of the state department of education appointed by the commissioner of education;

(2) an employee of the office of state auditor appointed by the state auditor;

(3) one licensed certified public accountant appointed by the ~~state board of education~~ commissioner;

(4) eight persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the ~~state board commissioner~~; and

(5) one person appointed by the chancellor of vocational technical education.

Professional associations composed of persons eligible to be appointed under clauses (3) and (4) may recommend nominees from their associations to the ~~state board~~ commissioner.

Sec. 10. Minnesota Statutes 1992, section 121.901, subdivision 2, is amended to read:

Subd. 2. The council shall expire, and the terms and removal of members shall be as provided in section 15.059. The ~~state board~~ commissioner shall determine the length of terms of the initial members consistent with section 15.059.

Sec. 11. Minnesota Statutes 1992, section 121.902, is amended to read:

121.902 [COUNCIL RECOMMENDATIONS.]

Subdivision 1. The council shall recommend ~~to the state board~~ uniform financial accounting and reporting standards for school districts to the commissioner. The ~~state board commissioner~~ shall adopt and maintain uniform financial accounting and reporting standards which are consistent with sections 121.90 to 121.917 and with generally accepted accounting principles and practices. The standards so adopted shall be known as the uniform financial accounting and reporting standards for Minnesota school districts.

Sec. 12. Minnesota Statutes 1992, section 121.904, subdivision 14, is amended to read:

Subd. 14. The ~~state board~~ commissioner shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify.

Sec. 13. Minnesota Statutes 1992, section 121.9121, is amended to read:

121.9121 [EXCEPTIONS FOR PERMANENT FUND TRANSFERS.]

Subdivision 1. [~~STATE BOARD COMMISSIONER'S AUTHORIZATION.~~] The ~~state board commissioner~~ may authorize a board to transfer money from any fund or account other than the debt redemption fund to another fund or account according to this section.

Subd. 2. [APPLICATION.] A board requesting authority to transfer money shall apply to the ~~state board commissioner~~ and provide information requested. The application shall indicate the law or rule prohibiting the desired transfer. It shall be signed by the superintendent and approved by the school board.

Subd. 3. [ADVISORY COUNCIL.] The ~~state board commissioner~~ shall submit each application to the advisory council on uniform financial accounting and reporting standards for its recommendations. The advisory council shall develop and maintain guidelines for reviewing and approving requests.

Subd. 4. [APPROVAL STANDARD.] The ~~state board commissioner~~ may approve a request only when an event has occurred in a district that could not have been foreseen by the district. The event shall relate directly to the fund or account involved and to the amount to be transferred.

Subd. 5. [APPROVAL.] The ~~state board~~ commissioner shall use the advisory council guidelines and recommendation when it approves, disapproves, or modifies a request. It shall take action on a request within 75 days of receiving the request. If the ~~state board~~ commissioner's action is different from the action recommended by the advisory council, the ~~state board~~ commissioner shall provide written reasons for the difference.

Sec. 14. Minnesota Statutes 1992, section 121.914, subdivision 3, is amended to read:

Subd. 3. The commissioner shall establish a uniform auditing or other verification procedure for school districts to determine whether a statutory operating debt exists in any Minnesota school district as of June 30, 1977. This procedure shall also identify all interfund transfers made during fiscal year 1977 from a fund included in computing statutory operating debt to a fund not included in computing statutory operating debt. The standards for this uniform auditing or verification procedure shall be promulgated by the ~~state board~~ commissioner pursuant to chapter 14. If a school district applies to the commissioner for a statutory operating debt verification or if the unaudited financial statement for the school year ending June 30, 1977 reveals that a statutory operating debt might exist, the commissioner shall require a verification of the amount of the statutory operating debt which actually does exist.

Sec. 15. Minnesota Statutes 1992, section 121.935, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] Every regional management information center shall:

(a) assist its affiliated districts in complying with the reporting requirements of the annual data acquisition calendar and the rules of the state board of education;

(b) respond within 15 calendar days to requests from the department for district information provided to the region for state reporting of information, based on the data elements in the data element dictionary;

(c) operate financial management information systems consistent with the uniform financial accounting and reporting standards adopted by the ~~state board~~ commissioner pursuant to sections 121.90 to 121.917;

(d) make available to districts the opportunity to participate fully in all the subsystems of ESV-IS;

(e) develop and maintain a plan to provide services during a system failure or a disaster;

(f) comply with the requirement in section 121.908, subdivision 2, on behalf of districts affiliated with it; and

(g) operate fixed assets property management information systems consistent with the uniform property accounting and reporting standards adopted by the ~~state board~~ commissioner.

Sec. 16. Minnesota Statutes 1992, section 121.935, subdivision 5, is amended to read:

Subd. 5. [REGIONAL SUBSIDIES.] In any year when a regional management information center's annual plan and budget are approved pursuant to subdivision 3, the center shall receive a regional reporting subsidy grant from the department of education. The subsidy grant shall be in the amount allocated by the ~~state board~~ commissioner in the process of approving the annual budgets of the regional management information centers pursuant to subdivision 3. The amounts of the subsidy grants and an explanation of the allocation decisions shall be filed by the ~~state board~~ commissioner with the education committees of the legislature.

When determining the amount of a subsidy grant, the ~~state board~~ commissioner shall consider the following factors:

(a) the number of students in districts affiliated with the center;

(b) the number of districts affiliated with the center;

(c) fixed and overhead costs to be incurred in operating the regional center, the finance subsystem, the payroll/personnel subsystem, and the student support subsystem;

(d) variable costs to be incurred that differ in proportion to the number of districts served and the number of subsystems implemented for those districts;

(e) services provided to districts that enable the districts to meet state reporting requirements;

(f) the cost of meeting the reporting requirements of subdivision 2 for districts using approved alternative management information systems; and

(g) the number of districts affiliated with a regional management information center in relation to the geographic area occupied by those districts.

Sec. 17. Minnesota Statutes 1992, section 121.936, is amended to read:

121.936 [SCHOOL DISTRICT MANAGEMENT INFORMATION SYSTEMS.]

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

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

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

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

Notwithstanding the foregoing, a district may process and submit its financial data to a region or the state in summary form if it operates an approved alternative system or participates in a state approved pilot test of an alternative system and is reporting directly to the state as of January 1, 1987. A joint vocational technical district shall process and submit its financial data to a region or directly to the state board of technical colleges.

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

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

Subd. 2. [ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS.] A district may be exempted from the requirement in subdivision 1, clause (b)(2), if it uses another financial management information system approved by the ~~state board~~ commissioner. A district permitted before July 1, 1980, to submit its financial transactions in summary form to a regional management information center pursuant to subdivision 1 may continue to submit transactions in the approved form without obtaining the approval of the ~~state board~~ commissioner pursuant to this subdivision. Any district desiring to use another management information system not previously approved by the ~~state board~~ commissioner shall submit a detailed proposal to the ~~state board~~ commissioner and the ESV computer council. The detailed proposal shall include a statement of all costs to the district, regional management information center or state for software development or operational services needed to provide data to the regional management information center pursuant to the data acquisition calendar.

Subd. 3. [ALTERNATIVE MANAGEMENT INFORMATION SYSTEMS; EVALUATION.] The ESV computer council shall evaluate the district proposal according to the approval criteria in section 121.937, subdivision 1, clauses (a), (b), and (d). Upon completion of the evaluation, the ESV computer council shall recommend to the ~~state board~~ commissioner that it (a) approve the proposal, (b) disapprove the proposal, or (c) approve the proposal if it is modified by the district in ways that are specified by the council.

Subd. 4. [ALTERNATIVE SYSTEMS; STATE BOARD COMMISSIONER.] Upon approval of the proposal by the ~~state board~~ commissioner the district may proceed in accordance with its approved proposal. Except as provided in section 121.931, subdivision 5, an alternative system approved pursuant to this subdivision shall be developed and purchased at the expense of the district. Notwithstanding any law to the contrary, when an alternative system has been approved by the ~~state board~~ commissioner, another district may use the system without ~~state board~~ approval.

of the commissioner. A district which has submitted a proposal for an alternative system which has been disapproved may not submit another proposal for that fiscal year, but it may submit a proposal for the subsequent fiscal year.

Subd. 4a. ~~The department of education commissioner~~ shall develop and implement an alternative reporting system for submission of financial data in summary form. This system shall accommodate the use of a microcomputer finance system to be developed and maintained by the ~~department of education commissioner.~~ The alternative reporting system must comply with sections 121.90 to 121.917. The provisions of this subdivision shall not be construed to require the department to purchase computer hardware nor to prohibit the department from purchasing services from any regional management information center ~~or the Minnesota educational computing consortium.~~

Sec. 18. Minnesota Statutes 1992, section 123.35, subdivision 17, is amended to read:

Subd. 17. [SCHOOL HEALTH SERVICES.] (a) Every school board must provide services to promote the health of its pupils.

(b) The board of a district with 1,000 pupils or more in average daily membership in early childhood family education, preschool handicapped, elementary, and secondary programs must comply with the requirements of this paragraph. It may use one or a combination of the following methods:

(1) employ personnel, including at least one full-time equivalent licensed school nurse or continue to employ a registered nurse not yet certified as a public health nurse as defined in section 145A.02, subdivision 18, who is enrolled in a program that would lead to certification within four years of August 1, 1988;

(2) contract with a public or private health organization or another public agency for personnel during the regular school year, determined appropriate by the board, who are currently licensed under chapter 148 and who are certified public health nurses; or

(3) enter into another arrangement approved by the ~~state board of education~~ commissioner.

Sec. 19. Minnesota Statutes 1992, section 123.351, subdivision 6, is amended to read:

Subd. 6. [~~STATE BOARD COMMISSIONER APPROVAL.~~] Prior to the commencement of the operation of any center the agreement entered into by participating districts shall be approved by the ~~state board of education commissioner.~~

Sec. 20. Minnesota Statutes 1992, section 123.351, subdivision 8, is amended to read:

Subd. 8. [ADDITION AND WITHDRAWAL OF DISTRICTS.] Upon approval by majority vote of a school board, of the center board, and of the ~~state board of education commissioner,~~ an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the next following school year but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 21. Minnesota Statutes 1992, section 123.351, subdivision 9, is amended to read:

Subd. 9. [EXISTING CENTERS.] Centers operating pursuant to section 471.59 which have been approved by the state board of education prior to August 1, 1974 shall be subject to its provisions except subdivision 1. Any changes in center agreements necessary to comply with this section shall be completed within 12 months after August 1, 1974 and filed with the ~~state board commissioner~~ by the administrator of each center. Centers operating pursuant to Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended, and Laws 1969, chapter 1060, as amended shall not be subject to the provisions of this section.

Sec. 22. Minnesota Statutes 1992, section 123.3513, is amended to read:

123.3513 [ADVANCED ACADEMIC CREDIT.]

A school district shall grant academic credit to a pupil attending an accelerated or advanced academic course offered by a higher education institution or a nonprofit public agency other than the district, if the pupil successfully completes the course attended and passes an examination approved by the district. If no comparable course is offered by the district, the ~~state board of education~~ commissioner shall determine the number of credits which shall be granted to a pupil who successfully completes and passes the course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the ~~state board of education~~ commissioner. The ~~state board's~~ commissioner's decision regarding the number of credits shall be final.

The credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each class and credits granted shall be included in the pupil's secondary school record.

Sec. 23. Minnesota Statutes 1992, section 123.3514, subdivision 5, is amended to read:

Subd. 5. [CREDITS.] A pupil may enroll in a course under this section for either secondary credit or post-secondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or post-secondary credit. A pupil taking several courses may designate some for secondary credit and some for post-secondary credit. A pupil must not audit a course under this section.

A school district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Nine quarter or six semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A school district shall also grant academic credit to a pupil enrolled in a course for post-secondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district shall, as soon as possible, notify the ~~state board of education~~ commissioner, which shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the school board's decision to the ~~state board of education~~ commissioner. The ~~state board's~~ commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil shall be counted toward the graduation requirements and subject area requirements of the school district. Evidence of successful completion of each course and secondary credits granted shall be included in the pupil's secondary school record. A pupil must provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record shall also include evidence of successful completion and credits granted for a course taken for post-secondary credit. In either case, the record shall indicate that the credits were earned at a post-secondary institution.

If a pupil enrolls in a post-secondary institution after leaving secondary school, the post-secondary institution shall award post-secondary credit for any course successfully completed for secondary credit at that institution. Other post-secondary institutions may award, after a pupil leaves secondary school, post-secondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

Sec. 24. Minnesota Statutes 1992, section 123.3514, subdivision 8, is amended to read:

Subd. 8. [TRANSPORTATION.] A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled and the post-secondary institution that the pupil attends. The ~~state board of education~~ commissioner shall establish guidelines for providing state aid to districts to reimburse the parent or guardian for the necessary transportation costs, which shall be based on financial need. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest post-secondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school and the nearest post-secondary institution times ten. The state shall pay aid to the district according to the guidelines established under this subdivision. Chapter 14 does not apply to the guidelines.

Sec. 25. Minnesota Statutes 1992, section 123.58, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF ECSU BOARD OF DIRECTORS.] The board of directors shall have authority to maintain and operate an ECSU. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit within 90 days after the filing of the initial petition with the state board of education and by June 1 of each year thereafter to the ~~state board of education~~ commissioner and to each participating school district an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the educational needs of the ECSU. In formulating the plan the board is encouraged to consider: (1) the number of dropouts of school age in the ECSU area and the reasons for the dropouts; (2) existing programs within participating districts for dropouts and potential dropouts; (3) existing programs of the ECSU for dropouts and potential dropouts and (4) program needs of dropouts and potential dropouts in the area served by the ECSU.

(b) The ECSU board of directors may provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise, subject to the review of the ~~state board of education~~ commissioner as to the adequacy of the facilities proposed.

(c) The ECSU board of directors may employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. ECSU staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The ECSU board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents and lay persons.

(e) The ECSU board of directors may employ service area personnel pursuant to licensure standards developed by the ~~state board of education~~ and the board of teaching.

(f) The ECSU board of directors may enter into contracts with school boards of local districts including school districts outside the ECSU area.

(g) The ECSU board of directors may enter into contracts with other public and private agencies and institutions which may include, but are not limited to, contracts with Minnesota institutions of higher education to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The ECSU board of directors shall exercise all powers and carry out all duties delegated to it by participating local school districts under provisions of the ECSU bylaws. The ECSU board of directors shall be governed, when not otherwise provided, by the provisions of law applicable to independent school districts of the state.

(i) The ECSU board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the school districts and nonpublic school administrative units within the ECSU and the ~~state board of education~~ commissioner by September 1 of each year following the school year in which the program and services were provided.

(j) The ECSU board is encouraged to establish cooperative, working relationships with post-secondary educational institutions in the state.

Sec. 26. Minnesota Statutes 1992, section 123.58, subdivision 7, is amended to read:

Subd. 7. [APPOINTMENT OF AN ADVISORY COUNCIL.] There shall be an advisory council selected to give advice and counsel to the ECSU board of directors. This council shall be composed of superintendents, central office personnel, principals, teachers, parents, and lay persons. Nonpublic school administrative units are encouraged to participate on the council to the extent allowed by law. A plan detailing procedures for selection of membership in this council shall be submitted by the ECSU board of directors to the ~~state board of education~~ commissioner.

Sec. 27. Minnesota Statutes 1992, section 123.58, subdivision 8, is amended to read:

Subd. 8. [EDUCATIONAL PROGRAMS AND SERVICES.] Pursuant to subdivision 6, and rules of the state board of education, the board of directors of each operational ECSU shall submit annually a plan to the public school

districts within the ECSU, the nonpublic school administrative units, and the ~~state board of education~~ commissioner. The plan shall identify the programs and services which are suggested for implementation by the ECSU during the following school year and shall contain components of long range planning determined by the ECSU in cooperation with the ~~state board of education~~ commissioner and other appropriate agencies. The ~~state board of education~~ commissioner may review and recommend modification of the proposed plan and conduct ongoing program reviews. These programs and services may include, but are not limited to, the following areas:

- (a) Administrative services and purchasing
- (b) Curriculum development
- (c) Data processing
- (d) Educational television
- (e) Evaluation and research
- (f) In-service training
- (g) Media centers
- (h) Publication and dissemination of materials
- (i) Pupil personnel services
- (j) Regional planning, joint use of facilities, and flexible and year-round school scheduling
- (k) Secondary, post-secondary, community, adult, and adult vocational education
- (l) Individualized instruction and services, including services for students with special talents and special needs
- (m) Teacher personnel services
- (n) Vocational rehabilitation
- (o) Health, diagnostic, and child development services and centers
- (p) Leadership or direction in early childhood and family education
- (q) Community services
- (r) Shared time programs.

Sec. 28. Minnesota Statutes 1992, section 123.58, subdivision 9, is amended to read:

Subd. 9. [FINANCIAL SUPPORT FOR THE EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) Financial support for ECSU programs and services shall be provided by participating local school districts and nonpublic school administrative units with private, state and federal financial support supplementing as available. The ECSU board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district and nonpublic school administrative unit its proportionate share of any and all expenses. This share shall be based upon the extent of participation by each district or nonpublic school administrative unit and shall be in the form of a service fee. Each participating district and nonpublic school administrative unit shall remit its assessment to the ECSU board as provided in the ECSU bylaws. The assessments shall be paid within the maximum levy limitations of each participating district. No participating school district or nonpublic school administrative unit shall have any additional liability for the debts or obligations of the ECSU except that assessment which has been certified as its proportionate share or any other liability the school district or nonpublic school administrative unit agrees to assume.

(b) Any property acquired by the ECSU board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state or political

subdivision thereof. If the ECSU is dissolved, its property must be distributed to the member public school districts at the time of the dissolution.

(c) A school district or nonpublic school administrative unit may elect to withdraw from participation in the ECSU by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the ECSU organizational agreement. Upon receipt of the withdrawal resolution reciting the necessary facts, the ECSU board shall file a certified copy with the ~~state board of education~~ commissioner. The withdrawal shall be effective on the June 30 following receipt by the board of directors of written notification of the withdrawal at least six months prior to June 30. Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing school district or nonpublic school administrative unit for the ECSU shall be paid to the ECSU board.

(d) Notwithstanding paragraph (c), if a member school district of an education district withdraws from an ECSU to comply with subdivision 4, the school district's withdrawal is effective on June 30, following receipt by the board of directors of the district's written notification.

(e) The ECSU is a public corporation and agency and its board of directors may make application for, accept and expend private, state and federal funds that are available for programs of educational benefit approved by the ~~state board of education~~ commissioner in accordance with rules adopted by the state board of education pursuant to chapter 14. The ~~state board of education~~ commissioner shall not distribute special state aid or federal aid directly to an ECSU in lieu of distribution to a school district within the ECSU which would otherwise qualify for and be entitled to this aid without the consent of the school board of that district.

(f) The ECSU is a public corporation and agency and as such, no earnings or interests of the ECSU may inure to the benefit of an individual or private entity.

Sec. 29. Minnesota Statutes 1992, section 123.71, subdivision 1, is amended to read:

Subdivision 1. Every school board shall, no later than October 1, publish the revenue and expenditure budgets submitted to the ~~commissioner of education~~ in accordance with section 121.908, subdivision 4, for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the ~~state board of education~~ commissioner after consultation with the advisory council on uniform financial accounting and reporting standards. The forms prescribed shall be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances shall be published in a qualified newspaper of general circulation in the district.

Sec. 30. Minnesota Statutes 1992, section 123.932, subdivision 7, is amended to read:

Subd. 7. "Intermediary service area" means a school administrative unit approved by the ~~state board of education~~ commissioner, other than a single school district, including but not limited to the following: (a) an educational cooperative service unit; (b) a cooperative of two or more school districts; (c) learning centers; or (d) an association of schools or school districts.

Sec. 31. Minnesota Statutes 1992, section 123.947, is amended to read:

123.947 [USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.]

(a) The ~~department of education~~ commissioner shall assure that textbooks and individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) Textbooks and individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) Textbooks and individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the ~~department of education~~ commissioner. The request forms shall provide for verification by the parent or guardian or pupil that the requested textbooks and individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) The servicing school district or the intermediary service area shall take adequate measures to ensure an accurate and periodic inventory of all textbooks and individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic school pupil if the ~~department of education~~ commissioner determines, after notice and opportunity for hearing, that the textbooks or individualized instructional materials have been used in a manner contrary to the provisions of section 123.932, subdivision 1e, 123.933 or this section or any rules promulgated by the state board of education.

(e) Nothing contained in section 123.932, subdivision 1e, 123.933 or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

Sec. 32. Minnesota Statutes 1992, section 124.09, is amended to read:

124.09 [SCHOOL ENDOWMENT FUND, APPORTIONMENT.]

The school endowment fund shall be apportioned semiannually by the ~~state board~~ commissioner, on the first Monday in March and October in each year, to districts whose schools have been in session at least nine months. The apportionment shall be in proportion to the number of pupils in average daily membership during the preceding year; provided, that apportionment shall not be paid to a district for pupils for whom tuition is received by the district.

Sec. 33. Minnesota Statutes 1992, section 124.10, subdivision 1, is amended to read:

Subdivision 1. A copy of the apportionment of the school endowment fund shall be furnished by the ~~state board~~ commissioner to the commissioner of finance, who thereupon shall draw warrants on the state treasury, payable to the several districts, for the amount due each district. There is hereby annually appropriated from the school endowment fund the amount of such apportionments.

Sec. 34. Minnesota Statutes 1992, section 124.14, subdivision 1, is amended to read:

Subdivision 1. The ~~state board~~ commissioner shall supervise distribution of school aids and grants in accordance with law. It may make rules consistent with law for the distribution to enable districts to perform efficiently the services required by law and further education in the state, including reasonable requirements for the reports and accounts to it as will assure accurate and lawful apportionment of aids. State and federal aids and discretionary or entitlement grants distributed by the ~~state board~~ commissioner shall not be subject to the contract approval procedures of the commissioner of administration or to chapter 16A or 16B. The ~~commissioner of education~~ shall adopt internal procedures for administration and monitoring of aids and grants.

Sec. 35. Minnesota Statutes 1992, section 124.14, subdivision 4, is amended to read:

Subd. 4. [FINAL DECISION AND RECORDS.] A reduction of aid under this section may be appealed to the state board of education and its decision shall be final. Public schools shall at all times be open to the inspection of the ~~state board~~ commissioner, and the accounts and records of any district shall be open to inspection by the state auditor, the state board, or the commissioner for the purpose of audits conducted under this section. Each district shall keep for a minimum of three years at least the following: (1) identification of the annual session days held, together with a record of the length of each session day, (2) a record of each pupil's daily attendance, with entrance and withdrawal dates, and (3) identification of the pupils transported who are reported for transportation aid.

Sec. 36. Minnesota Statutes 1992, section 124.17, subdivision 2c, is amended to read:

Subd. 2c. Notwithstanding subdivision 2, in cases when school is in session but pupils are prevented from attending for more than 15 consecutive school days during the regular school year or five consecutive school days during summer school or intersession classes of flexible school year programs, because of epidemic, calamity, weather, fuel shortage, or other justifiable cause, the ~~state board~~ commissioner, upon application, may allow the district to continue to count these pupils in average daily membership. A lawful employees' strike is not a justifiable cause for purposes of this subdivision.

Sec. 37. Minnesota Statutes 1992, section 124.223, subdivision 3, is amended to read:

Subd. 3. [SECONDARY VOCATIONAL CENTERS.] State transportation aid is authorized for transportation to and from a ~~state board~~ commissioner approved secondary vocational center for secondary vocational classes for resident pupils of any of the districts who are members of or participating in programs at that center.

Sec. 38. Minnesota Statutes 1992, section 124.276, subdivision 3, is amended to read:

Subd. 3. [STATE BOARD COMMISSIONER APPROVAL.] The ~~state board~~ commissioner may approve plans and applications for districts throughout the state for career teacher aid. Application procedures and deadlines shall be established by the ~~state board~~ commissioner.

Sec. 39. Minnesota Statutes 1992, section 124.48, subdivision 1, is amended to read:

Subdivision 1. [AWARDS.] The ~~state board~~ commissioner, with the advice and counsel of the Minnesota Indian scholarship committee, may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry, who has applied for other existing state and federal scholarship and grant programs, and who, in the opinion of the ~~board~~ commissioner, has the capabilities to benefit from further education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The total cost of education includes all tuition and fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on the total cost of the student's education and a standardized need analysis. The amount and type of each scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.

When an Indian student satisfactorily completes the work required by a certain college or school in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective. Scholarships may not be given to any Indian student for more than five years of study without special approval of the Minnesota Indian scholarship committee.

Sec. 40. Minnesota Statutes 1992, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the ~~state department of education~~ commissioner and operated in accordance with rules promulgated by the ~~state board of education~~. These rules shall provide minimum student-staff ratios required for a secondary vocational education program in a cooperative center to qualify for this aid. The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The ~~state board of education~~ shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the ~~state board of education~~. Licensed personnel means persons holding a valid secondary vocational license issued by the ~~department of education~~ commissioner, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the ~~department of education~~ commissioner or the state board for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 41. Minnesota Statutes 1992, section 124.625, is amended to read:

124.625 [VETERANS TRAINING.]

The ~~state board of education~~ commissioner shall continue the veterans training program. All receipts to the veterans training revolving fund for the veterans training program are appropriated to the ~~state board~~ commissioner

to pay the necessary expenses of operation of the program. The ~~state board~~ department of education shall act as the state agency for approving educational institutions for purposes of United States Code, title 38, chapter 36, relating to educational benefits for veterans and other persons. The state board may adopt rules to fulfill its obligations as the state approving agency. All federal money received for purposes of the veterans training program shall be deposited in the veterans training revolving fund and is appropriated to the ~~state board~~ department for those purposes.

Sec. 42. Minnesota Statutes 1992, section 124.64, is amended to read:

124.64 [FEDERAL AID TO INDIANS, POWER OF STATE BOARD.]

The ~~state board~~ commissioner is hereby authorized to enter into contracts with the United States for the education of Indians in Minnesota, to receive grants of money from the United States and to disburse the same in accordance with the terms of the contract and such rules and standards as the ~~state board~~ commissioner may establish.

Sec. 43. Minnesota Statutes 1992, section 124.645, subdivision 1, is amended to read:

Subdivision 1. [ACCEPTANCE.] The ~~Minnesota state board of education~~ commissioner is authorized to accept the provisions of Public Law Number 90-302, section 13 of the National School Lunch Act (United States Code, title 42, section 1761) so that it may administer federal funds designed to provide nonprofit food service programs for children in service institutions.

Sec. 44. Minnesota Statutes 1992, section 124.645, subdivision 2, is amended to read:

Subd. 2. [CONTRACT.] The ~~Minnesota state board of education~~ commissioner may enter into a contract with the United States Department of Agriculture so that the available federal funds may be used to the fullest extent possible by the state of Minnesota.

Sec. 45. Minnesota Statutes 1992, section 124.69, subdivision 1, is amended to read:

Subdivision 1. The ~~state board of education of the state of Minnesota~~ commissioner is authorized to (a) enter into such agreements as may be necessary with agencies of the federal government as provided by such public laws as may be passed by the 87th Congress of the United States relating to area redevelopment, and providing for vocational training and retraining, subsistence payments during retraining, and placement after retraining; and (b) to cooperate with such federal agencies to the end that residents of this state shall obtain all benefits and advantages available to them and intended by such act of Congress to be so available.

Sec. 46. Minnesota Statutes 1992, section 124.79, is amended to read:

124.79 [ELEMENTARY AND SECONDARY EDUCATION, ACCEPTANCE OF FEDERAL FUNDS.]

The ~~state board~~ department of education is designated as the state agency to apply for, receive, accept, and administer federal funds which are made available under Public Law Number 89-10, an act of the 89th Congress entitled "An Act to strengthen and improve educational quality and educational opportunities in the nation's elementary and secondary schools," cited as the "Elementary and Secondary Education Act of 1965," and it shall comply with all requirements of such federal law or regulations to enable it to apply for, receive, and accept such funds.

The state board shall prescribe rules under which contracts, agreements, or arrangements may be made with agencies of the federal government for funds, services, commodities, or equipment to be made available to the schools, school systems, and educational institutions under the supervision or control of the ~~state board~~ commissioner, and such contracts, agreements, or arrangements shall be entered into in no other manner.

All arrangements under the Elementary and Secondary Education Act of 1965, and amendments thereto, for assignment of officers and employees of the state of Minnesota to the office of education of the federal government shall be made in accordance with the rules of the state board.

Sec. 47. Minnesota Statutes 1992, section 124A.27, subdivision 2, is amended to read:

Subd. 2. [STATE ASSISTANCE.] ~~The state board of education and the commissioner of education~~ shall provide assistance to school boards offering the programs enumerated in this section. ~~The state board or commissioner~~ may establish an advisory committee for any program area. Technical assistance shall be provided commensurate with school board and district needs. ~~State board of education~~ rules apply to all programs or portions of programs offered.

Sec. 48. Minnesota Statutes 1992, section 125.185, subdivision 6, is amended to read:

Subd. 6. ~~The state board of education~~ commissioner shall provide all necessary materials and assistance for the transaction of the business of the board of teaching and all moneys received by the board of teaching shall be paid into the state treasury as provided by law. The expenses of administering sections 125.01 to 125.187 which are incurred by the board of teaching shall be paid for from appropriations made to the board of teaching.

Sec. 49. Minnesota Statutes 1992, section 126.151, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS OF THE ORGANIZATION.] ~~The commissioner and the state boards of education and board of technical colleges~~ may retain dues and other money collected on behalf of students participating in approved vocational student organizations and may deposit the money in separate accounts. The money in these accounts shall be available for expenditures for state and national activities related to specific organizations. Administration of money collected under this section is not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Money shall be administered under the policies of the applicable state board or agency relating to post-secondary and secondary vocational student organizations and is subject to audit by the legislative auditor. Any unexpended money shall not cancel but may be carried forward to the next fiscal year.

Sec. 50. Minnesota Statutes 1992, section 126.239, subdivision 3, is amended to read:

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools whose circumstances make state payment advisable. ~~The state board of education~~ commissioner shall adopt a schedule for fee subsidies that may allow payment of the entire fee for low-income families, as defined by the ~~state board commissioner~~. ~~The state board commissioner~~ may also determine the circumstances under which the fee is subsidized, in whole or in part. ~~The state board commissioner~~ shall determine procedures for state payments of fees.

Sec. 51. Minnesota Statutes 1992, section 126.267, is amended to read:

126.267 [TECHNICAL ASSISTANCE.]

~~The state board of education~~ commissioner shall provide technical assistance to school districts receiving aid pursuant to section 124.273 and to post-secondary institutions for preservice and in-service training for bilingual education teachers and English as a second language teachers employed in educational programs for limited English proficient students, teaching methods, curriculum development, testing and testing mechanisms, and the development of instructional materials for these educational programs.

Sec. 52. Minnesota Statutes 1992, section 126.268, subdivision 2, is amended to read:

Subd. 2. ~~The state board of education~~ commissioner may apply for moneys which are or may become available under federal refugee assistance and other programs for administration, demonstration projects, training, technical assistance, planning, and evaluation of programs for limited English proficient students.

Sec. 53. Minnesota Statutes 1992, section 126.52, subdivision 8, is amended to read:

Subd. 8. [TECHNICAL ASSISTANCE.] ~~The state board~~ commissioner shall provide technical assistance to school districts, schools and post-secondary institutions for preservice and in-service training for American Indian education teachers and teacher's aides, teaching methods, curriculum development, testing and testing mechanisms, and the development of materials for American Indian education programs.

Sec. 54. Minnesota Statutes 1992, section 126.52, subdivision 9, is amended to read:

Subd. 9. [APPLICATION FOR FUNDS.] The ~~state board~~ commissioner shall apply for money which may be available under federal programs for American Indian education, including funds for administration, demonstration projects, training, technical assistance, planning and evaluation.

Sec. 55. Minnesota Statutes 1992, section 126.54, subdivision 1, is amended to read:

Subdivision 1. [GRANTS; PROCEDURES.] Each fiscal year the state board of education shall make grants to no fewer than six American Indian language and culture education programs. At least three programs shall be in urban areas and at least three shall be on or near reservations. The board of a local district, a participating school or a group of boards may develop a proposal for grants in support of American Indian language and culture education programs. Proposals may provide for contracts for the provision of program components by nonsectarian nonpublic, community, tribal, or alternative schools. The ~~state board~~ commissioner shall prescribe the form and manner of application for grants, and no grant shall be made for a proposal not complying with the requirements of sections 126.45 to 126.55. The state board shall submit all proposals to the state advisory task force on American Indian language and culture education programs for its recommendations concerning approval, modification, or disapproval and the amounts of grants to approved programs.

Sec. 56. Minnesota Statutes 1992, section 126.56, subdivision 4a, is amended to read:

Subd. 4a. [ELIGIBLE PROGRAMS.] A scholarship may be used only for an eligible program. To be eligible, a program must:

(1) provide, as its primary purpose, academic instruction for student enrichment in curricular areas including, but not limited to, communications, humanities, social studies, social science, science, mathematics, art, or foreign languages;

(2) not be offered for credit to post-secondary students;

(3) not provide remedial instruction;

(4) meet any other program requirements established by the state board of education and the higher education coordinating board; and

(5) be approved by the ~~state board of education~~ commissioner.

Sec. 57. Minnesota Statutes 1992, section 126.56, subdivision 7, is amended to read:

Subd. 7. [ADMINISTRATION.] The ~~state board of education and the higher education coordinating board~~ and commissioner shall determine the time and manner for scholarship applications, awards, and program approval.

Sec. 58. Minnesota Statutes 1992, section 126.665, is amended to read:

126.665 [STATE CURRICULUM ADVISORY COMMITTEE.]

The ~~commissioner~~ state board shall appoint a state curriculum advisory committee of 11 members to advise ~~the state board~~ it and the department on the PER process. Nine members shall be from each of the educational cooperative service units and two members shall be at-large. The committee shall include representatives from the state board of education, higher education, parents, teachers, administrators, business, and school board members. ~~Each member shall be a present or past member of a district curriculum advisory committee.~~ The state committee shall provide information and recommendations about at least the following:

(1) department procedures for reviewing and approving reports and disseminating information;

(2) exemplary PER processes;

(3) recommendations for improving the PER process and reports; and

(4) developing a continuous process for identifying and attaining essential learner outcomes.

The committee expires as provided in section 15.059, subdivision 5.

Sec. 59. Minnesota Statutes 1992, section 126A.07, subdivision 1, is amended to read:

Subdivision 1. [COOPERATION AND SUPPORT.] The director shall cooperate with and support the environmental education program developed by the state board of education and the department of education commissioner.

Sec. 60. Minnesota Statutes 1992, section 128A.024, subdivision 2, is amended to read:

Subd. 2. [VARIOUS LEVELS OF SERVICE.] The academies must provide their pupils with the levels of service defined in state board rules of the state board.

Sec. 61. [REPEALER.]

Minnesota Statutes 1992, section 125.703, is repealed.

ARTICLE 13

CONFORMING CHANGES

Section 1. Minnesota Statutes 1992, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE DISABLED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota state academy for the deaf or the Minnesota state academy for the blind shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which the child's parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivision 1 or 2, that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged shall not exceed the basic revenue of the district for that child, for the amount of time the child is in the program. For purposes of this subdivision, "basic revenue" has the meaning given it in section 124A.22, subdivision 2. The district of the child's residence shall pay the tuition and may claim general education aid for the child. ~~The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision.~~ Tuition received by the state board, except for tuition received under clause (c), shall be deposited in the state treasury as provided in clause (g).

(c) In addition to the tuition charge allowed in clause (b), the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, if that aide is required by the child's individual education plan. Tuition received under this clause must be used by the academies to provide the required service.

(d) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for children with a disability shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(e) Notwithstanding the provisions of clauses (b) and (d), the state board may agree to make a tuition charge for less than the amount specified in clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (d) for providing appropriate educational programs to pupils attending the applicable school.

(f) Notwithstanding the provisions of clauses (b) and (d), the state board may agree to supply staff from the Minnesota state academy for the deaf and the Minnesota state academy for the blind to participate in the programs

provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

(g) On May 1 of each year, the state board shall count the actual number of Minnesota resident kindergarten and elementary students and the actual number of Minnesota resident secondary students enrolled and receiving education services at the Minnesota state academy for the deaf and the Minnesota state academy for the blind. The state board shall deposit in the state treasury an amount equal to all tuition received less:

(1) the total number of students on May 1 less 175, times the ratio of the number of kindergarten and elementary students to the total number of students on May 1, times the general education formula allowance; plus

(2) the total number of students on May 1 less 175, times the ratio of the number of secondary students on May 1 to the total number of students on May 1, times 1.3, times the general education formula allowance.

(h) The sum provided by the calculation in clause (g), subclauses (1) and (2), must be deposited in the state treasury and credited to the general operation account of the academy for the deaf and the academy for the blind.

(i) There is annually appropriated to the department of education for the Faribault academies the tuition amounts received and credited to the general operation account of the academies under this section. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 2. Minnesota Statutes 1992, section 121.88, subdivision 8, is amended to read:

Subd. 8. [YOUTH DEVELOPMENT PLANS.] A district advisory council may prepare a youth development plan. ~~The council is encouraged to use the state model plan developed under section 121.87, subdivision 1a, when developing the local plan.~~ The school board may approve the youth development plan.

Sec. 3. Minnesota Statutes 1992, section 124.195, subdivision 8, is amended to read:

Subd. 8. [PAYMENT PERCENTAGE FOR REIMBURSEMENT AIDS.] One hundred percent of the aid for the last fiscal year must be paid for the following aids: ~~special education residential aid according to section 124.32, subdivision 5;~~ special education pupil aid according to section 124.32, subdivision 6; special education summer school aid, according to section 124.32, subdivision 10; and planning, evaluating, and reporting process aid according to section 124.274.

Sec. 4. Minnesota Statutes 1992, section 124.322, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF ALTERNATIVE DELIVERY REVENUE.] For the first fiscal year after approval of an application, a district shall receive the sum of the revenue it received for the preceding fiscal year for its special education program under section 124.32, subdivisions 1b, 2, 5, and 10, and Minnesota Statutes 1990, section 275.125, subdivision 8c, or section 124.321, subdivisions 1 and 2, as applicable, multiplied by 1.03. For each of the next two fiscal years, the district shall receive the amount it received for the previous fiscal year multiplied by 1.03.

Sec. 5. Minnesota Statutes 1992, section 124.322, subdivision 3, is amended to read:

Subd. 3. [ALTERNATIVE DELIVERY AID.] For the first fiscal year after approval of an application, a district shall receive the sum of the aid it received for the preceding fiscal year under section 124.32, subdivisions 1b, 2, 5, and 10, multiplied by 1.03. The aid for the first year of revenue shall not be prorated. For each of the next two fiscal years, the district shall receive the amount of aid it received for the previous fiscal year multiplied by 1.03. A district that receives aid under this subdivision shall not receive aid under section 124.32, subdivisions 1b, 2, 5, and 10, for the same fiscal year."

Delete the title and insert:

"A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; miscellaneous programs and provisions; choice programs; libraries; state agencies; and realignment of responsibilities; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621;

120.064, subdivisions 3 and 4; 120.0751, subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223, subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261, subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2; 124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69, subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2; 128A.03, subdivision 2; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1, 2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 473F.02, by adding a subdivision; and 475.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; repealing Minnesota Statutes 1992, sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721, subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; and Laws 1988, chapter 486, section 59."

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 378, A bill for an act relating to the state board of investment; management of funds under board control; amending Minnesota Statutes 1992, sections 11A.08, subdivision 4; 11A.14, subdivisions 1, 2, 4, and 5; 11A.24, subdivisions 1 and 4; 69.77, subdivision 2g; 69.775; 116P.11; 352.96, subdivision 3; 356.24, subdivision 1; and 424A.06, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 24, after the period insert "The assets of participating nonretirement funds may not be commingled with the assets of participating public retirement plans."

Page 8, line 18, after the period insert "The periodic review must occur at least every two years."

Page 11, after line 10, insert:

"Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective on the day following final enactment."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 467, A bill for an act relating to local government; establishing a county option for sales of tax-forfeited lands; requiring reimbursement to county for administrative expenses of special assessments; modifying date for submission of rental statements by housing and redevelopment authority; amending Minnesota Statutes 1992, sections 282.01, subdivision 7; 429.061, by adding a subdivision; and 469.040, subdivision 3.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 3, delete line 34

Page 3, line 35, delete "2" and insert "1"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "requiring"

Page 1, line 8, delete everything before "429.061"

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 490, A bill for an act relating to retirement; removing the requirement for periodic review of the rule of 90; repealing Minnesota Statutes 1992, section 356.85.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 570, A bill for an act relating to retirement; the public employees retirement association; increasing the pension benefit multiplier for the public employees police and fire fund; amending Minnesota Statutes 1992, sections 353.651, subdivision 3; and 353.656, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1992, section 353.65, is amended by adding a subdivision to read:

Subd. 3a. [INCREASE IN EMPLOYEE AND EMPLOYER CONTRIBUTIONS IN CERTAIN INSTANCES.] (a) In addition to the contribution rates in effect under subdivisions 2 and 3, if the most recent regular actuarial valuation of the public employees police and fire fund under section 356.215 indicates that the fund has an unfunded actuarial accrued liability and that there is a deficiency when the total actuarial funding requirements of the fund are compared to the total support, expressed as a percentage of covered payroll, the employee and employer contribution rates must be increased.

(b) The increase in the employee contribution rate is 40 percent of the deficiency in total support indicated under paragraph (a), expressed as a percentage of covered payroll. The increase in the employer contribution rate is the balance of that percentage rate deficiency.

(c) The contribution rate increase must be determined by the executive director of the public employees retirement association.

(d) The contribution rate increase is effective on the January 1 next following the actuarial valuation disclosing the deficiency specified in paragraph (a). The increased contribution rate continues until the regular actuarial valuations of the public employees police and fire fund under section 356.215 no longer indicates that there is a deficiency when the total actuarial funding requirements of the fund are compared to the total support."

Page 2, after line 11, insert:

"Sec. 4. [PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN: ELECTION OF COVERAGE IN CERTAIN INSTANCES.]

(a) Notwithstanding any provision to the contrary of Minnesota Statutes, chapter 353 or 353D, a person described in paragraph (b) is eligible to elect contributions for prior service under paragraph (c) and coverage for future public employment under paragraph (d).

(b) A person eligible to make the elections provided for in this section is a person who:

(1) was born on March 3, 1939;

(2) was an elected official of Blackberry township during the period March 1972 through March 1990;

(3) became an employee of the city of Deer River in March 1987; and

(4) is a member of the coordinated program of the public employees retirement association under Minnesota Statutes, chapter 353, on the effective date of this section.

(c) An eligible person may elect to make member contributions for prior service as an elected official of Blackberry township to the public employees defined contribution plan under Minnesota Statutes, chapter 353D. The election must be made on a form prescribed by the executive director of the public employees retirement association. The election form must be accompanied with a lump sum payment of prior member contributions of \$1,937.93, plus interest on that amount at an annual compound rate of six percent from July 1, 1993, to the date payment is made, if payment is made after July 1, 1993. If the person pays the prior member contributions and if the subdivision agrees to make the employer contribution payment, the employing governmental subdivision for the March 1972 through March 1990 period shall pay, in a lump sum, \$2,447.69 plus interest on that amount at an annual compound rate of six percent from July 1, 1993, to the date payment is made, and shall make that payment within 60 days of the payment of the prior member contribution amount and receipt of a notice from the executive director of the public employees retirement association. If the employing governmental subdivision for the March 1972 through March 1990 period does not agree to make the employer contribution payment, the eligible person shall make the same contribution payment that the employing governmental subdivision would have made on the date of payment. The amounts under this paragraph must be deposited in the Minnesota supplemental investment fund to the credit of the person making the member contribution amount as provided in Minnesota Statutes, section 353D.05. Authority to make the prior service member contributions under this paragraph expires on July 1, 1994.

(d) An eligible person may elect to participate in the public employees defined contribution plan governed by Minnesota Statutes, chapter 353D, rather than the coordinated program of the public employees retirement association

governed by Minnesota Statutes, chapter 353, for future service as an employee of the city of Deer River after June 30, 1993. The election under this paragraph must be made by July 1, 1993. No refund under Minnesota Statutes, section 353.34, is payable unless the person terminates public employment qualifying for coverage under Minnesota Statutes, chapter 353 or 353D."

Page 2, line 13, delete "and 2" and insert ", 2, and 3"

Page 2, line 14, after the period insert "Section 4 is effective on the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "sections" insert "353.65, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 611, A bill for an act relating to health care; creating the children's mental health integrated fund; establishing an integrated service system for delivering mental health services to children; creating local children's mental health collaboratives; extending the statewide task force; appropriating money; amending Minnesota Statutes 1992, sections 245.4873, subdivision 2; and 256B.0625, by adding subdivisions; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 245.

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

The report was adopted.

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

H. F. No. 771, A bill for an act relating to the city of Minneapolis; permitting the city to license certain liquor sales.

Reported the same back with the following amendments:

Page 1, line 5, before "SALE" insert "MINNEAPOLIS;"

Page 1, line 10, delete "396, section 1" and insert "400, section 44" and after the second comma, insert "except east of the Mississippi River,"

Page 2, after line 14, insert:

"Sec. 2. [BLOOMINGTON; SALES DURING LATE HOURS.]

Subdivision 1. [LICENSES AUTHORIZED.] The city of Bloomington may by ordinance, after a public hearing, issue to a holder of an on-sale alcoholic beverage license, for an establishment the main entrance of which is located within one mile on either side of the boundaries of marked Interstate Highway No. 494 within the city, an additional license authorizing the licensee to make on-sales between the hours of 1:00 a.m. and 2:00 a.m. and to permit the consumption of alcoholic beverages until at least 3:00 a.m. The license is in addition to the number of licenses authorized by Minnesota Statutes, section 340A.413.

Subd. 2. [ORDINANCES.] An ordinance under subdivision 1 must contain at a minimum the requirements in paragraphs (a) and (b) for holders of licenses under this section.

(a) The licensee must have on duty at all times during the hours when making sales or permitting consumption under the license issued under this section at least one employee, serving or supervising, whom the city or county has certified as having successfully completed a server training program which has been certified by the city or county as providing adequate training for servers in:

- (1) recognizing the signs of intoxication;
- (2) skills in intervention to prevent intoxication;
- (3) knowledge of state laws governing licensee responsibilities;
- (4) knowledge of alcohol affects; and
- (5) methods of avoiding making illegal sales.

(b) The licensee must adopt and maintain in continuous effect during the hours when making sales or permitting consumption under the license authorized under this section a policy, approved by the city or county, of promoting the sale of consumption of food and nonalcoholic beverages at least to the same extent that the licensee promotes the sale or consumption of alcoholic beverages."

Page 2, line 15, delete "2" and insert "3"

Page 2, delete lines 16 to 18 and insert:

"Section 1 is effective on approval by the Minneapolis city council and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 2 is effective on approval by the Bloomington city council and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; allowing Minneapolis and Bloomington to license on-sales during certain hours."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 854, A bill for an act relating to drivers' licenses; clarifying requirement of endorsement for special transportation service drivers within the metropolitan area; abolishing examination requirement and certain fees for special transportation service drivers; providing for criminal records checks of special transportation service drivers; amending Minnesota Statutes 1992, sections 171.01, subdivision 24; 171.02, subdivision 2; 171.10, subdivision 2; 171.13, subdivision 5; and 171.323.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, lines 9 to 12, delete the new language

Page 3, line 17, delete "(a)"

Page 3, delete lines 25 to 29

Pages 4 and 5, delete section 5

Page 5, after line 23, insert:

"Sec. 4. [REPEALER.]

Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323, are repealed."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to drivers' licenses; eliminating driver's license endorsement requirement for special transportation service drivers; amending Minnesota Statutes 1992, sections 171.02, subdivision 2; 171.10, subdivision 2; and 171.13, subdivision 5; repealing Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323."

With the recommendation that when so amended 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. 859, A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge significant contributions and sell incidental advertising; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision.

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.

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

H. F. No. 867, A bill for an act relating to health; regulating ionization radiation; exempting practitioners of veterinary medicine from certain quality assurance tests; amending Minnesota Statutes 1992, section 144.121, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 14, insert:

"Sec. 2. Minnesota Statutes 1992, section 144.121, is amended by adding a subdivision to read:

Subd. 4. [RADIATION MONITORING.] Whenever involved in radiation procedures, practitioners of veterinary medicine and staff shall wear film based radiation monitoring badges to monitor individual exposure. The badges must be submitted periodically to a dosimetry service for individual exposure determination."

Page 1, line 15, delete "2" and insert "3"

Amend the title as follows:

Page 1, lines 5 and 6, delete "a subdivision" and insert "subdivisions"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 898, A bill for an act relating to natural resources; clarifying, modifying, and expanding rulemaking authority and other powers and duties of the commissioner of natural resources relating to game and fish, wild rice, stromatolites, and cross-country ski passes; clarifying, modifying, and expanding provisions relating to the taking, purchase, sale, possession, and transportation of wild animals; regulating entry and uses on certain public lands and waters; providing for the expiration of certain commissioner's orders; providing an exemption from rulemaking requirements; authorizing emergency rules; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 84.14, subdivision 3; 84.1525, subdivision 2; 85.41, subdivision 2; 85.45; 97A.045, subdivision 4, and by adding a subdivision; 97A.055, by adding a subdivision; 97A.091, subdivisions 1 and 2; 97A.095, subdivision 2; 97A.105, subdivision 1, and by adding a subdivision; 97A.137; 97A.255, subdivision 2; 97A.401, subdivision 4; 97A.415, subdivision 2; 97A.431, subdivisions 1 and 4; 97A.433, subdivisions 1 and 4; 97A.435, subdivision 4; 97A.441, by adding a subdivision; 97A.475, by adding a subdivision; 97A.485, subdivision 6, and by adding a subdivision; 97A.505, subdivision 5, and by adding a subdivision; 97A.535, subdivision 2; 97A.545, subdivisions 1, 2, 4, and by adding a subdivision; 97A.551, by adding a subdivision; 97B.425; 97B.671, subdivisions 1 and 2; 97B.711, subdivision 2, and by adding a subdivision; 97B.721; 97B.811, by adding a subdivision; 97C.025; 97C.051, subdivision 1; 97C.081, subdivisions 2, 3, and by adding a subdivision; 97C.205; 97C.311; 97C.331; 97C.345, subdivision 4, and by adding a subdivision; 97C.391, subdivision 1; 97C.405; 97C.505, subdivision 1; 97C.601, subdivision 6; 97C.805, subdivisions 1, 2, and 4; and 97C.865; Laws 1991, chapter 259, section 24; proposing coding for new law in Minnesota Statutes, chapters 97A; 97B; and 97C.

Reported the same back with the following amendments:

Page 24, line 3, delete everything before "may" and insert "37, 42, 44, 48, 53, 54, 58, 61, 62, 66, and 67"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 968, A bill for an act relating to public safety; allowing social security numbers of commercial drivers to be provided to the federal commercial driver license information system; allowing person whose vehicle license plates are impounded to designate a licensed driver for the purpose of obtaining special series license plates; prohibiting person whose license plates are impounded from purchasing a motor vehicle under certain conditions; clarifying driver's license classification provisions; imposing fee for duplicate identification card; requiring application for duplicate identification card when certain information changes; including certain traffic offenses as being serious violations when committed by commercial vehicle drivers; providing for driver's license reinstatement fees; amending Minnesota Statutes 1992, sections 13.69, subdivision 1; 168.042, subdivision 12, and by adding a subdivision; 171.02, subdivision 2; 171.06, subdivision 2; 171.11; 171.165, subdivision 4; and 171.29, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 17, strike "valid" and delete "who they" and insert "whom the violator"

Page 3, lines 26 to 30, reinstate the stricken language and delete the new language

Page 3, lines 34 to 36, reinstate the stricken language

Page 5, line 20, after "169.18" insert ", subdivision 8"

Page 5, line 21, after "169.18" insert ", subdivisions 3 and 7," and after "169.19" insert ", subdivision 4"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 973, A bill for an act relating to retirement; benefit computation for members of the Bloomington police relief association.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

BLOOMINGTON POLICE BENEFIT COMPUTATION CHANGES

Section 1. [BLOOMINGTON POLICE SERVICE PENSIONS.]

Notwithstanding Minnesota Statutes, section 423.809, subdivision 1, or any other law to the contrary, the Bloomington police relief association shall grant pensions payable from the police pension fund in monthly installments, in the manner and for the following purposes:

(a) Any member of the age of 50 years or older, who has performed duty as a member of the police department of the city for 20 years or more, and who terminated active service as a Bloomington police officer before January 31, 1994, shall be paid monthly during the retiring member's lifetime a service pension equal to 38 units plus an additional one unit for each year of service in excess of 20 years, but not to exceed 45 units, except for those members who retire after January 31, 1994, who shall be paid monthly during the retiring members' lifetime a pension equal to 35 units, plus an additional one unit for each year of service in excess of 20 years, but not to exceed 42 units.

(b) Any member who performed duty as a member of the police department of the city for 20 years or more who retired from duty before attaining the age of 50 years, upon written application after reaching the age of 50 years shall be paid monthly during the retiring member's lifetime a pension equal to 38 units plus an additional one unit for each year of service in excess of 20 years, but not to exceed 45 units, except for those members who retire after January 31, 1994, before attaining the age of 50 years who shall be paid monthly during the retiring members' lifetime a pension equal to 35 units plus an additional one unit for each year of service in excess of 20 years but not to exceed 42 units.

(c) Any member receiving a disability benefit as of January 31, 1994, is entitled to receive a monthly benefit during the disabilitant's lifetime while so disabled equal to 39 units.

Sec. 2. [SURVIVOR BENEFITS.]

Notwithstanding Minnesota Statutes, section 423.810, subdivision 1, or any other law to the contrary, when a service pensioner, disability pensioner, or deferred pensioner, or an active member of a relief association dies, leaving a surviving spouse, one or more surviving children, or both, the surviving spouse and child, or children, shall be entitled to a pension, or pensions, from the relief association as follows:

(a) To the surviving spouse, a monthly pension of 20-1/2 units or one-half of the units per month to which the member was entitled, whichever is greater, for life.

(b) To each surviving child, a monthly pension of six units until the child reaches the age of 18 years or the age of 22 years if the surviving child is a full-time student.

(c) The total pensions for the surviving spouse and children of a deceased member shall not exceed 45 units per month.

"Surviving spouse" means a person who was the member's legally married spouse, residing with the member, and who was married during or prior to the time the member was on the payroll of the police department, and who, in case the deceased member was a service or deferred pensioner, was legally married to the member at least one year before the member's retirement from the police department. "Surviving child" means any child of the deceased member who was living while the deceased member was on the payroll of the police department or was born within ten months after the deceased member was withdrawn from the payroll of the police department and who has not attained the age of 18 years, provided, however, that the fund may continue to pay the benefit up to age 22 if the surviving child is a full-time student.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective upon an affirmative vote by the Bloomington police relief association to consolidate with the public employees retirement association under Minnesota Statutes, section 353A.04, and on approval of sections 1 and 2 by the Bloomington city council and compliance with Minnesota Statutes, section 645.021.

ARTICLE 2

CONFORMING CHANGES

Section 1. Minnesota Statutes 1992, section 353B.07, subdivision 3, is amended to read:

Subd. 3. [FORMULA PERCENTAGE RATE.] (a) The formula percentage rate shall be 2.333 percent per year of allowable service for each of the first 20 years of allowable service, 1.333 percent per year of allowable service for each year of allowable service in excess of 20 years but not in excess of 27 years, and .5 percent for each year of allowable service in excess of 25 years for the former members of the following consolidating relief associations:

- (1) Rochester fire department relief association;
- (2) Rochester police relief association;
- (3) St. Cloud fire department relief association;
- (4) St. Cloud police relief association;
- (5) St. Louis Park police relief association; and
- (6) Winona police relief association.

(b) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service for the former members of the following consolidating relief associations:

- (1) Albert Lea police relief association;
- (2) Anoka police relief association;
- (3) Faribault fire department relief association;
- (4) Faribault police benefit association;
- (5) Mankato police benefit association;
- (6) Red Wing police relief association; and
- (7) West St. Paul police relief association.

(c) The formula percentage rate shall be 2.5 percent per year of allowable service for each of the first 20 years of allowable service and .5 percent per year of allowable service for each year of service in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;
- (2) Austin police relief association;
- (3) South St. Paul firefighters relief association;
- (4) South St. Paul police relief association; and
- (5) Virginia police relief association.

(d) The formula percentage rate shall be 2.1875 percent per year of allowable service for each of the first 20 years of allowable service and 1.25 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service but not in excess of 27 years of allowable service for the former members of the ~~following consolidating relief associations:~~

- ~~(1) Bloomington police relief associations; and~~
- (2) Columbia Heights police relief association.

(e) The formula percentage rate shall be 2.65 percent per year of allowable service for each of the first 20 years of allowable service and an additional annual benefit of \$120 per year of allowable service in excess of 20 years of allowable service but not in excess of 25 years of allowable service for the former members of the following consolidating relief associations:

- (1) Hibbing firefighters relief association; and
- (2) Hibbing police relief association.

(f) The formula percentage rate or rates shall be the following for the former members of the consolidating relief associations as indicated:

(1) 2.5 percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Albert Lea firefighters relief association;

(2) 2.5333 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service, but not in excess of 27 years of allowable service, if service as an active member terminated before January 31, 1994, and 2.3333 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service for each year of allowable service in excess of 20 years of allowable service, but not in excess of 27 years of allowable service, if service as an active member terminated on or after January 31, 1994, Bloomington police relief association;

(3) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to top grade patrol officer's salary base, Brainerd police relief association;

~~(3)~~ (4) 4.25 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$10 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Buhl police relief association;

(4) ~~(5)~~ 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, Chisholm firefighters relief association;

- (5) (6) 2.5 percent per year of allowable service for each of the first 20 years of allowable service and an additional benefit of \$5 per month per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, Chisholm police relief association;
- (6) (7) 2.1875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service and 1.75 percent per year of allowable service in excess of 25 years of allowable service, Columbia Heights fire department relief association, paid division;
- (7) (8) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and 1.5 percent per year of allowable service rendered after attaining the age of 60 years, Crookston fire department relief association;
- (8) (9) 2.5 percent per year of allowable service for each year of the first 30 years of allowable service, Crookston police relief association;
- (9) (10) 2.25 percent per year of allowable service for each year of the first 20 years of allowable service and 1.25 percent per year of allowable service in excess of 20 years of allowable service, but not more than 27 years of service, Crystal police relief association;
- (10) (11) 1.99063 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth firefighters relief association;
- (11) (12) 1.9875 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent for the 21st year of allowable service, and 2.5 percent per year of allowable service in excess of 21 years of allowable service but not more than 25 years of allowable service, Duluth police relief association;
- (12) (13) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service, and two percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and not to include any year of allowable service rendered after attaining the age of 55 years, Fairmont police benefit association;
- (13) (14) two percent per year of allowable service for each year of the first ten years of allowable service, 2.67 percent per year of allowable service in excess of ten years of allowable service but not more than 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of service but not more than 27 years of allowable service, Fridley police pension association;
- (14) (15) 2.5 percent per year of allowable service for each year of the first 20 years of allowable service and an additional annual amount of \$30 per year of allowable service in excess of 20 years of allowable service but not more than 30 years of allowable service, Mankato fire department relief association;
- (15) (16) 2.0625 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service and five percent for the 25th year of allowable service, Minneapolis fire department relief association;
- (16) (17) 2.125 percent per year of allowable service for each year of the first 20 years of allowable service, 1.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 24 years of allowable service, and five percent for the 25th year of allowable service, Minneapolis police relief association;
- (17) (18) the greater of 2.5 percent per year of allowable service for each of the first 20 years of allowable service applied to the final salary base, or two percent per year of allowable service for each of the first 20 years of allowable service applied to highest patrol officer's salary base plus .5 percent of the final salary base per year of allowable service for each of the first three years of allowable service in excess of 20 years of allowable service, New Ulm police relief association;
- (18) (19) two percent per year of allowable service for each of the first 25 years of allowable service and 1.5 percent per year of allowable service in excess of 25 years of allowable service, Red Wing fire department relief association;

~~(19)~~ (20) 2.55 percent per year of allowable service for each of the first 20 years of allowable service, Richfield fire department relief association;

~~(20)~~ (21) 2.4 percent per year of allowable service for each of the first 20 years of allowable service and 1.3333 percent per year of allowable service in excess of 20 years of allowable service but not more than 27 years of allowable service, Richfield police relief association;

~~(21)~~ (22) for a former member with less than 20 years of allowable service on June 16, 1985, 2.6 percent, and for a former member with 20 or more years of allowable service on June 16, 1985, 2.6175 percent for each of the first 20 years of allowable service and, for each former member, one percent for each year of allowable service in excess of 20 years, but no more than 30 years, St. Louis Park fire department relief association;

~~(22)~~ (23) 1.9375 percent per year of allowable service for each of the first 20 years of allowable service, 2.25 percent per year of allowable service in excess of 20 years of allowable service but not more than 25 years of allowable service, and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul fire department relief association;

~~(23)~~ (24) two percent per year of allowable service for each of the first 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years of allowable service, St. Paul police relief association;

~~(24)~~ (25) 2.25 percent per year of allowable service for each of the first 20 years of allowable service and one percent per year of allowable service in excess of 20 years but not more than 25 years of allowable service and .5 percent per year of allowable service in excess of 25 years, Virginia fire department relief association;

~~(25)~~ (26) two percent per year of allowable service for each of the first 20 years of allowable service, one percent per year of allowable service in excess of 20 years but not more than 24 years of allowable service, three percent for the 25th year of allowable service and one percent per year of allowable service in excess of 25 years of allowable service but not more than 30 years of allowable service, West St. Paul firefighters relief association; and

~~(26)~~ (27) 2.333 percent for each of the first 20 years of allowable service, 1.333 percent for each year of allowable service in excess of 20 years but no more than 28 years, and .5 percent for each year of allowable service in excess of 25 years, Winona fire department relief association.

Sec. 2. Minnesota Statutes 1992, section 353B.08, subdivision 6, is amended to read:

Subd. 6. [DUTY DISABILITY BENEFIT AMOUNT.] (a) The duty disability benefit shall be an amount equal to the service pension amount to which the person would have been entitled if the person had credit for the greater of actual years of allowable service or 20 years of allowable service, had attained the minimum age for the receipt of a service pension, and had applied for a service pension rather than a disability benefit for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Anoka police relief association;
- (4) Austin police relief association;
- (5) Buhl police relief association;
- (6) Chisholm police relief association;
- (7) Duluth police relief association;
- (8) Faribault fire department relief association;
- (9) Mankato police benefit association;
- (10) Minneapolis police relief association;

- (11) New Ulm police relief association;
- (12) Red Wing police relief association;
- (13) St. Paul police relief association;
- (14) South St. Paul police relief association; and
- (15) Virginia police relief association.

(b) The duty disability benefit shall be an amount equal to 48 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) St. Cloud fire department relief association;
- (6) St. Cloud police relief association;
- (7) St. Louis Park police relief association; and
- (8) Winona police relief association.

(c) The duty disability benefit shall be an amount equal to 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Austin firefighters relief association;
- (2) Crookston fire department relief association;
- (3) Fairmont police benefit association;
- (4) Mankato fire department relief association;
- (5) Richfield fire department relief association;
- (6) South St. Paul firefighters relief association; and
- (7) Virginia fire department relief association.

(d) The duty disability benefit shall be an amount equal to 45 percent of the salary base for the former members of the following consolidating relief associations:

- ~~(1) Bloomington police relief association; and~~
- (2) Crystal police relief association.

(e) The duty disability benefit shall be an amount equal to 40 percent of the salary base for the former members of the following consolidating relief associations:

- (1) West St. Paul firefighters relief association; and
- (2) West St. Paul police relief association.

(f) The duty disability benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) 52 percent of the salary base for former members who were disabled before January 31, 1994, and 45 percent of the salary base for former members who become disabled after January 30, 1994, Bloomington police relief association;

(2) 40 percent of the top salary for a patrol officer, Brainerd police relief association;

(2) (3) \$100 per month, Chisholm firefighters relief association;

(3) (4) 37.5 percent of the salary base if the person has credit for less than ten years of allowable service, 43.75 percent of the salary base if the person has credit for more than nine years but less than 15 years of allowable service and 50 percent of the salary base if the person has credit for more than 14 years of allowable service credit, Columbia Heights fire department relief association, paid division;

(4) (5) 43.75 percent of the salary base, Columbia Heights police relief association;

(5) (6) 25 percent of the salary base if the person has credit for less than 12 years of allowable service and an additional amount equal to 2.5 percent of the salary base per year if allowable service for each year of allowable service in excess of 11 years of allowable service, not more than 50 percent, Crookston police relief association;

(6) (7) 51.0625 percent of the salary base, Duluth firefighters relief association;

(7) (8) 12.5 percent of the salary base if the person has credit for less than six years of allowable service, 2.5 percent of the salary base per year of allowable service if the person has more than five years of allowable service, but not more than 50 percent of the salary base, Faribault police benefit association;

(8) (9) the dollar amount which equals the benefit which would be payable under chapter 176 for a comparable benefit which qualifies for a workers' compensation benefit for a first class disability, 75 percent of the amount payable in the event of a first class disability for a second class disability and 50 percent of the amount payable in the event of a first class disability for a third class disability, Hibbing firefighters relief association;

(9) (10) \$120 per month, Hibbing police relief association;

(10) (11) 51.25 percent of the salary base for a first class disability, 41.25 percent of the salary base for a second class disability, and 31.25 percent of the salary base for a third class disability, Minneapolis fire department relief association;

(11) (12) 40 percent of the salary base if the person has credit for less than 20 years of allowable service and two percent of the salary base per year of allowable service if the person has more than 19 years of allowable service, but not more than 50 percent, Red Wing fire department relief association;

(12) (13) 50 percent of the salary base if the person has credit for less than 20 years of allowable service and an amount equal to the service pension amount to which the person would have been entitled based on the applicable amount of allowable service if the person had attained the minimum age for the receipt of a service pension and had applied for a service pension rather than a disability benefit and if the person has credit for at least 20 years of allowable service, St. Louis Park fire department relief association;

(13) (14) 50 percent of the salary base if the person is not able to perform the duties of any other gainful employment, 39.375 percent of the salary base if the person is only able to perform the duties of light manual labor or office employment and 33.75 percent of the salary base if the person is able to perform the duties of other manual labor, St. Paul fire department relief association; and

(14) (15) 42.667 percent of the salary base, Winona fire department relief association.

Sec. 3. Minnesota Statutes 1992, section 353B.11, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; SURVIVING CHILD BENEFIT.] (a) Except as specified in paragraph (b), (c), (d), (e), (f), or (g), the person who survives a deceased active, deferred, or retired member, who is the child of the deceased

member and who is younger than age 18 at the time of the death of the deceased member shall be entitled to receive a surviving child benefit.

(b) The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member, and who is younger than age 18 if the person is not a full-time student or age 22 if the person is a full-time student shall be entitled to receive a surviving child benefit in the case of former members of the following consolidating relief associations:

- (1) Bloomington police relief association;
- (2) Buhl police relief association;
- ~~(2)~~ (3) Columbia Heights fire department relief association, paid division;
- ~~(3)~~ (4) Duluth firefighters relief association;
- (4) (5) Duluth police pension association;
- ~~(5)~~ (6) Minneapolis fire department relief association;
- ~~(6)~~ (7) Minneapolis police relief association; and
- ~~(7)~~ (8) St. Paul fire department relief association.

(c) The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 16 shall be entitled to receive a surviving child benefit in the case of former members of the following consolidating relief associations:

- (1) Chisholm police relief association; and
- (2) Hibbing police relief association.

(d) The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 19 shall be entitled to receive a surviving child benefit in the case of former members of the Albert Lea firefighters relief association.

(e) The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 18 if the person is not a full-time student or age 21 if the person is a full-time student shall be entitled to receive a surviving child benefit in the case of former members of the Crookston police relief association.

(f) The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member, who was dependent on the deceased member and who is younger than age 18 shall be entitled to receive a surviving child benefit in the case of former members of the Red Wing police relief association.

(g) The person who survives a deceased active, deferred, or retired member, who is the child of the deceased member and who is younger than age 18 if the person is not a full-time student or age 23 if the person is a full-time student shall be entitled to receive a surviving child benefit in the case of former members of the St. Paul police relief association.

Sec. 4. Minnesota Statutes 1992, section 353B.11, subdivision 3, is amended to read:

Subd. 3. [AMOUNT; SURVIVING SPOUSE BENEFIT.] (a) The surviving spouse benefit shall be 30 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Anoka police relief association;

- (4) Austin firefighters relief association;
- (5) Austin police relief association;
- (6) Brainerd police benefit association;
- (7) Crookston police relief association;
- (8) Faribault fire department relief association; and
- (9) West St. Paul firefighters relief association.

(b) The surviving spouse benefit shall be 25 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Chisholm police relief association;
- (2) Duluth firefighters relief association;
- (3) Duluth police pension association;
- (4) Fairmont police benefit association;
- (5) Red Wing fire department relief association;
- (6) South St. Paul police relief association; and
- (7) West St. Paul police relief association.

(c) The surviving spouse benefit shall be 24 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Fridley police pension association;
- (2) Richfield police relief association;
- (3) Rochester fire department relief association;
- (4) Rochester police relief association;
- (5) Winona fire department relief association; and
- (6) Winona police relief association.

(d) The surviving spouse benefit shall be 40 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Columbia Heights fire department relief association, paid division;
- (2) New Ulm police relief association; and
- (3) Richfield fire department relief association.

(e) The surviving spouse benefit shall be \$250 per month for the former members of the following consolidating relief associations:

- (1) Hibbing firefighters relief association; and
- (2) Hibbing police relief association.

(f) The surviving spouse benefit shall be 23.75 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Crystal police relief associations; and
- (2) Minneapolis police relief association.

(g) The surviving spouse benefit shall be 32 percent of the salary base for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and
- (2) St. Cloud police relief association.

(h) The surviving spouse benefit shall be one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, for the former members of the following consolidating relief associations:

- (1) Virginia fire department relief association; and
- (2) Virginia police relief association.

(i) The surviving spouse benefit shall be the following for the former members of the consolidating relief associations as indicated:

(1) 25.625 27.333 percent of the salary base, or one-half of the service pension payable to or accrued by the deceased former member, whichever is greater, Bloomington police relief association;

(2) 72.25 percent of the salary base, Buhl police relief association;

(3) 50 percent of the service pension which the active member would have received based on allowable service credit to the date of death and prospective service from the date of death until the date on which the person would have attained the normal retirement age, 50 percent of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or \$175 per month if the deceased member was receiving a service pension or disability benefit as of the date of death, Chisholm firefighters relief association;

(4) two-thirds of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Columbia Heights police relief association;

(5) the greater of \$300 per month or one-half of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Crookston fire department relief association;

(6) \$100 per month, Faribault police benefit association;

(7) 60 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Mankato fire department relief association;

(8) \$175 per month, Mankato police benefit association;

(9) 26.25 percent of the salary base, Minneapolis fire department relief association;

(10) equal to the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the allowable service credit of the person as of the date of death if the person would have been eligible as of the date of death, Red Wing police relief association;

(11) 40 percent of the salary base for a surviving spouse of a deceased active member, disabled member, or retired or deferred member with at least 20 years of allowable service, or the prorated portion of 40 percent of the salary base that bears the same relationship to 40 percent that the deceased member's years of allowable service bear to 20 years of allowable service for the surviving spouse of a deceased retired or deferred member with at least ten but less than 20 years of allowable service, St. Louis Park fire department relief association;

(12) 26.6667 percent of the salary base, St. Louis Park police relief association;

(13) 27.5 percent of the salary base, St. Paul fire department relief association;

(14) 20 percent of the salary base, St. Paul police relief association; and

(15) 27 percent of the salary base, South St. Paul firefighters relief association.

Sec. 5. Minnesota Statutes 1992, section 353B.11, subdivision 5, is amended to read:

Subd. 5. [SURVIVOR BENEFIT MAXIMUM.] (a) No surviving children or surviving family maximum shall be applicable to former members of the following consolidating relief associations:

(1) Buhl police relief association;

(2) Chisholm firefighters relief association;

(3) Chisholm police relief association;

(4) Hibbing firefighters relief association;

(5) Mankato police benefit association;

(6) New Ulm police relief association;

(7) Red Wing fire department relief association;

(8) Red Wing police relief association;

(9) St. Paul police relief association; and

(10) South St. Paul police relief association.

(b) The surviving children maximum shall be 24 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

(1) Fridley police pension association;

(2) Richfield police relief association;

(3) Rochester fire department relief association;

(4) Rochester police relief association;

- (5) Winona fire department relief association; and
- (6) Winona police relief association.

(c) The surviving family maximum shall be 50 percent of the salary base for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;
- (2) Austin firefighters relief association;
- (3) Austin police relief association;
- (4) Duluth firefighters relief association;
- (5) Richfield fire department relief association; and
- (6) St. Louis Park fire department relief association.

(d) The surviving family maximum shall be an amount equal to the service pension which a retiring member would have received based on 20 years of allowable service credit if the member had attained the age of at least 50 years in the case of an active member, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death in the case of a deferred member, or of the service pension or disability benefit which the deceased member was receiving as of the date of death, for the former members of the following consolidating relief associations:

- (1) Columbia Heights police relief association;
- (2) Virginia fire department relief association; and
- (3) Virginia police relief association.

(e) The surviving children maximum shall be 25 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Duluth police pension association; and
- (2) Fairmont police benefit association.

(f) The surviving children maximum shall be 22.5 percent of the salary base, if a surviving spouse benefit is also payable or 45 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- ~~(1) Bloomington police relief association; and~~
- (2) Crystal police relief association.

(g) The surviving children maximum shall be 16 percent of the salary base, if a surviving spouse benefit is also payable or 48 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) St. Cloud fire department relief association; and
- (2) St. Cloud police relief association.

(h) The surviving children maximum shall be 20 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association; and
- (3) Faribault fire department relief association.

(i) The surviving family maximum shall be the following for the former members of the consolidating relief associations:

- (1) 60 percent of the salary base, Bloomington police relief association;
- (2) \$450 per month, Crookston police relief association;

~~(2)~~ (3) 80 percent of the service pension or disability benefit which the deceased member was receiving as of the date of death, or of the service pension which the deferred member would have been receiving if the service pension had commenced as of the date of death or of the service pension which the active member would have received based on the greater of the allowable service credit of the person as of the date of death or 20 years of allowable service credit if the person would have been eligible as of the date of death, Mankato fire department relief association; and

- ~~(3)~~ (4) 57.5 percent of the salary base, St. Paul fire department relief association.

(j) The surviving child maximum shall be the following for the former members of the consolidating relief associations:

- (1) 20 percent of the top salary payable to a patrol officer, Brainerd police benefit association;
- (2) ten percent of the salary base, if a surviving spouse benefit is also payable or 15 percent of the salary base, if no surviving spouse benefit is also payable, Columbia Heights fire department relief association, paid division;
- (3) \$105 per month if a surviving spouse benefit is also payable or \$90 per month if no surviving spouse benefit is also payable, Crookston fire department relief association;
- (4) \$125 per month, Faribault police benefit association;
- (5) \$30 per month if a surviving spouse benefit is also payable or \$180 per month if no surviving spouse benefit is also payable, Hibbing police relief association;
- (6) 25 percent of the salary base, if a surviving spouse benefit is also payable or 51.25 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis fire department relief association;
- (7) 17.5 percent of the salary base, if a surviving spouse benefit is also payable or 40 percent of the salary base, if no surviving spouse benefit is also payable, Minneapolis police relief association;
- (8) 24 percent of the salary base, St. Louis Park police relief association;
- (9) 23 percent of the salary base, if a surviving spouse benefit is also payable or 50 percent of the salary base, if no surviving spouse benefit is also payable, South St. Paul firefighters relief association;
- (10) ten percent of the salary base, West St. Paul firefighters relief association; and
- (11) \$30 per month if a surviving spouse benefit is also payable or \$75 per month if no surviving spouse benefit is also payable, West St. Paul police relief association.

Sec. 6. Minnesota Statutes 1992, section 353B.11, subdivision 6, is amended to read:

Subd. 6. [DISCONTINUATION; SURVIVING SPOUSE BENEFIT.] (a) Except as specified in paragraph (b) or (c), a surviving spouse benefit shall terminate upon the death or the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit.

(b) A surviving spouse benefit shall terminate upon the subsequent marriage of the person entitled to receive or receiving a surviving spouse benefit but shall recommence at the appropriate amount without any retroactive payments in the event of the termination of the subsequent marriage for any reason for the former members of the following consolidating relief associations:

- (1) Albert Lea firefighters relief association;
- (2) Albert Lea police relief association;
- (3) Duluth firefighters relief association;
- (4) Minneapolis fire department relief association;
- (5) St. Paul fire department relief association; and
- (6) St. Paul police relief association.

(c) A surviving spouse benefit shall terminate only upon the death of the person entitled to receive or receiving a surviving spouse benefit for the former members of the following consolidating relief associations:

- (1) Anoka police relief association;
- (2) Bloomington police relief association;
- (3) Buhl police relief association;
- (3) (4) Chisholm fire department relief association;
- (4) (5) Chisholm police relief association;
- (5) (6) Crookston fire department relief association;
- (6) (7) Duluth police relief association;
- (7) (8) Faribault fire department relief association;
- (8) (9) Hibbing firefighters relief association;
- (9) (10) Hibbing police relief association;
- (10) (11) Mankato fire department relief association;
- (11) (12) Red Wing fire department relief association;
- (12) (13) Red Wing police relief association;
- (13) (14) Rochester fire department relief association;
- (14) (15) Rochester police relief association;
- (15) (16) St. Cloud fire department relief association;
- (16) (17) St. Louis Park fire department relief association;

- ~~(17)~~ (18) St. Louis Park police relief association;
- ~~(18)~~ (19) South St. Paul firefighters relief association;
- ~~(19)~~ (20) South St. Paul police relief association;
- ~~(20)~~ (21) West St. Paul firefighters relief association;
- ~~(21)~~ (22) Winona fire department relief association; and
- ~~(22)~~ (23) Winona police relief association.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective upon the effective date of article 1, section 3."

Delete the title and insert:

"A bill for an act relating to retirement; benefit computation for members of the Bloomington police relief association; amending Minnesota Statutes 1992, sections 353B.07, subdivision 3; 353B.08, subdivision 6; and 353B.11, subdivisions 2, 3, 5, and 6."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 974, A bill for an act relating to the capitol area architectural and planning board; clarifying certain duties and powers of the board; amending Minnesota Statutes 1992, section 15.50, subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 15.50, is amended by adding a subdivision to read:

Subd. 1a. [CAPITOL AREA DEFINITION.] "Capitol area" means the portion of the city of Saint Paul within the following boundaries: beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the centerline of Summit Avenue to the south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along

the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin.

Sec. 2. Minnesota Statutes 1992, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, ~~herein called the area which shall initially consist of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the centerline of Summit Avenue to the south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35 E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35 E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin.~~

Pursuant to the comprehensive plan, or any portion thereof, the board may regulate, by means of zoning rules adopted pursuant to the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person shall undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when they request reports for their planning purpose.

(c) No public building, street, parking lot, or monument, or other construction shall be built or altered on any public lands within the area unless the plans for the same conforms to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas ~~and~~ open spaces, monuments, and other memorials; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall be made to public lands or buildings in the area ~~save with~~ without the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, which may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such competition shall be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota and the board may award one or more premiums in each such competition and may pay such costs and fees as may be required for the conduct thereof. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided such plans have been considered by the advisory committee described in clause (f). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) The board shall not adopt any plan under clause (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee shall not be contestants under clause (e). The comments and criticism shall be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose:

(1) the committee shall be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the same are developed or in the process of preparation whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area. A copy of any such data prepared by any public employee or agency shall be filed with the board promptly upon completion;

(2) the board may employ such stenographic or technical help as may be reasonable to assist the committee to perform its duties;

(3) when so directed by the board, the committee may serve as, and any member or members thereof may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee; and

(4) the city of Saint Paul shall advise the board.

(g) The comprehensive plan for the area shall be developed and maintained in close cooperation with the commissioner of trade and economic development and the planning department and the council for the city of Saint Paul and the board of the arts, and no such plan or amendment thereof shall be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, the board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 shall not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program. The board shall also provide testimony to the legislature on proposals for capital improvements and memorials in the capitol area as to their compatibility with the standards, policies, and objectives of the comprehensive plan.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase or eminent domain proceedings any real property situated in the area described in this section and it shall also have the power to acquire an interest less than a fee simple interest in the property, if it finds that it is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and acts amendatory thereof.

(l) The board shall meet at the call of the chair and at such other times as it may prescribe.

(m) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs of which such part as the commissioner of administration and commissioner of veterans affairs may mutually determine shall be on the first floor above the ground and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available to such other state departments and agencies as the commissioner may deem desirable.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

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

The report was adopted.

Sparby from the Committee on General Legislation, Veterans Affairs and Elections to which was referred:

H. F. No. 993, A bill for an act relating to Black Minnesotans; providing for a study of the immigration status of persons of African descent; appropriating money.

Reported the same back with the following amendments:

Page 1, lines 9 and 15, delete "1994" and insert "1995"

Page 1, line 14, delete "for the biennium ending" and insert "until"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 998, A bill for an act relating to occupations and professions; requiring crane operators to be licensed by the state; requiring rulemaking; establishing a crane operators examining board; providing penalties; amending Minnesota Statutes 1992, section 214.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 326.

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. 1021, A bill for an act relating to state lands; exempting certain lakeshore lots from sale requirements; authorizing the commissioner of natural resources to acquire personal property; amending Minnesota Statutes 1992, section 92.67, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete lines 10 to 19 and insert:

"Subd. 1a. [HORSESHOE BAY LAND SALE POSTPONED UNTIL JULY 1, 1998.] The sale date of December 31, 1993, listed in subdivision 1 shall be postponed until July 1, 1998, for all state lands located in section 16, township 62N, range 4E, Cook county. The commissioner shall continue the existing leases until that time. The commissioner, in conjunction with the Cook county board of commissioners shall prepare an integrated resource management plan and make recommendations to the legislature on the future use of the lands in section 16, township 62N, range 4E, Cook county, by July 1, 1997."

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. 1036, A bill for an act relating to human services; granting authority to make interpretive guidelines; defining interpretive guidelines; providing for a vulnerable adult study; establishing a data practices task force; amending Minnesota Statutes 1992, sections 14.03, subdivision 3; 245A.02, subdivision 14; 245A.04, subdivisions 3 and 3b; 245A.06, subdivision 2; 245A.09, subdivision 7, and by adding subdivisions; and 245A.16, subdivision 6; repealing Minnesota Statutes 1992, sections 245A.04, subdivision 3c.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 245A.02, subdivision 6a, is amended to read:

Subd. 6a. [DROP-IN CHILD CARE PROGRAM.] "Drop-in child care program" means a nonresidential program of child care in which children participate on a one-time only or occasional basis up to a maximum of 45 90 hours per child, per month. A drop-in child care program must be licensed under Minnesota Rules governing child care centers. A drop-in child care program must meet one of the following requirements to qualify for the rule exemptions specified in section 245A.14, subdivision 6:

- (1) the drop-in child care program operates in a child care center which houses no child care program except the drop-in child care program;
- (2) the drop-in child care program operates in the same child care center but not during the same hours as a regularly scheduled ongoing child care program with a stable enrollment; or
- (3) the drop-in child care program operates in a child care center at the same time as a regularly scheduled ongoing child care program with a stable enrollment but the program's activities, except for bathroom use and outdoor play, are conducted separately from each other.

Sec. 2. Minnesota Statutes 1992, section 245A.02, subdivision 14, is amended to read:

Subd. 14. [RESIDENTIAL PROGRAM.] "Residential program" means a program that provides 24-hour-a-day care, supervision, food, lodging, rehabilitation, training, education, habilitation, or treatment outside a person's own home, including a nursing home or hospital that receives public funds, administered by the commissioner, to provide services for five or more persons whose primary diagnosis is mental retardation or a related condition or mental illness and who do not have a significant physical or medical problem that necessitates nursing home care; a program in an intermediate care facility for four or more persons with mental retardation or a related condition; a nursing home or hospital that was licensed by the commissioner on July 1, 1987, to provide a program for persons with a physical handicap that is not the result of the normal aging process and considered to be a chronic condition; and chemical dependency or chemical abuse programs that are located in a hospital or nursing home and receive public funds for providing chemical abuse or chemical dependency treatment services under chapter 254B. Residential programs include home and community-based services and semi-independent living services for persons with mental retardation or a related condition that are provided in or outside of a person's own home.

Sec. 3. Minnesota Statutes 1992, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

- (1) residential or nonresidential programs that are provided to a person by an individual who is related, except as provided in subdivision 2a;
- (2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;
- (3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;
- (4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;
- (5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten special education in a school as defined in section 120.101, subdivision 4, and programs serving children in combined special education and regular prekindergarten programs that are operated or assisted by the commissioner of education;
- (6) nonresidential programs primarily for children that provide care or supervision, without charge for ten or fewer days a year, and for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present on property within another building that is directly contiguous with the physical facility where to the building in which the nonresidential program is provided located;
- (7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;
- (8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;
- (9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;
- (10) programs licensed by the commissioner of corrections;
- (11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;
- (12) programs whose primary purpose is to provide, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;
- (13) head start nonresidential programs which operate for less than 31 days in each calendar year;
- (14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;
- (15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;
- (16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;
- (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;
- (18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;
- (19) mental health outpatient services for adults with mental illness or children with emotional disturbance;

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) unrelated individuals who provide out-of-home respite care services to persons with mental retardation or related conditions from a single related family for no more than 30 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative;

(22) respite care services provided as a home- and community-based service to a person with mental retardation or a related condition, in the person's primary residence; or

(23) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17.

For purposes of clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

Sec. 4. Minnesota Statutes 1992, section 245A.03, is amended by adding a subdivision to read:

Subd. 2a. [LICENSING OF AN INDIVIDUAL RELATED TO A QUALIFYING CHILD.] Notwithstanding subdivision 2, clause (1), the commissioner may license an individual who is related to a qualifying child, as defined in title IV-E of the Social Security Act, to provide foster care for that qualifying child. The commissioner may issue such a license retroactive to the date the qualifying child was placed in the applicant's home, so long as no more than 90 days have elapsed since the placement. If more than 90 days have elapsed since the placement, the commissioner may issue the license retroactive 90 days.

Sec. 5. Minnesota Statutes 1992, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [STUDY OF THE APPLICANT.] (a) Before the commissioner issues a license, the commissioner shall conduct a study of the individuals specified in clauses (1) to (4) according to rules of the commissioner. The applicant, license holder, the bureau of criminal apprehension, and county agencies, after written notice to the individual who is the subject of the study, shall help with the study by giving the commissioner criminal conviction data and reports about abuse or neglect of adults in licensed programs substantiated under section 626.557 and the maltreatment of minors in licensed programs substantiated under section 626.556. The individuals to be studied shall include:

- (1) the applicant;
- (2) persons over the age of 13 living in the household where the licensed program will be provided;
- (3) current employees or contractors of the applicant who will have direct contact with persons served by the program; and
- (4) volunteers who have direct contact with persons served by the program to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3).

The juvenile courts shall also help with the study by giving the commissioner existing juvenile court records on individuals described in clause (2) relating to delinquency proceedings held within either the five years immediately preceding the application or the five years immediately preceding the individual's 18th birthday, whichever time period is longer. The commissioner shall destroy juvenile records obtained pursuant to this subdivision when the subject of the records reaches age 23.

For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in clause (1) or (3) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1) or (3) is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

A study of an individual in clauses (1) to (4) shall be conducted ~~on~~ at least ~~an annual basis~~ upon application for initial license and reapplication for a license. No applicant, license holder, or individual who is the subject of the study shall pay any fees required to conduct the study.

(b) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (a), clauses (1) to (4), on forms prescribed by the commissioner. The commissioner may request additional information of the individual, which shall be optional for the individual to provide, such as the individual's social security number or race.

(c) Except for child foster care, adult foster care, and family day care homes, a study must include information from the county agency's record of substantiated abuse or neglect of adults in licensed programs, and the maltreatment of minors in licensed programs, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. For child foster care, adult foster care, and family day care homes, the study must include information from the county agency's record of substantiated abuse or neglect of adults, and the maltreatment of minors, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or a national criminal record repository if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual listed in paragraph (a), clauses (1) to (4).

(d) An applicant's or license holder's failure or refusal to cooperate with the commissioner is reasonable cause to deny an application or immediately suspend, suspend, or revoke a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(e) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

(f) No person in paragraph (a), clause (1), (2), (3), or (4) who is disqualified as a result of this section may be retained by the agency in a position involving direct contact with persons served by the program.

(g) Termination of persons in paragraph (a), clause (1), (2), (3), or (4) made in good faith reliance on a notice of disqualification provided by the commissioner shall not subject the applicant or license holder to civil liability.

(h) The commissioner may establish records to fulfill the requirements of this section. The information contained in the records is only available to the commissioner for the purpose authorized in this section.

(i) The commissioner may not disqualify an individual subject to a study under this section because that person has, or has had, a mental illness as defined in section 245.462, subdivision 20.

Sec. 6. Minnesota Statutes 1992, section 245A.06, subdivision 2, is amended to read:

Subd. 2. [RECONSIDERATION OF CORRECTION ORDERS.] If the applicant or license holder believes that the contents of the commissioner's correction order are in error, the applicant or license holder may ask the department of human services to reconsider the parts of the correction order that are alleged to be in error. The request for reconsideration must be in writing, delivered by certified mail, and:

- (1) specify the parts of the correction order that are alleged to be in error;
- (2) explain why they are in error; and
- (3) include documentation to support the allegation of error.

A request for reconsideration does not stay any provisions or requirements of the correction order. ~~The commissioner shall respond to requests made under this subdivision within 15 working days after receipt of the request for reconsideration.~~ The commissioner's disposition of a request for reconsideration is final and not subject to appeal under chapter 14.

Sec. 7. Minnesota Statutes 1992, section 245A.09, subdivision 7, is amended to read:

Subd. 7. [REGULATORY METHODS.] (a) Where appropriate and feasible the commissioner shall identify and implement alternative methods of regulation and enforcement to the extent authorized in this subdivision. These methods shall include:

- (1) expansion of the types and categories of licenses that may be granted;
- (2) when the standards of an independent accreditation body have been shown to predict compliance with the rules, the commissioner shall consider compliance with the accreditation standards to be equivalent to partial compliance with the rules; and
- (3) use of an abbreviated inspection that employs key standards that have been shown to predict full compliance with the rules.

For programs and services for people with developmental disabilities, the commissioner of human services shall develop demonstration projects to use the standards of the commission on accreditation of rehabilitation facilities and the standards of the accreditation council on services to persons with disabilities during the period of July 1, 1993 to December 31, 1994, and incorporate the alternative use of these standards and methods in licensing rules where appropriate. If the commissioner determines that the methods in clause (2) or (3) can be used in licensing a program, the commissioner may reduce any fee set under section 245A.10 by up to 50 percent. The commissioner shall present a plan by January 31, 1995, to accept accreditation by either the accreditation council on services to people with disabilities or the commission on the accreditation of rehabilitation services as evidence of being in compliance where applicable with state licensing.

(b) The commissioner shall work with the commissioners of health, public safety, administration, and education in consolidating duplicative licensing and certification rules and standards if the commissioner determines that consolidation is administratively feasible, would significantly reduce the cost of licensing, and would not reduce the protection given to persons receiving services in licensed programs. Where administratively feasible and appropriate, the commissioner shall work with the commissioners of health, public safety, administration, and education in conducting joint agency inspections of programs.

(c) The commissioner shall work with the commissioners of health, public safety, administration, and education in establishing a single point of application for applicants who are required to obtain concurrent licensure from more than one of the commissioners listed in this clause.

(d) The commissioner may specify in rule periods of licensure up to two years.

Sec. 8. Minnesota Statutes 1992, section 245A.14, subdivision 6, is amended to read:

Subd. 6. [DROP-IN CHILD CARE PROGRAMS.] (a) Except as expressly set forth in this subdivision, drop-in child care programs must be licensed as a drop-in program under the rules governing child care programs operated in a center.

(b) Drop-in child care programs are exempt from the ~~requirements in~~ following Minnesota Rules, ~~parts~~:

- (1) part 9503.0040;
- (2) part 9503.0045, subpart 1, items F and G;
- (3) part 9503.0050, subpart 6, except for children less than ~~2-1/2 years~~ 16 months old;
- (4) one-half the requirements of part 9503.0060, subpart 4, item A, subitems (2), (5), and (8), subpart 5, item A, subitems (2), (3), and (7), and subpart 6, item A, subitems (3) and (6);
- (5) part 9503.0070; and
- (6) part 9503.0090, subpart 2.

(c) A drop-in child care program must be operated under the supervision of a person qualified as a director and a teacher.

(d) A drop-in child care program must have at least two persons on staff whenever the program is operating, except that the commissioner may permit variances from this requirement under specified circumstances for parent cooperative programs, as long as all other staff-to-child ratios are met.

(e) Whenever the total number of children present to be cared for at a center is more than 20, children that are younger than age 2-1/2 must be in a separate group. This group may contain children up to 60 months old. This group must be cared for in an area that is physically separated from older children.

(f) A drop-in child care program must maintain a minimum staff ratio for children age 2-1/2 16 months or greater of one staff person for each ten children.

(g) If the program has additional staff who are on call as a mandatory condition of their employment, the minimum child-to-staff ratio may be exceeded only for children age 2-1/2 16 months or greater, by a maximum of four children, for no more than 20 minutes while additional staff are in transit.

(h) The minimum staff-to-child ratio for infants up to 16 months of age is one staff person for every four infants. The minimum staff to child ratio for children age 17 months to 30 months is one staff for every seven children.

(i) In drop-in care programs that serve both infants and older children, children up to age 2-1/2 may be supervised by assistant teachers, as long as other staff are present in appropriate ratios.

(j) The minimum staff distribution pattern for a drop-in child care program serving children age 2-1/2 or greater is: the first staff member must be a teacher; the second, third, and fourth staff members must have at least the qualifications of a child care aide; the fifth staff member must have at least the qualifications of an assistant teacher; the sixth, seventh, and eighth staff members must have at least the qualifications of a child care aide; and the ninth staff person must have at least the qualifications of an assistant teacher. The commissioner by rule may require that a drop-in child care program serving children less than 2-1/2 years of age serve these children in an area separated from older children and may permit children age 2-1/2 and older to be cared for in the same child care group

(k) A drop-in child care program may care for siblings 16 months or older together in any group. For purposes of this subdivision, sibling is defined as sister or brother, half-sister or half-brother, or stepsister or stepbrother.

Sec. 9. Minnesota Statutes 1992, section 245A.16, subdivision 6, is amended to read:

Subd. 6. [CERTIFICATION BY THE COMMISSIONER.] The commissioner shall ensure that rules are uniformly enforced throughout the state by reviewing each county and private agency for compliance with this section and other applicable laws and rules at least ~~biennially~~ every four years. County agencies that comply with this section shall be certified by the commissioner. If a county agency fails to be certified by the commissioner, the commissioner shall certify a reduction of up to 20 percent of the county's community social services act funding or an equivalent amount from state administrative aids.

Sec. 10. [VULNERABLE ADULTS STUDY.]

The commissioners of health and human services shall establish an advisory committee including consumers and their advocates, providers, county officials, and state officials to make recommendations on the means of preventing maltreatment of vulnerable adults and for the provisions of protective services to vulnerable adults. In making recommendations, the advisory committee shall review all services and protections available under existing state and federal laws with the focus on eliminating duplication of effort among various local, state, and federal agencies and minimizing possible conflicts of interest by establishing a statewide process of coordination of responsibilities. A report with recommendations for state law changes and changes to Minnesota Rules, parts 9555.8000 to 9555.8500, shall be made to the governor and legislature not later than February 1, 1994."

Delete the title and insert:

"A bill for an act relating to human services; regulating child care programs; providing for a vulnerable adult study; amending Minnesota Statutes 1992, sections 245A.02, subdivisions 6a and 14; 245A.03, subdivision 2, and by adding

a subdivision; 245A.04, subdivision 3; 245A.06, subdivision 2; 245A.09, subdivision 7; 245A.14, subdivision 6; and 245A.16, subdivision 6."

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. 1060, A bill for an act relating to agriculture; making technical changes in eligibility for certain rural finance authority loan programs; amending Minnesota Statutes 1992, sections 41B.02, subdivisions 7, 12, 14, 15, and by adding subdivisions; 41B.03, subdivision 3; 41B.04, subdivision 9, and by adding a subdivision; and 41C.05, subdivision 2.

Reported the same back with the following amendments:

Page 2, after line 21, insert:

"Sec. 7. Minnesota Statutes 1992, section 41B.02, is amended by adding a subdivision to read:

Subd. 20. [ETHANOL PRODUCTION FACILITY.] "Ethanol production facility" means a facility that ferments, distills, dewateres, or otherwise produces ethanol as defined in section 41A.09, subdivision 2, paragraph (a)."

Page 4, after line 35, insert:

"Sec. 11. [41B.044] [ETHANOL DEVELOPMENT PROGRAM.]

Subdivision 1. [ETHANOL PRODUCTION FACILITY LOAN PROGRAM.] The authority may establish, adopt rules for, and implement an ethanol production facility loan program to provide capital for ethanol production facilities. The program may provide for secured or unsecured loans, loan participations and loan guarantees with respect to real or personal property comprising all or part of an ethanol production facility, and the payment of costs incurred by the authority to establish and administer the program.

Subd. 2. [ETHANOL DEVELOPMENT FUND.] There is established in the state treasury an ethanol development 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 ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.

Subd. 3. [REVENUE BONDS.] The authority may issue revenue bonds to finance the ethanol production facility loan program in accordance with sections 41B.08 to 41B.15, 41B.17, and 41B.18. Bonds may be refunded by the issuance of refunding bonds in the manner authorized by Minnesota Statutes, chapter 475.

Subd. 4. [PROGRAM REQUIREMENTS.] The requirements in this subdivision apply to the ethanol production facility loan program.

(a) Individuals, corporations, cooperatives, partnerships, and joint ventures may participate in the program and are not required to meet the eligibility requirements of section 41B.03, subdivision 1.

(b) Program participants may be required to pay reasonable nonrefundable application fees and origination fees established by the authority by rule under section 41B.07. Application and origination fees received by the authority must be deposited in the ethanol development fund.

(c) Total assistance provided to an ethanol production facility from appropriated funds must not exceed \$500,000 or a lesser amount as provided by rules relating to the program.

(d) The interest payable on loans and loan participations made by the authority must, if funded by revenue bond proceeds, be at a rate not less than the rate on the revenue bonds, and may be established at a higher rate necessary

to pay costs associated with the issuance of the revenue bonds and a proportionate share of the cost of administering the program. The interest payable on loans and loan participations funded from sources other than revenue bond proceeds must be at a rate determined by the authority."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon insert "authorizing an ethanol development program; appropriating money;"

Page 1, line 8, before the period insert "; proposing coding for new law in Minnesota Statutes, chapter 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.

Reding from the Committee on Financial Institutions and Insurance to which was referred:

H. F. No. 1096, A bill for an act relating to financial institutions; regulating institutions, deposits, rates and charges, enforcement provisions; modifying the definition of insurance premium finance licensee; amending Minnesota Statutes 1992, sections 45.025, by adding a subdivision; 46.044; 46.048, subdivision 1; 46.09; 47.0156; 47.096; 47.20, subdivision 4a; 47.52; 47.54, subdivision 4; 47.55, subdivision 1; 47.56; 48.04; 48.05; 48.09; 48.194; 48.24, subdivisions 1, 7, and 8; 48.61, subdivisions 2 and 4; 49.35; 49.36, subdivisions 1 and 4; 51A.02, subdivision 43; 52.04, subdivision 1, and by adding a subdivision; 52.12; 53.03, subdivision 5; 53.04, by adding a subdivision; 53.09, by adding a subdivision; 56.10; 56.131, subdivision 1; 56.155, subdivision 1; 59A.02, subdivision 3; 82B.03, subdivision 2; 300.20, subdivision 2; 300.21; 336.4-104; proposing coding for new law in Minnesota Statutes, chapter 56; repealing Minnesota Statutes 1992, sections 46.048, subdivision 2; and 48.24, subdivision 4.

Reported the same back with the following amendments:

Page 6, after line 25, insert:

"(c) The maximum interest rate that can be charged on a conventional loan or a contract for deed, with a duration of ten years or less, for the purchase of real estate described in section 83.20, subdivision 13, is three percentage points above the rate permitted under paragraph (a) or 15.75 percent per year, whichever is less. This clause is effective August 1, 1992."

Page 6, line 26, delete "(c)" and insert "(d)"

Page 7, line 29, delete "(d)" and insert "(e)"

Page 13, after line 29, insert:

"Sec. 20. Minnesota Statutes 1992, section 48.61, subdivision 3, is amended to read:

Subd. 3. The bank or trust company may invest not to exceed ten percent of its capital and surplus in shares of stock in any banks or bank holding companies wherein the ~~ownership of stock in~~ of the banks or bank holding companies is ~~restricted to~~ (1) owned exclusively by bank holding companies or banks, and (2) at least 51 percent of the voting stock is owned or controlled by bank holding companies or banks authorized to do business in the state of Minnesota."

Page 22, line 17, delete "the"

Page 22, line 19, delete "contracts" and insert "contract"

Page 23, after line 32, insert:

"Sec. 33. Minnesota Statutes 1992, section 56.12, is amended to read:

56.12 [ADVERTISING; TAKING OF SECURITY; PLACE OF BUSINESS.]

No licensee shall advertise, print, display, publish, distribute, or broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner any statement or representation with regard to the rates, terms, or conditions for the lending of money, credit, goods, or things in action which is false, misleading, or deceptive. The commissioner may order any licensee to desist from any conduct which the commissioner shall find to be a violation of the foregoing provisions.

The commissioner may require that rates of charge, if stated by a licensee, be stated fully and clearly in such manner as the commissioner may deem necessary to prevent misunderstanding thereof by prospective borrowers. In lieu of the disclosure requirements of this section and section 56.14, a licensee may give the disclosures required by the federal Truth-in-Lending Act.

A licensee may take a lien upon real estate as security for any loan exceeding \$2,700 in principal amount made under this chapter. The provisions of sections 47.20 and 47.21 do not apply to loans made under this chapter, except as provided in this section. No loan secured by a first lien on a borrower's primary residence shall be made pursuant to this section if the proceeds of the loan are used to finance the purchase of the borrower's primary residence, unless:

- (1) the proceeds of the loan are used to finance the purchase of a manufactured home or a prefabricated building;
or
- (2) the proceeds of the loan are used in whole or in part to satisfy the balance owed on a contract for deed.

If the proceeds of the loan are used to finance the purchase of the borrower's primary residence, the licensee shall consent to the subsequent transfer of the real estate if the existing borrower continues after transfer to be obligated for repayment of the entire remaining indebtedness. The licensee shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily maintain the property used as collateral, and (2) executes an agreement in writing with the licensee whereby the transferee assumes the obligations of the existing borrower under the loan instruments. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument. A licensee may charge a fee not in excess of one-tenth of one percent of the remaining unpaid principal balance in the event the loan is assumed by the transferee and the existing borrower continues after the transfer to be obligated for repayment of the entire assumed indebtedness. A licensee may charge a fee not in excess of one percent of the remaining unpaid principal balance in the event the remaining indebtedness is assumed by the transferee and the existing borrower is released from all obligations under the loan instruments, but in no event shall the fee exceed \$150.

A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

No licensee shall conduct the business of making loans under this chapter within any office, room, or place of business in which any other business is solicited or engaged in, or in association or conjunction therewith, if the commissioner finds that the character of the other business is such that it would facilitate evasions of this chapter or of the rules lawfully made hereunder. The commissioner may promulgate rules dealing with such other businesses.

No licensee shall transact the business or make any loan provided for by this chapter under any other name or at any other place of business than that named in the license. No licensee shall take any confession of judgment or any power of attorney. No licensee shall take any note or promise to pay that does not accurately disclose the principal amount of the loan, the time for which it is made, and the agreed rate or amount of charge, nor any instrument in which blanks are left to be filled in after execution. Nothing herein is deemed to prohibit the making of loans by mail or arranging for settlement and closing of real estate secured loans by an unrelated qualified closing agent at a location other than the licensed location."

Page 33, line 22, delete everything after the second "to" and insert "21, 23 and 24, 26 to 33, and 35 to"

Page 33, line 23, delete "37" and insert "39"

Page 33, line 24, delete "32" and insert "34"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 11, after "2" insert ", 3,"

Page 1, line 15, after the second semicolon insert "56.12,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1125, A bill for an act relating to transportation; providing for a metropolitan area high speed bus study; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [PURPOSE; STUDY.]

The commissioner of transportation, in consultation with the metropolitan council, regional transit board, and metropolitan transit commission, shall conduct a feasibility study analyzing the potential for implementation of a high speed bus service in the metropolitan area. A metropolitan area high speed bus service consists of, but is not limited to, an integrated system of exclusive bus only or high occupancy vehicle lanes on freeways and other arterial routes, bus timed transfer stations, circulator and feeder bus services, park-and-ride and drop-and-ride facilities, and use of advanced transit technologies, such as traffic signal preemption. The study will analyze:

- (1) the experiences of other metropolitan areas in the United States that have implemented high speed bus services;
- (2) the feasibility of implementing a high speed bus service in the Minneapolis-St. Paul metropolitan statistical area within Minnesota as defined by the United States Department of Commerce;
- (3) the potential costs of implementing a high speed bus service;
- (4) the comparative costs and benefits of a high speed bus service and other transit modes, including light rail transit;
- (5) the potential use of advanced technologies for improving vehicle operations and providing route and schedule information;
- (6) the potential use of dual-mode buses and transit vehicles which use other alternative forms of energy;
- (7) the compatibility of a high speed bus service with the metropolitan council's transportation system plan for the region; and
- (8) transit service and facilities improvements implemented in the I-35W corridor.

The study required under this act shall not delay implementation of transit service and facilities improvements planned by the commissioner, the regional transit board, the metropolitan transit commission, and other members of the ad hoc transit committee known as "team transit."

The commissioner shall submit a written report to the legislature no later than February 15, 1994.

Sec. 2. [APPROPRIATION.]

\$50,000 is appropriated from the general fund to the commissioner of transportation for the purposes of this act."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 1133, A bill for an act relating to motor fuels; directing public service department to evaluate and implement policy to provide incentives for developing use of motor vehicles powered by alternate fuels; exempting alternative fuels from motor fuel tax but requiring permit; amending Minnesota Statutes 1992, sections 216C.01, by adding subdivisions; 296.01, by adding subdivisions; 296.025, subdivision 1a; and 296.026, subdivisions 1, 2a, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [216B.168] [ALTERNATIVE FUEL VEHICLES.]

Subdivision 1. [RATE RECOVERY.] If the department determines under section 6 that a policy that would result in the recovery through public utility rates of expenses or investments in the development and market penetration of alternative fuel vehicles is in the public interest and consistent with the Federal Energy Policy Act, United States Code, title 42, section 13235, the department may approve plans of public utilities to make investments and expenditures in alternative fuel vehicles and supporting equipment. The commission may allow a public utility to recover through its rates the investments and expenses under a plan approved by the department and shall allow recovery of any assessment under section 7. The rate recovery shall provide for the ratable phase-out over a 20-year period at five percent per year of the recovery of those expenses or investments in public utility rates.

Subd. 2. [REPEALER.] This section expires July 1, 2003, except that any plan approved by the commission under subdivision 1 prior to that date may continue until the expiration date of the plan.

Sec. 2. Minnesota Statutes 1992, section 216C.01, is amended by adding a subdivision to read:

Subd. 1a. [ALTERNATIVE FUEL.] "Alternative fuel" means natural gas; liquified petroleum gas; hydrogen; coal-derived liquified fuels; electricity; methanol, denatured ethanol, and other alcohols; mixtures containing 85 percent or more, or other percentage as may be set by regulation by the Secretary of the United States Department of Energy, by volume of methanol, denatured ethanol, and other alcohols with gasoline or other fuels; fuels other than alcohol that are derived from biological materials; and other fuel that the Secretary of the United States Department of Energy determines by regulation to be an alternative fuel within the meaning of section 301(2) of the National Energy Policy Act of 1992.

Sec. 3. Minnesota Statutes 1992, section 216C.01, is amended by adding a subdivision to read:

Subd. 1b. [ALTERNATIVE FUEL VEHICLE.] "Alternative fuel vehicle" means a dedicated or a dual-fuel vehicle.

Sec. 4. Minnesota Statutes 1992, section 216C.01, is amended by adding a subdivision to read:

Subd. 2a. [DEDICATED FUEL VEHICLE.] "Dedicated fuel vehicle" means a vehicle that operates solely on alternative fuels.

Sec. 5. Minnesota Statutes 1992, section 216C.01, is amended by adding a subdivision to read:

Subd. 4. [DUAL-FUEL VEHICLE.] "Dual-fuel vehicle" means a vehicle that is capable of operating on an alternative fuel and is capable of operating on gasoline or diesel fuel.

Sec. 6. [216C.40] [ALTERNATIVE FUEL VEHICLES.]

Subdivision 1. [STATE POLICY.] It is in the long-term economic, environmental, and social interest of the state of Minnesota to promote the development and market penetration of alternative fuel vehicles that reduce harmful emissions from motor vehicles as defined in United States Code, title 42, section 7550(2), so as to assist in attaining and maintaining healthful air quality, to provide fuel security through a diversity of alternative fuel supply sources, and to develop additional markets for indigenous crop-based fuels.

Subd. 2. [STATE PLAN.] The policies developed and implemented under this section are intended to form part of the state plan that may be submitted by the governor to the Secretary of the United States Department of Energy under section 409 of the National Energy Policy Act of 1992.

Subd. 3. [REPORT TO THE LEGISLATURE.] The department shall, after consultation with the public utilities commission, the environmental quality board, the pollution control agency, the department of transportation, the department of administration, the department of agriculture, and the department of trade and economic development, submit a report to the legislature by January 1, 1994, detailing the department's progress and all actions taken by units of state government to implement the policies set forth in subdivision 1 concerning alternative fuels.

Subd. 4. [CONDITION PRECEDENT.] The duties of the department under this section are conditional on the commissioner of public service finding that there will be at least one public utility that will be subject to the assessment created by section 7.

Subd. 5. [REPEALER.] This section expires July 1, 2003.

Sec. 7. [ASSESSMENT; APPROPRIATION.]

The department of public service shall assess no more than \$78,000 in fiscal year 1994 against public utilities that have plans submitted under section 1, subdivision 1, for expenses reasonably attributable to the performance of the department's duties in developing the state plan under section 6, subdivision 2. A public utility that so elects shall notify the department of public service by June 1, 1993, in writing, of their agreement to be assessed under this section. A utility is bound by an election to be assessed. The assessment must be paid by the public utility within 30 days of its receipt of a bill for the assessment. The assessment for each utility shall be equally shared among assessed utilities and is appropriated to the department of public service for the purposes of this act.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to energy; directing the public service department to evaluate and implement a policy to promote the use of motor vehicles powered by alternate fuels; appropriating money; amending Minnesota Statutes 1992, section 216C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

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

H. F. No. 1138, A bill for an act relating to agriculture; changing eligibility and participation requirements for certain rural finance authority programs; authorizing an application fee; amending Minnesota Statutes 1992, sections 41B.03, subdivision 1, and by adding a subdivision; 41B.039, subdivision 2; and 41B.042, subdivision 4.

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.

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

H. F. No. 1149, A bill for an act relating to the agricultural finance authority; authorizing direct loans and participations; increasing the dollar limit; amending Minnesota Statutes 1992, sections 41B.02, by adding a subdivision; and 41B.043.

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

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1169, A bill for an act relating to metropolitan government; requiring the transit commission to obtain consent to use parkways; amending Minnesota Statutes 1992, section 413.411, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 473.411, subdivision 5, is amended to read:

Subd. 5. [USE OF PUBLIC ROADWAYS AND APPURTENANCES.] The transit commission may use for the purposes of sections 473.404 to 473.449 upon the conditions stated in this subdivision any state highway or other public roadway, parkway, or lane, or any bridge or tunnel or other appurtenance of a roadway, without payment of any compensation, provided the use does not interfere unreasonably with the public use or maintenance of the roadway or appurtenance or entail any substantial additional costs for maintenance. The provisions of this subdivision do not apply to the property of any common carrier railroad or common carrier railroads. The consent of the public agency in charge of such state highway or other public highway or roadway or appurtenance is not required, ~~but~~, except that if the commissioner seeks to use a designated parkway for regular route service in a city of the first class, it must obtain permission from and is subject to reasonable limitations imposed by a joint board consisting of two representatives from the transit commission, two members of the board of park commissioners, or other body having control of parks and parkways in the city, and a fifth member jointly selected by the representatives of the transit commission and the park board.

A board of park commissioners, or other body having control of the parks or parkways, may designate persons to sit on the joint board. In considering a request by the transit commission to use designated parkways for additional routes or trips, the joint board consisting of the transit commission, the board of park commissioners, or other body having control of parks or parkways or their designees, and the fifth member, shall base its decision to grant or deny the request based on the criteria to be established by the joint board. If the agency objects to the proposed use or claims reimbursement from the commission for additional cost of maintenance, it may commence an action against the commission in the district court of the county wherein the highway, roadway, or appurtenance, or major portion thereof, is located. The proceedings in the action must conform to the rules of civil procedure applicable to the district courts. The court shall sit without jury. If the court determines that the use in question interferes unreasonably with the public use or maintenance of the roadway or appurtenance, it shall enjoin the use by the commission. If the court determines that the use in question does not interfere unreasonably with the public use or maintenance of the

roadway or appurtenance, but that it entails substantial additional maintenance costs, the court shall award judgment to the agency for the amount of the additional costs. Otherwise the court shall award judgment to the commission. An aggrieved party may appeal from the judgment of the district court in the same manner as is provided for such appeals in other civil actions. The commission may also use land within the right of way of any state highway or other public roadway for the erection of traffic control devices, other signs, and passenger shelters upon the conditions stated in this subdivision and subject only to the approval of the commissioner of transportation where required by statute, and subject to the express provisions of other applicable statutes and to federal requirements where necessary to qualify for federal aid.

Sec. 2. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title as follows:

Page 1, line 4, delete "413.411" and insert "473.411"

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

The report was adopted.

Carlson from the Committee on Education to which was referred:

H. F. No. 1179, A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for voluntary commitments by health plans and providers to limit the rate of growth in total revenues; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.09, subdivisions 2, 5, and 8; 62J.15, subdivisions 1 and 2; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, and 7; 62J.33; 62L.02, subdivisions 16, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 4 and 6; 62L.09, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2 and 5; 136A.1357, subdivisions 1 and 4; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.1484, subdivisions 1 and 2; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9353, subdivisions 2, 3, 5, and 6; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, 7, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivision 1; 295.55, subdivision 4; 295.58; and 295.59; proposing coding for new law in Minnesota Statutes, chapters 16B; 62J; 62N; 62O; 256; and 295; repealing Minnesota Statutes 1992, sections 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; and Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Reported the same back with the following amendments:

Page 100, after line 22, insert:

"Section 1. Minnesota Statutes 1992, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1 of each year for grants awarded for the fiscal year beginning the following July 1.

(b) The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

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

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

(1) Description of the problem, description of the project, and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

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

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

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

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed ~~\$50,000~~ \$37,500 a year and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated."

Renumber the sections of article 11 in sequence

Page 103, line 22, strike "1995" and insert "1997"

Page 103, line 24, delete "three" and insert "and up to eight" and delete "pediatric residents" and insert "residents in training"

Page 103, lines 25 and 26, delete the new language

Page 105, after line 18, insert:

"Sec. 6. Minnesota Statutes 1992, section 136A.1356, subdivision 4, is amended to read:

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to ~~eight~~ 12 applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment."

Pages 105 and 106, delete sections 7 and 8 and insert:

"Sec. 8. Minnesota Statutes 1992, section 136A.1357, is amended to read:

136A.1357 [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME OR INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general health care access fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or intermediate

care facility for persons with mental retardation or related conditions. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the board before ~~completing the first year of study~~ completion of a nursing education program. Before ~~completing the first year of study~~ completion of the program, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation or related conditions.

Subd. 3. [LOAN FORGIVENESS.] The board may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation or related conditions, up to a maximum of two years, the board shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation or related conditions to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The board shall deposit the collections in the general health care access fund to be credited to the account established in subdivision 1. The board may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The board shall adopt rules to implement this section.

Sec. 9. [136A.1358] [RURAL CLINICAL SITES FOR NURSE PRACTITIONER EDUCATION.]

Subdivision 1. [DEFINITION.] For purposes of this section, "rural" means any area of the state outside of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

Subd. 2. [ESTABLISHMENT.] A grant program is established under the authority of the higher education coordinating board to provide grants to colleges or schools of nursing located in Minnesota that operate programs of study designed to prepare registered nurses for advanced practice as nurse practitioners.

Subd. 3. [PROGRAM GOALS.] Colleges and schools of nursing shall use grants received to provide rural students with increased access to programs of study for nurse practitioners, by:

- (1) developing rural clinical sites;
- (2) allowing students to remain in their rural communities for clinical rotations; and
- (3) providing faculty to supervise students at rural clinical sites.

The overall goal of the grant program is to increase the number of graduates of nurse practitioner programs who work in rural areas of the state.

Subd. 4. [RESPONSIBILITY OF NURSING PROGRAMS.] (a) Colleges or schools of nursing interested in participating in the grant program must apply to the higher education coordinating board, according to the policies established by the board. Applications submitted by colleges or schools of nursing must include a detailed proposal for achieving the goals listed in subdivision 3, a plan for encouraging sufficient applications from rural applicants to meet the requirements of paragraph (b), and any additional information required by the board.

(b) Each college or school of nursing, as a condition of accepting a grant, shall make at least 25 percent of the openings in each nurse practitioner entering class available to applicants who live in rural areas and desire to practice as a nurse practitioner in rural areas. This requirement is effective beginning with the fall 1994 entering class and

remains in effect for each biennium thereafter for which a college or school of nursing is awarded a grant renewal. The board may exempt colleges or schools of nursing from this requirement if the college or school can demonstrate, to the satisfaction of the board, that the nurse practitioner program did not receive enough applications or acceptance letters from qualified rural applicants to meet the requirement.

(c) Colleges or schools of nursing participating in the grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 5. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] (a) The board shall establish an application process for interested colleges and schools of nursing, and shall require colleges and schools of nursing to submit grant applications to the board by November 1, 1993. The board may award up to two grants for the biennium ending June 30, 1995.

(b) In selecting grant recipients, the board shall consider:

(1) the likelihood that an applicant's grant proposal will be successful in achieving the program goals listed in subdivision 3;

(2) the potential effectiveness of the college's or school's plan to encourage applications from rural applicants; and

(3) the academic quality of the college's or school's program of education for nurse practitioners.

(c) The board shall notify grant recipients of an award by December 1, 1993, and shall disburse the grants by January 1, 1994. The board may renew grants if a college or school of nursing demonstrates that satisfactory progress has been made during the past biennium toward achieving the goals listed in subdivision 3."

Page 106, line 32, before "pediatricians" insert "general" and before "internists" insert "general"

Page 108, after line 5, insert:

"Sec. 16. [144.1487] [LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONALS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of sections 144.1487 to 144.1492, the following definitions apply.

(b) "Board" means the higher education coordinating board.

(c) "Health professional shortage area" means an area designated as such by the federal secretary of health and human services, as provided under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E.

Subd. 2. [ESTABLISHMENT AND PURPOSE.] The commissioner shall establish a National Health Services Corps state loan repayment program authorized by section 388I of the Public Health Service Act, United States Code, title 42, section 254g-1, as amended by Public Law Number 101-597. The purpose of the program is to assist communities with the recruitment and retention of health professionals in federally designated health professional shortage areas.

Sec. 17. [144.1488] [PROGRAM ADMINISTRATION AND ELIGIBILITY.]

Subdivision 1. [DUTIES OF THE COMMISSIONER OF HEALTH.] The commissioner shall administer the state loan repayment program. The commissioner shall:

(1) ensure that federal funds are used in accordance with program requirements established by the federal National Health Services Corps;

(2) notify potentially eligible loan repayment sites about the program;

(3) develop and disseminate application materials to sites;

(4) review and rank applications from sites;

(5) select sites that qualify for loan repayment, based upon the availability of federal and state funding;

- (6) provide the higher education coordinating board with a list of qualifying sites; and
- (7) carry out other activities necessary to implement and administer sections 144.1487 to 144.1492.

The commissioner shall enter into an interagency agreement with the higher education coordinating board to carry out the duties assigned to the board under sections 144.1487 to 144.1492.

Subd. 2. [DUTIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board, through an interagency agreement with the commissioner of health, shall:

- (1) verify the eligibility of program participants;
- (2) sign a contract with each participant that specifies the obligations of the participant and the state;
- (3) arrange for the payment of qualifying educational loans for program participants;
- (4) monitor the obligated service of program participants;
- (5) waive or suspend service or payment obligations of participants in appropriate situations;
- (6) place participants who fail to meet their obligations in default;
- (7) enforce penalties for default; and
- (8) report regularly to the commissioner.

Subd. 3. [ELIGIBLE LOAN REPAYMENT SITES.] Private, nonprofit and public entities located in and providing health care services in federally designated primary care health professional shortage areas are eligible to apply for the program. The commissioner shall develop a list of Minnesota health professional shortage areas in greatest need of health care professionals, and shall select loan repayment sites from that list. The commissioner shall ensure, to the greatest extent possible, that the geographic distribution of sites within the state reflects the percentage of the population living in rural and urban health professional shortage areas.

Subd. 4. [ELIGIBLE HEALTH PROFESSIONALS.] (a) To be eligible to apply to the higher education coordinating board for the loan repayment program, health professionals must be citizens or nationals of the United States, must not have any unserved obligations for service to a federal, state, or local government, or other entity, and must be ready to begin full-time clinical practice upon signing a contract for obligated service.

(b) In selecting physicians for participation, the board shall give priority to physicians who are board certified or have completed a residency in family practice, osteopathic general practice, obstetrics and gynecology, internal medicine, or pediatrics. A physician selected for participation is not eligible for loan repayment until the physician has an employment agreement or contract with an eligible loan repayment site and has signed a contract for obligated service with the higher education coordinating board.

Sec. 18. [144.1489] [OBLIGATIONS OF PARTICIPANTS.]

Subdivision 1. [CONTRACT REQUIRED.] Before starting the period of obligated service, a participant must sign a contract with the higher education coordinating board that specifies the obligations of the participant and the board.

Subd. 2. [OBLIGATED SERVICE.] A participant shall agree in the contract to fulfill the period of obligated service by providing primary health care services in full-time clinical practice. The service must be provided in a private, nonprofit or public entity that is located in and providing services to a federally designated health professional shortage area and that has been designated as an eligible site by the commissioner under the state loan repayment program.

Subd. 3. [LENGTH OF SERVICE.] Participants must agree to provide obligated service for a minimum of two years. A participant may extend a contract to provide obligated service for a third year, subject to board approval and the availability of federal and state funding.

Subd. 4. [AFFIDAVIT OF SERVICE REQUIRED.] Within 30 days of the start of obligated service, and by February 1 of each succeeding calendar year, a participant shall submit an affidavit to the board stating that the participant is providing the obligated service and which is signed by a representative of the organizational entity in which the service is provided. Participants must provide written notice to the board within 30 days of: a change in name or address, a decision not to fulfill a service obligation, or cessation of clinical practice.

Subd. 5. [TAX RESPONSIBILITY.] The participant is responsible for reporting on federal income tax returns any amount paid by the state on designated loans, if required to do so under federal law.

Subd. 6. [NONDISCRIMINATION REQUIREMENTS.] Participants are prohibited from charging a higher rate for professional services than the usual and customary rate prevailing in the area where the services are provided. If a patient is unable to pay this charge, a participant shall charge the patient a reduced rate or not charge the patient. Participants must agree not to discriminate on the basis of ability to pay, or status as a Medicare or medical assistance enrollee. Participants must agree to accept assignment under the Medicare program and to serve as an enrolled provider under medical assistance.

Sec. 19. [144.1490] [RESPONSIBILITIES OF THE LOAN REPAYMENT PROGRAM.]

Subdivision 1. [LOAN REPAYMENT.] Subject to the availability of federal and state funds for the loan repayment program, the higher education coordinating board shall pay all or part of the qualifying education loans up to \$20,000 annually for each primary care physician participant that fulfills the required service obligation. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

Subd. 2. [PROCEDURE FOR LOAN REPAYMENT.] Program participants, at the time of signing a contract, shall designate the qualifying loan or loans for which the higher education coordinating board is to make payments. The participant shall submit to the board all payment books for the designated loan or loans, or all monthly billings for the designated loan or loans within five days of receipt. The board shall make payments in accordance with the terms and conditions of the designated loans, in an amount not to exceed \$20,000 when annualized. If the amount paid by the board is less than \$20,000 during a 12-month period, the board shall pay during the twelfth month an additional amount towards a loan or loans designated by the participant, to bring the total paid to \$20,000. The total amount paid by the board must not exceed the amount of principal and accrued interest of the designated loans.

Sec. 20. [144.1491] [FAILURE TO COMPLETE OBLIGATED SERVICE.]

Subdivision 1. [PENALTIES FOR BREACH OF CONTRACT.] A program participant who fails to complete two years of obligated service shall repay the amount paid, as well as a financial penalty based upon the length of the service obligation not fulfilled. If the participant has served at least one year, the financial penalty is the number of unserved months multiplied by \$1,000. If the participant has served less than one year, the financial penalty is the total number of obligated months multiplied by \$1,000.

Subd. 2. [SUSPENSION OR WAIVER OF OBLIGATION.] Payment or service obligations cancel in the event of a participant's death. The board may waive or suspend payment or service obligations in case of total and permanent disability or long-term temporary disability lasting for more than two years. The board shall evaluate all other requests for suspension or waivers on a case-by-case basis.

Sec. 21. Laws 1990, chapter 591, article 4, section 9, is amended to read:

Sec. 9. [SUNSET.]

Sections 1 to 4, and 6 are repealed on June 30, 1995.

Section 5 is repealed June 30, 1997.

Sec. 22. [NURSE PRACTITIONER PROMOTION TEAMS.]

The commissioner of health, through the office of rural health, shall establish nurse practitioner promotion teams, consisting of one nurse practitioner and one physician who are practicing jointly. The promotion teams shall travel to rural communities and provide physicians, medical clinic administrators, and other interested parties with

information on: the benefits of joint practices between nurse practitioners and physicians and methods of establishing and maintaining joint practices. The office of rural health shall contract with promotion teams to visit up to 20 rural communities during the biennium ending June 30, 1995. The office of rural health shall provide members of promotion teams with stipends for their time and travel expenses.

Sec. 23. [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of education shall award grants to eligible districts or groups of districts to establish a summer health care intern program in the summer of 1994 for pupils who intend to complete high school graduation requirements and who are between their junior year and senior year of high school. The purpose of the program is to expose interested high school pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] The commissioner, with the advice of the Minnesota medical association and the Minnesota hospital association, shall establish criteria for awarding grants to districts or groups of districts that have juniors enrolled in high school who are interested in pursuing a career in the health care profession. The criteria must include, among other things:

- (1) the proximity of a district or districts to a hospital or clinic willing to participate in the program;
- (2) the kinds of formal exposure to the health care profession a hospital or clinic can provide to a pupil;
- (3) the need for health care professionals in a particular area; and
- (4) the willingness of a hospital or clinic to pay one-half the costs of employing a pupil.

The Minnesota medical association and the Minnesota hospital association jointly must provide the commissioner by January 31, 1994, with a list of hospitals and clinics willing to participate in the program and what provisions those hospitals or clinics will make to ensure a pupil's adequate exposure to the health care profession, and indicate whether a hospital or clinic is willing to pay one-half the costs of employing a pupil.

Subd. 3. [GRANTS.] The commissioner shall award grants to districts or groups of districts meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school 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.

Sec. 24. [EFFECTIVE DATE.]

Sections 16 to 20 related to the National Health Services Corps loan repayment program are effective the day following final enactment."

Renumber the sections in article 12 in sequence

Page 119, after line 2, insert:

"Sec. 2. [APPROPRIATIONS FOR HEALTH PROFESSIONAL EDUCATION.]

Subdivision 1. [DEPARTMENT OF HEALTH.] (a) \$..... is appropriated from the general fund to the commissioner of health, for the biennium ending June 30, 1995, to provide stipends to members of nurse practitioner promotion teams, as provided in article 12.

(b) The \$96,000 appropriated to the higher education coordinating board for the fiscal year ending June 30, 1993, for the rural physician education account is appropriated to the commissioner of health for the fiscal year ending June 30, 1993, for use as the state match for federal money already received through the National Health Services Corps loan repayment program. This appropriation does not cancel and is available to the commissioner for this purpose for the fiscal year ending June 30, 1994.

(c) \$..... is appropriated from the health care access fund to the commissioner of health for the biennium ending June 30, 1995, for use as the state match for federal money received through the National Health Services Corps loan repayment program.

Subd. 2. [HIGHER EDUCATION COORDINATING BOARD.] \$..... is appropriated from the general fund to the higher education coordinating board, for the biennium ending June 30, 1995, to implement provisions in article 12 related to the physician and midlevel practitioner loan forgiveness programs, and the program to establish rural clinical sites for nurse practitioners.

Subd. 3. [DEPARTMENT OF EDUCATION.] \$..... is appropriated from the general fund to the commissioner of education, for the biennium ending June 30, 1995, to provide grants for the summer health intern program under article 12.

Sec. 3. [EFFECTIVE DATE.]

Section 2, subdivision 1, paragraph (b), relating to the transfer of money from the higher education coordinating board to the commissioner of health, is effective the day following final enactment."

Amend the title as follows:

Page 1, line 26, before "and" insert ", 4,"

Page 1, line 27, delete ", subdivisions 1 and 4"

Page 1, line 29, after the first semicolon insert "144.147, subdivision 4;"

Page 1, line 35, before "proposing" insert "Laws 1990, chapter 591, article 4, section 9;"

Page 1, line 37, after the second semicolon insert "136A; 144;"

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

The report was adopted.

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

H. F. No. 1253, A bill for an act relating to energy; cogeneration and small power production; providing for establishment of prices paid for utilities' avoided capacity and energy costs; providing that the public utilities commission establish a preference for renewable resource energy production; requiring rulemaking; providing for a rulemaking exemption; amending Minnesota Statutes 1992, sections 216B.164, subdivision 4; and 216B.2421, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 216B.164, subdivision 4, is amended to read:

Subd. 4. [PURCHASES; WHEELING.] (a) Except as otherwise provided in paragraph (c), this subdivision shall apply to all qualifying facilities having 40 kilowatt capacity or more as well as qualifying facilities as defined in subdivision 3 which elect to be governed by its provisions.

(b) The utility to which the qualifying facility is interconnected shall purchase all energy and capacity made available by the qualifying facility. The qualifying facility shall be paid the utility's full avoided capacity and energy costs ~~including the value of environmental costs avoided by the qualifying facility considered appropriate by the~~

commission. To the extent possible, the commission shall quantify and value all environmental costs associated with each method of electricity generation as negotiated by the parties, as set by the commission, or as determined through competitive bidding approved by the commission. The full avoided capacity and energy costs to be paid a qualifying facility that generates electric power by means of a renewable energy source are the utility's least cost renewable energy facility or the bid of a competing supplier of a least cost renewable energy facility, whichever is lower, unless the commission's resource plan order, under section 216B.2422, subdivision 2, provides that the use of a renewable resource to meet the identified capacity need is not in the public interest.

(c) For all qualifying facilities having 30 kilowatt capacity or more, the utility shall, at the qualifying facility's or the utility's request, provide wheeling or exchange agreements wherever practicable to sell the qualifying facility's output to any other Minnesota utility having generation expansion anticipated or planned for the ensuing ten years. The commission shall establish the methods and procedures to insure that except for reasonable wheeling charges and line losses, the qualifying facility receives the full avoided energy and capacity costs of the utility ultimately receiving the output.

(d) The commission shall set rates for electricity generated by renewable energy.

Sec. 2. Minnesota Statutes 1992, section 216B.2421, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definition in this section applies to this section and sections 216B.2422 and section 216B.243.

Sec. 3. [216B.2422] [RESOURCE PLANNING; RENEWABLE ENERGY.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Utility" means an entity with the capability of generating 100,000 kilowatts or more of electric power and serving, either directly or indirectly, the needs of 10,000 retail customers in Minnesota. Utility does not include federal power agencies.

(c) "Renewable energy" means electricity generated through use of any of the following resources:

(1) wind;

(2) solar;

(3) geothermal;

(4) hydro; or

(5) trees or other vegetation.

(d) "Resource plan" means a set of resource options that a utility could use to meet the service needs of its customers over a forecast period, including an explanation of the supply and demand circumstances under which and the extent to which, each resource option would be used to meet those service needs. These resource options include using, refurbishing, and constructing utility plant and equipment, buying power generated by other entities, controlling customer loads, and implementing customer energy conservation.

(e) "Refurbish" means to rebuild or substantially modify an existing electricity generating resource of 30 megawatts or greater.

Subd. 2. [PLAN FILING AND APPROVAL.] A utility shall file a resource plan with the commission periodically in accordance with rules adopted by the commission. The commission shall approve, reject, or modify the plan of a public utility, as defined in section 216B.02, subdivision 4, consistent with the public interest. In the resource plan proceedings of all other utilities, the commission's order shall be advisory and the order's findings and conclusions shall constitute prima facie evidence which may be rebutted by substantial evidence in all other proceedings. With respect to utilities other than those defined in section 216B.02, subdivision 4, the commission shall consider the filing requirements and decisions in any comparable proceedings in another jurisdiction. As a part of its resource plan

filing, a utility shall include the least cost plan for meeting 50 and 75 percent of all new and refurbished capacity needs through a combination of conservation and renewable energy resources.

Subd. 3. [ENVIRONMENTAL COSTS.] (a) The commission shall, to the extent practicable, quantify and establish a range of environmental costs associated with each method of electricity generation. A utility shall use the values established by the commission in conjunction with other external factors, including socioeconomic costs, when evaluating and selecting resource options in all proceedings before the commission, including resource plan and certificate of need proceedings.

(b) The commission shall establish interim environmental cost values associated with each method of electricity generation by March 1, 1994. These values expire on the date the commission establishes environmental cost values under paragraph (a).

Subd. 4. [RENEWABLE PREFERENCE.] The commission shall not approve a new or refurbished nonrenewable energy facility in an integrated resource plan or a certificate of need, pursuant to section 216B.243, nor shall the commission allow rate recovery pursuant to section 216B.16 for such a nonrenewable energy facility, unless the utility has demonstrated that a renewable energy facility is not in the public interest.

Subd. 5. [BIDDING.] A utility may select resources to meet its projected energy demand through a bidding process approved or established by the commission. A utility shall use the environmental cost estimates determined under subdivision 3 in evaluating bids submitted in a process established under this subdivision.

Subd. 6. [CONSOLIDATION OF RESOURCE PLANNING AND CERTIFICATE OF NEED.] A utility shall indicate in its resource plan whether it intends to site or construct a large energy facility. If the utility's resource plan includes a proposed large energy facility and construction of that facility is likely to begin before the utility files its next resource plan, the commission shall conduct the resource plan proceeding consistent with the requirements of section 216B.243 with respect to the proposed facility. If the commission approves the proposed facility in the resource plan, a separate certificate of need proceeding is not required.

Sec. 4. Minnesota Statutes 1992, section 216B.62, subdivision 5, is amended to read:

Subd. 5. [ASSESSING COOPERATIVES AND MUNICIPALS.] The commission and department may charge cooperative electric associations and municipal electric utilities their proportionate share of the expenses incurred in the review and disposition of resource plans, adjudication of service area disputes and the costs incurred in the adjudication of complaints over service standards, practices, and rates. Cooperative electric associations electing to become subject to rate regulation by the commission pursuant to section 216B.026, subdivision 4, are also subject to this section. Neither a cooperative electric association nor a municipal electric utility is liable for costs and expenses in a calendar year in excess of the limitation on costs that may be assessed against public utilities under subdivision 2. A cooperative electric association or municipal electric utility may object to and appeal bills of the commission and department as provided in subdivision 4."

Delete the title and insert:

"A bill for an act relating to energy; cogeneration and small power production; providing for establishment of prices paid for utilities' avoided capacity and energy costs; providing that the public utilities commission establish a preference for renewable resource energy production; amending Minnesota Statutes 1992, sections 216B.164, subdivision 4; 216B.2421, subdivision 1; and 216B.62, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 216B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1282, A bill for an act relating to retirement; alternative retirement coverage for certain state university and community college teachers; amending Minnesota Statutes 1992, section 352D.02, by adding a subdivision; and Laws 1990, chapter 570, article 10, section 7.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 23, delete "Sec. 2" and insert "Section 1"

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

Page 2, line 20, delete "4" and insert "3"

Page 2, delete line 21

Page 2, line 22, delete "2 and 3" and insert "1 and 2"

Amend the title as follows:

Page 1, line 4, delete everything after "amending"

Page 1, line 5, delete everything before "Laws"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1310, A bill for an act relating to local government; permitting the cities of Bloomington, Edina, Richfield, Eden Prairie, and Minnetonka to establish a transportation demand management program.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [BLOOMINGTON; RICHFIELD; EDINA; EDEN PRAIRIE; MINNETONKA; MAPLE GROVE; PLYMOUTH; TRANSPORTATION DEMAND MANAGEMENT PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "transportation demand management" means the application of strategies involving both incentives and disincentives designed to redirect travel to use high occupancy modes or away from peak periods of travel so as to reduce the number of vehicle trips and accidents at critical times.

Subd. 2. [TDM PROGRAMS.] The city councils of the cities of Bloomington, Edina, Richfield, Eden Prairie, Minnetonka, Maple Grove, and Plymouth may, in consultation with the metropolitan council, establish by ordinance transportation demand management programs applicable to employers and developers or owners of nonresidential buildings in each of their cities to mitigate existing and future traffic congestion in the cities and to preserve the environment by reducing air and noise pollution and energy consumption. Each of the cities may charge reasonable fees to administer the implementation of transportation demand management programs.

Sec. 2. [EFFECTIVE DATE.]

This act is effective with respect to any of the cities of Bloomington, Edina, Richfield, Eden Prairie, Minnetonka, Maple Grove, and Plymouth the day after compliance by that city with Minnesota Statutes, section 645.021, subdivision 3."

Amend the title as follows:

Page 1, line 3, delete "and"

Page 1, line 4, after "Minnetonka" insert ", Maple Grove, and Plymouth"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1315, A bill for an act relating to traffic regulations; increasing fees for overweight trucks; authorizing permit to be issued for trailer or semitrailer exceeding 28-1/2 feet in three-vehicle combination; amending Minnesota Statutes 1992, sections 169.81, subdivision 2; and 169.86, subdivision 5.

Reported the same back with the following amendments:

Page 2, lines 25 to 30, reinstate the stricken language and before the period insert ", or may grant a permit authorizing the transportation of empty trailers that exceed 28-1/2 feet, when using a B-train hitching mechanism as defined in Code of Federal Regulations, title 23, section 658.5, paragraph (o), from a point of manufacture in the state to the state border"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1398, A bill for an act relating to traffic regulations; defining residential roadways and establishing speed limits; amending Minnesota statutes 1992, sections 169.01, by adding a subdivision; 169.06, by adding a subdivision; and 169.14, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [STUDY DIRECTED.]

The commissioner of transportation shall conduct a study of traffic safety improvement measures in residential neighborhoods. The commissioner shall design and conduct the study in consultation with city and county elected officials and traffic safety professionals. The study must include, among other things, an evaluation of the effects on residential neighborhood traffic safety of present laws, and proposed changes in those laws, that govern speed limits within cities. The commissioner shall report to the legislature on findings and recommendations of the study not later than February 1, 1994.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to traffic regulations; directing commissioner of transportation to study and report on traffic safety improvement measures in residential neighborhoods."

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1439, A bill for an act relating to crime; creating an advisory committee on nonfelony enforcement to review the proportionality and enforcement of petty misdemeanor, misdemeanor, and gross misdemeanor offenses; requiring a report.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1992, section 611A.71, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] The Minnesota crime victim and witness advisory council is established and shall consist of ~~15~~ 16 members.

Sec. 2. Minnesota Statutes 1992, section 611A.71, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) The crime victim and witness advisory council shall consist of the following members, appointed by the commissioner of public safety after consulting with the commissioner of corrections:

- (1) one district court judge appointed upon recommendation of the chief justice of the supreme court;
- (2) one county attorney appointed upon recommendation of the Minnesota county attorneys association;
- (3) one public defender appointed upon recommendation of the state public defender;
- (4) one peace officer;
- (5) one medical or osteopathic physician licensed to practice in this state;
- (6) five members who are crime victims or crime victim assistance representatives; ~~and~~
- (7) three public members; and
- (8) one member appointed on recommendation of the Minnesota general crime victim coalition.

The appointments should take into account sex, race, and geographic distribution. No more than seven of the members appointed under this paragraph may be of one gender. One of the nonlegislative members must be designated by the commissioner of public safety as chair of the council.

(b) Two members of the council shall be members of the legislature who have demonstrated expertise and interest in crime victims issues, one senator appointed under rules of the senate and one member of the house of representatives appointed under rules of the house of representatives.

Sec. 3. Minnesota Statutes 1992, section 611A.71, subdivision 3, is amended to read:

Subd. 3. [TERMS OF OFFICE.] ~~Each appointed member must be appointed for a four year term coterminous with the governor's term of office, and shall continue to serve during that time as long as the member occupies the position which made that member eligible for the appointment. Each member shall continue in office until that member's successor is duly appointed.~~ Section 15.059 governs the terms of office, filling of vacancies, and removal of members of the crime victim and witness advisory council. Members are eligible for reappointment and appointment may be made to fill an unexpired term. The members of the council shall elect any additional officers necessary for the efficient discharge of their duties.

Sec. 4. Minnesota Statutes 1992, section 611A.71, subdivision 7, is amended to read:

Subd. 7. [EXPIRATION.] The council expires ~~as provided in section 15.059, subdivision 5~~ on June 30, 1995.

Sec. 5. [APPLICABILITY.]

The gender balance requirement of section 2 applies only to appointments made after the effective date of that section and does not require displacement of incumbents before the end of their term."

Page 2, after line 31, insert:

"Of the persons appointed under clauses (2) and (3) no more than ten may be of one gender. Appointing authorities must consult with each other to assure compliance with this requirement."

Page 3, line 1, delete "1" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "increasing the membership of the crime and witness advisory council;"

Page 1, line 5, before the period insert "; amending Minnesota Statutes 1992, section 611A.71, subdivisions 1, 2, 3, and 7"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1442, A bill for an act relating to the city of Columbia Heights; exclusions from salary in computing police relief association retirement benefits; permitting a contribution with interest by a member for past service with the city; amending Laws 1977, chapter 374, section 8, subdivision 1.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1529, A bill for an act relating to state government; reviewing the possible reorganization and consolidation of agencies and departments with environmental and natural resource functions; creating a legislative task force; requiring establishment of worker participation committees before possible agency restructuring; appropriating money.

Reported the same back with the following amendments:

Page 7, after line 21, insert:

"(g) The powers and duties relating to mosquito control under Minnesota Statutes, sections 473.701 to 473.716, shall be examined."

Page 7, delete section 7

Page 8, line 3, delete "7" and insert "8"

Amend the title as follows:

Page 1, line 7, delete the semicolon and insert a period

Page 1, delete line 8

With the recommendation that when so amended the bill pass.

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 1551, A bill for an act relating to courts; authorizing the commissioner of revenue to disclose certain tax information to the court for purposes of determining public defender eligibility; amending Minnesota Statutes 1992, section 270B.14, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 17, delete everything after "name"

Page 1, line 18, delete "dependents" and insert "and any relevant information from the most recently filed tax returns"

Page 1, after line 18, insert:

"(c) Data received may be used for the purposes of determining public defender eligibility as set forth in section 611.17 and shall be private data and for the exclusive use of the court except for any prosecution under section 609.48."

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

The report was adopted.

Sarna from the Committee on Commerce and Economic Development to which was referred:

H. F. No. 1636, A bill for an act relating to commerce; franchises; regulating actions; amending Minnesota Statutes 1992, section 80C.17, subdivisions 1 and 5.

Reported the same back with the following amendments:

Page 1, after line 17, insert:

"Sec. 3. Minnesota Statutes 1992, section 80C.22, subdivision 7, is amended to read:

Subd. 7. Orders of the commissioner shall be served by mailing a copy thereof by ~~certified~~ mail to the most recent address of the recipient of the order as it appears in the files of the commissioner. Subpoenas shall be served in the same manner as provided in civil actions in the district courts.

Sec. 4. [325F.975] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of sections 325F.976 and 325F.977, the terms defined in this section have the meanings given them.

Subd. 2. [PRIVATE LABEL GOODS.] "Private label goods" means goods that are the subject of a private label purchase or agreement for private label purchase.

Subd. 3. [PRIVATE LABEL PURCHASE.] "Private label purchase" means a purchase of goods from a manufacturer for resale under a brand, trademark, or other commercial indicia that identifies the private label purchaser or its assignee as the origin of the goods for purposes of their resale.

Subd. 4. [PRIVATE LABEL PURCHASER.] "Private label purchaser" means a person who makes a private label purchase from a manufacturer.

Subd. 5. [EXCLUSIVITY AGREEMENT.] "Exclusivity agreement" means an agreement for private label purchases which precludes the manufacturer of the private label goods from selling similar goods as private label goods to any third person within a defined geographical territory.

Sec. 5. [325F.976] [EXCLUSIVITY AGREEMENTS.]

Subdivision 1. [WRITING REQUIRED.] Every exclusivity agreement must be in writing and signed by the party against whom the agreement is sought to be enforced.

Subd. 2. [OBLIGATION.] A lawful exclusivity agreement imposes, unless otherwise provided in the agreement, an obligation by the private label purchaser to use reasonable efforts in the development and promotion of the sale of the private label goods within the geographical territory covered by that exclusivity agreement.

Sec. 6. [325F.977] [LIMITATION ON ACTIONS.]

No private label purchaser having the obligation, under section 325F.976 or otherwise, to use reasonable efforts in the development and promotion of the sale of private label goods is entitled, absent the employment of reasonable efforts, to maintain an action, suit, or proceeding at law, in equity, in arbitration, or otherwise, to prevent the manufacturer of private label goods from selling similar goods as private label goods to any third person. This attempt to prevent sales of private label goods by the manufacturer to a third person, in the absence of the purchaser's employment of reasonable efforts, is considered an unreasonable restraint of trade.

Sec. 7. [325F.978] [NONAPPLICATION.]

Sections 325F.975 to 325F.977 do not apply to private label goods manufactured according to the purchaser's proprietary specifications."

Page 1, line 18, delete "3" and insert "8"

Page 1, after line 23, insert:

"Sections 4 to 7 apply to all agreements for private label purchases entered into or renewed on or after July 1, 1993, and to all private label purchases occurring on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; regulating franchise actions; regulating sales of private label goods; amending Minnesota Statutes 1992, sections 80C.17, subdivisions 1 and 5; and 80C.22, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 325F."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1661, A bill for an act relating to state government; public employment; establishing a pilot project in certain entities; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

Reported the same back with the following amendments:

Page 2, line 2, after the period, insert "This section does not grant authority to waive statutory standards."

Page 2, line 26, delete "recommended" and after "waivers" insert "recommended by the committee"

Page 2, line 32, delete everything before the period and after the period, insert "The commissioner must set forth in writing the reasons for granting or denying the variance."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1694, A bill for an act relating to utilities; restricting approval of competitive rate schedules to those that apply to consumers requiring electric service with a connected load of at least 2,000 kilowatts; providing for determination by public utilities commission of competitive rate filings; amending Minnesota Statutes 1992, section 216B.162, subdivisions 2 and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 216B.162, subdivision 7, is amended to read:

Subd. 7. [COMMISSION DETERMINATION.] Except as provided under subdivision 6, competitive rates offered by electric utilities under this section must be filed with the commission and must be approved, modified, or rejected by the commission within 90 days. The utility's filing must include statements of fact demonstrating that the proposed rates meet the standards of this subdivision. The filing must be served on the department of public service and the office of the attorney general at the same time as it is served on the commission. In reviewing a specific rate proposal, the commission shall determine:

(1) that the rate meets the terms and conditions in subdivision 4, unless the commission determines that waiver of one or more terms and conditions would be in the public interest;

(2) that the consumer can obtain its energy requirements from an energy supplier not rate-regulated by the commission under section 216B.16;

(3) that the customer is not likely to take service from the electric utility seeking to offer the competitive rate if the customer was charged the electric utility's standard tariffed rate; and

(4) that after consideration of environmental and socioeconomic impacts it is in the best interest of all other customers to offer the competitive rate to the customer subject to effective competition.

If the commission approves the competitive rate, it becomes effective as agreed to by the electric utility and the customer. If the competitive rate is modified by the commission, the commission shall issue an order modifying the competitive rate subject to the approval of the electric utility and the customer. Each party has ten days in which to reject the proposed modification. If no party rejects the proposed modification, the commissioner's order becomes final. If either party rejects the commission's proposed modification, the electric utility, on its behalf or on the behalf of the customer, may submit to the commission a modified version of the commission's proposal. The commission shall accept or reject the modified version within 30 days. If the commission rejects the competitive rate, it shall issue an order indicating the reasons for the rejection."

Delete the title and insert:

"A bill for an act relating to utilities; providing for determination by public utilities commission of competitive rate filings; amending Minnesota Statutes 1992, section 216B.162, subdivision 7."

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

S. F. No. 50, A bill for an act relating to traffic regulations; authorizing operation of recreational vehicle combinations with certain restrictions; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; and 169.81, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 13, delete "and"

Page 2, line 15, delete the period and insert "; and"

Page 2, after line 15, insert:

"(7) the combination is not operated within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays."

Page 2, line 18, before the period insert "and are repealed November 1, 1995"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

S. F. No. 273, A bill for an act relating to highways; changing description of legislative Route No. 279 in state trunk highway system after agreement to transfer part of old route to Dakota county.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. [TELECOMMUTING STUDY.]

Subdivision 1. [DEFINITION.] For purposes of this section, "telecommuting" means the practice of performing work at a residence rather than a worksite, through video, telephone, computer, or other electronic connection.

Subd. 2. [STUDY DIRECTED.] The commissioner of transportation is urged to conduct a study of telecommuting in the seven-county metropolitan area as an alternative to vehicle commuting between residence and worksite. The commissioner may contract with a person, firm, or organization knowledgeable in telecommuting to perform the study.

Subd. 3. [STUDY CONTENTS.] The study must include:

- (1) the present extent of telecommuting in the metropolitan area;
- (2) the potential of telecommuting to substitute for vehicle commuting in the area, alleviate traffic congestion, and reduce the need for highway expansion;
- (3) present legal and public policy obstacles to telecommuting; and
- (4) legal and public policy alternatives that would expand telecommuting or telecommuting options in the area.

Subd. 4. [REPORTS.] The commissioner shall report on the findings of the study to the governor and legislature not later than March 1, 1994."

Page 1, after line 24, insert:

"Notwithstanding any law or rule to the contrary, the commissioner of transportation shall add to the county state-aid highway system in Dakota county any trunk highway that is removed from the trunk highway system under this act and transferred to Dakota county."

Page 2, line 8, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period insert "; providing for a telecommuting study"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

S. F. No. 306, A bill for an act relating to state government; appointments of department heads and members of administrative boards and agencies; clarifying procedures and requirements; amending Minnesota Statutes 1992, sections 15.0575, subdivision 4; 15.06, subdivision 5; and 15.066, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 17, after the period insert "A person designated as a permanent commissioner may serve until the end of the term of office for the position unless the senate has voted to refuse to consent to the person's appointment as permanent commissioner."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 512, A bill for an act relating to telecommunications; providing for regulation of telecommunications carriers; limiting discriminatory practices, services, rates, and pricing; providing for investigation, hearings, and appeals regarding telecommunications services; delineating telecommunications practices allowed; providing penalties and remedies; amending Minnesota Statutes 1992, sections 237.01, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1992, section 237.59, subdivision 7.

Reported the same back with the following amendments:

Page 8, after line 15, insert:

"Sec. 5. [237.75] [CLASS SERVICE.]

Subdivision 1. [DEFINITION.] For purposes of this section, "CLASS" or "custom local area signaling service" means a custom calling telephone service that is enabled through the installation or use of Signaling System 7 or similar signaling system and that includes at least the following features:

- (1) automatic call back;
- (2) automatic recall;
- (3) calling number delivery, commonly known as "caller identification";
- (4) calling number delivery blocking;
- (5) customer originated call tracing;
- (6) distinctive ringing/call waiting;
- (7) selective call acceptance;
- (8) selective call forwarding; and
- (9) selective call rejection.

Subd. 2. [CLASS; TERMS AND CONDITIONS.] By January 1, 1994, the commission shall determine the terms and conditions under which CLASS services may be provided by telephone companies in this state.

Subd. 3. [CLASS; CAPABILITY AND OFFERING OF SERVICE.] Each telephone company that provides local telephone service to persons located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington shall obtain the capability to offer CLASS services in those counties by January 1, 1995, unless the commission approves an extension to a date certain.

Page 8, line 16, delete "5" and insert "6"

Page 8, line 18, after the period insert "Sections 1 to 4 are repealed effective August 1, 1995."

Amend the title as follows:

Page 1, line 7, after the semicolon insert "mandating availability of custom local area signaling service in metropolitan area;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Sparby from the Committee on General Legislation, Veterans Affairs and Elections to which was referred:

S. F. No. 663, A bill for an act relating to elections; authorizing the filing officer to keep from the ballot the name of a person who is a convicted felon, under guardianship, or found incompetent; amending Minnesota Statutes 1992, section 204B.10, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 14, after "felony" insert "and has not had civil rights restored"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 748, A bill for an act relating to human services; clarifying day training and habilitation transportation exemptions; clarifying that counties may contract with hospitals to provide outpatient mental health services; clarifying the definition of crisis assistance; increasing the allowable duration of unlicensed, single-family respite care; clarifying the definition of related condition and application procedures for family support grants; correcting references to case management and hospital appeals; clarifying eligibility for case management services; clarifying nursing facility rate adjustments; clarifying the calculation and allowing 12-month plans for special needs exceptions; clarifying requirements for health care provider participation; clarifying voluntary spend-down procedures; amending Minnesota Statutes 1992, sections 174.30, subdivision 1; 245.470, subdivision 1; 245.4871, subdivision 9a; 245.4876, subdivision 2; 245.488, subdivision 1; 245A.03, subdivision 2; 252.27, subdivisions 1 and 1a; 252.32, subdivision 1a; 256.045, subdivision 4a; 256.9686, subdivision 6; 256.9695, subdivisions 1 and 3; 256B.056, subdivision 5; 256B.0644; 256B.092, subdivisions 1, 1b, 1g, 7, and 8a; 256B.431, subdivision 10; 256B.48, subdivision 3a; 256B.501, subdivision 8; and 609.115, subdivision 9; repealing Minnesota Statutes 1992, section 256B.0629.

Reported the same back with the following amendments:

Pages 3 and 4, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 19 and 20, delete "245.4876, subdivision 2;"

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:

H. F. No. 1735, A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax classifications and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivision 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

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

MINORITY REPORT

April 19, 1993

We, the undersigned, being a minority of the Committee on Ways and Means, recommend that H. F. No. 1735 do pass with the following amendments:

Page 2, after line 53, insert:

"Section 1. Minnesota Statutes 1992, section 16A.712, is amended to read:

16A.712 [LOCAL GOVERNMENT TRUST; APPROPRIATIONS IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS.]

(a) The amounts necessary to make the following payments in fiscal year 1993 and subsequent years are appropriated from the local government trust fund to the commissioner of revenue unless otherwise specified:

- (1) attached machinery aid to counties under section 273.138;
- (2) in fiscal year 1993 only, supplemental homestead credit under section 273.1391;
- (3) \$560,000 in fiscal year 1993 and \$300,000 annually in fiscal years 1994 and 1995 for tax administration;
- (4) \$105,000 annually to the commissioner of finance in fiscal years 1993, 1994, and 1995 to administer the trust fund;
- (5) \$25,000 annually to the advisory commission on intergovernmental relations in fiscal years 1993, 1994, and 1995 to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate;
- (6) \$350,000 in fiscal year 1993 and \$1,200,000 annually in fiscal years 1994 and 1995 to the intergovernmental information systems advisory council to develop a local government financial reporting system, with the participation and ongoing oversight of the legislative commission on planning and fiscal policy; ~~and~~
- (7) in fiscal year 1993 only, the transition credit under section 273.1398, subdivision 5, and the disparity reduction credit under section 273.1398, subdivision 4, for school districts. The school districts' transition credit and disparity reduction credit shall be appropriated to the commissioner of education; and

(8) \$500,000 annually in fiscal years 1994 and 1995 to the advisory commission on intergovernmental relations, and \$500,000 annually in fiscal years 1994 and 1995 to the metropolitan council, to be used to encourage greater consolidation and cooperation among local service providers.

~~(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year 1993 and subsequent years to finance intergovernmental aid formulas or programs prescribed by law. Any balance in the local government trust fund at the end of the biennial budget period ending June 30, 1995, shall be transferred to the general fund."~~

Page 15, after line 9, insert:

"Sec. 8. Minnesota Statutes 1992, section 273.1398, is amended by adding a subdivision to read:

Subd. 8. [PAYABLE 1994 SCHOOL AGRICULTURAL PROPERTY TAX CREDIT.] (a) The county auditor shall reduce the property tax for school purposes on each tax parcel of class 2a property, and on each tax parcel of nonhomestead agricultural land by the amount of the payable 1994 agricultural property tax credit, computed as specified in this subdivision.

(b) For the purposes of this subdivision, nonhomestead agricultural land does not include a homestead dwelling, an associated garage, and the one acre of land on which the dwelling is located. Nonhomestead agricultural land does include any farm buildings or structures located on the homesteaded one acre of land.

(c) For each tax parcel, the payable 1994 agricultural property tax credit amount is equal to:

(1) the school agricultural tax credit rate for the school district; times

(2) the payable 1994 net tax capacity of the qualifying property; times

(3) the credit adjustment factor.

(d) For the purposes of this subdivision, the following definitions apply.

(1) "School agricultural tax credit rate" means:

(i) the excess of the payable 1994 property tax levy by the school district with authority to levy ad valorem taxes against the property, over the payable 1993 property tax levy by that school district, which excess cannot be less than zero; divided by,

(ii) the payable 1994 total net tax capacity for that school district.

(2) "Property tax levy" means the levy amounts for the payable year used to compute the school district's payable 1993 and payable 1994 local tax rates under section 275.08, subdivision 1b, excluding for each year, the amounts certified under section 124A.03, subdivision 2a or section 275.61.

(3) "Payable 1994 total net tax capacity" means the school district's total net tax capacity as used to compute the school district's local tax rate for taxes payable in 1994 under section 275.08, subdivision 1b, excluding the computation of the district's new referendum tax rate under that subdivision.

(4) "District" or "school district" means an independent school district, a special school district, a common school district, an intermediate school district, a secondary cooperative facility, or a joint technical college board.

(e) For all school districts, the county auditor of the county in which the administrative offices of the school district are located shall compute the school agricultural tax credit rate for the district.

(f) Each county auditor shall compute the credit amounts allowed under this subdivision for each tax parcel in the county. If more than one school district has authority to levy ad valorem taxes against a parcel, a credit amount shall be computed separately in respect to each district. Within each county, the maximum tax reduction which a taxpayer may receive is limited to \$1,000. All the credit amounts applicable to an owner shall be proportionately reduced as necessary if the sum of the credit amounts granted to an owner in a county would otherwise exceed the \$1,000 limitation. In the case of property owned by more than one person, all the owners shall be considered a taxpayer for the purposes of the \$1,000 limitation.

(g) The school agricultural tax credit provided in this subdivision shall be considered a state paid property tax credit for all other purposes, including for the purpose of defining property tax payable under section 290A.03, subdivision 13, such that any other property tax credit which is computed using a net property tax amount, or a property tax amount payable, shall be computed after deduction of this credit, unless this subdivision specifically provides otherwise. For the purposes of section 124.155, subdivision 2, the school agricultural tax credit aid provided in this subdivision for each school district shall be treated as if it were agricultural credit under section 273.132 for taxes payable in 1989. For the purposes of section 273.1393, the credit provided in this subdivision shall be a subtraction which occurs after the subtraction of the conservation tax credit but before the subtraction of taconite homestead credit.

(h) The credit amount computed under this subdivision for each tax parcel must be shown on the payable 1994 property tax statement for the parcel in the manner provided in regard to a credit received under section 273.135, except that the reduction provided under this subdivision shall be identified as the "1994 school agricultural tax credit."

(i) On or before September 15, 1993, the commissioner of revenue shall certify a preliminary credit adjustment factor to each county auditor. On or before January 1, 1994, the commissioner of revenue, using all information then available for this purpose, shall determine the final value of the credit adjustment factor. The final credit adjustment factor shall be used by the respective county auditors in calculating the credit amounts allowed by this subdivision. The commissioner shall determine the final value of the credit adjustment factor so as to maximize each taxpayer's property tax reduction under this subdivision, while at the same time limiting the total property tax reductions to \$25,000,000.

(j) Each county auditor shall certify the aggregate amount of the final credits granted in the county pursuant to this subdivision to the commissioner of revenue as a part of the abstracts of tax lists required to be filed with the commissioner under the provisions of section 275.29. The commissioner of revenue shall review the certifications to determine their accuracy and may make changes in the certifications as necessary or return a certification to the county auditor for corrections.

(k) A school district's school agricultural tax credit aid shall equal the amount by which the payable 1994 property taxes in the district were reduced for the property tax credits granted under this subdivision. By July 1, 1994, the commissioner of revenue shall certify each school district's aid amount to the commissioner of education for payment under the schedule provided for the aids listed in section 273.1392, subdivision 1.

(l) In order to fund the payments to school districts provided in this subdivision, \$25,000,000 is appropriated from the general fund to the commissioner of education. The appropriated amount shall be available to the commissioner of education in fiscal years 1994 and 1995 according to the provisions of section 124.195, subdivisions 6 and 10. However, amounts not expended as of the end of fiscal year 1995 shall revert to the general fund, and no further adjustment amounts shall be dispersed after fiscal year 1995."

Page 15, after line 36, insert:

"Sec. 10. Minnesota Statutes 1992, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. The notice must clearly state that each taxing authority holding a public meeting will present information for discussion at that meeting regarding the compensation paid to its employees in the current and the next succeeding budget year, and how those amounts relate to its property tax levies.

(d) The notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

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

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

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

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph."

Page 16, strike line 11

Page 16, line 12, strike everything before "the"

Page 16, strike lines 14 to 27

Page 17, after line 31, insert:

"(e) The commissioner of revenue, subject to the approval of the chairs of the house and senate tax committees, shall prescribe the form and format of the advertisement.

(f) Beginning in 1993, each city, county, and school district must include in the advertisement required under this subdivision, information comparing current and proposed employee compensation costs in the current and next succeeding budget years, and a statement that its employee compensation costs for these periods will be discussed at the public meeting required under this section. The commissioner of revenue, subject to the approval of the chairs of the house and senate tax committees, shall specify the form, format, and content of the information to be included in the advertisement.

(g) Beginning in 1993, the commissioner of revenue shall prescribe the form, format, and content of a notice comparing current and proposed employee compensation costs for the executive branch of the state, the University of Minnesota, the community college system, the state board of technical colleges, the state university system, the

metropolitan council, the metropolitan mosquito control commission, and the regional transit board. The notice must be at least one-eighth page size of a standard-size or tabloid-size newspaper. The notice must be published statewide, on or before December 31 each year. The notice must be published in official newspapers of general circulation. The newspapers selected must be of general interest and readership, and not of limited subject matter. The notice must be published in a sufficient number of newspapers so as to cover the geographical area of the state. The notice must be published in newspapers that are published at least once per week, and the notice must not be placed in the part of any newspaper where legal notices and classified advertisements appear. The form, format, and content of each year's notice must be approved by the chairs of the house and senate tax committees prior to publication.

Sec. 12. Minnesota Statutes 1992, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

- (1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, 124B.03, subdivision 2, or 136C.411, after the proposed levy was certified;
- (2) the amount of a city or county levy approved by the voters after the proposed levy was certified;
- (3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;
- (4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;
- (5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and
- (6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. Specific information must be presented on: (i) the percentage of the proposed budget representing employee compensation costs; (ii) total expenditures for employee wages and benefits in the two previous years, the current calendar year, and proposed for the following year; (iii) numbers of employees by general classification and whether full or part time in the two previous years, the current calendar year, and proposed for the following year; and (iv) how changes in employee compensation costs between the current and proposed budgets compare with, and affect, the current and proposed levies. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The governing body of a county shall hold its hearing on the second Tuesday in December each year. The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations. The city must not select dates that conflict with the county hearing dates or with those elected by or assigned to the school districts in which the city is located.

The county hearing dates and the city and school district hearing dates must be designated on the notices required under subdivision 3. The continuation dates need not be stated on the notices.

This subdivision does not apply to towns and special taxing districts."

Page 19, after line 6, insert:

"Sec. 16. [275.63] [GENERAL PROPERTY TAX LIMITATIONS FOR TAXES PAYABLE IN 1994.]

Subdivision 1. [SCOPE; DEFINITION.] This section supersedes all special and general laws and charter provisions establishing any type of limitation on ad valorem tax levies of governmental subdivisions to the extent that they authorize property taxation in excess of the limitation established in this section, but otherwise such levy limitations are in no way affected by this section. For these purposes, "governmental subdivision" means a county, a home rule charter city, a statutory city, a township with a population of 5,000 or more as determined according to section 275.14, and all special taxing districts.

Subd. 2. [PAYABLE 1994 MARKET VALUE.] For taxes payable in 1994, the market value of all property shall be the lesser of: (1) its market value established in the assessment for taxes payable in 1993, plus the market value established in the assessment for taxes payable in 1994 of new construction in the assessment for taxes payable in 1994; or (2) its market value established in the assessment for taxes payable in 1994. For property that was exempt from tax for taxes payable in 1993, "market value" means the market value of the property established in the assessment for taxes payable in 1994.

Subd. 3. [PAYABLE 1994 TAX RATE LIMITATION.] The local tax rate for taxes payable in 1994 of a governmental subdivision, after the adjustments required by section 275.08, subdivision 1c, and subdivision 1d if applicable, shall not exceed the comparable rate for the governmental subdivision for taxes payable in 1993 by an amount greater than the payable 1994 tax rate necessary to compensate for (1) two-thirds of the aid reduction to the governmental subdivision under section 273.1398, subdivision 2d; and (2) for cities, any reduction under section 477A.013. If a governmental subdivision certifies a levy for taxes payable in 1994 to the county auditor that would produce a local tax rate in excess of the limitation established in this section, the county auditor shall extend only such amount of taxes as the limitation of this section will permit.

Subd. 4. [TORT JUDGMENTS AND NATURAL DISASTERS.] A governmental subdivision may appeal to the commissioner of revenue for authorization to levy an amount in excess of the limitation established in this section for the reasons and under the procedures provided in section 275.065, subdivision 6a.

Subd. 5. [REFERENDA.] No governmental subdivision may levy a tax in excess of the limitation provided in this section unless the excess levy is approved by the voters through a referendum held on the question. A levy approved at such a referendum is subject to the provisions of section 275.61. All referenda under this subdivision must be held on November 2, 1993."

Pages 24 to 25, delete sections 22 to 26, and insert:

"Sec. 27. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 35. [CITY NET LEVY.] "City net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year before the aid distribution.

Sec. 28. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 36. [AVERAGE CITY NET TAX CAPACITY PER CAPITA.] Average city net tax capacity per capita is the sum of city net tax capacity for all cities divided by the total population of all cities.

Sec. 29. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 37. [REVENUE CAPACITY FACTOR.] The revenue capacity factor for a city is one minus the ratio of the city net tax capacity per capita divided by two times the average city net tax capacity per capita. A city's revenue capacity factor cannot be less than zero.

Sec. 30. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 8. [CITY AID.] In calendar years 1994, 1995, and 1996, each city shall receive an aid distribution equal to the product of (1) the need increase percentage, (2) the city's revenue need, (3) the city's population, and (4) the city's revenue capacity factor. The need increase percentage must be the same for all cities and must be calculated by the department of revenue so that the total of the aid distributed under this subdivision equals the total amount for city aid under section 477A.03.

Any increase in aid that a city receives under this subdivision in any year compared to its aid in the prior year must not exceed ten percent of its net levy from the prior year. Any decrease in aid that a city receives under this subdivision in any year compared to its aid in the prior year must not exceed the lessor of seven percent of its aid from the prior year or seven percent of its net levy from the prior year. For calendar year 1994, aid in the prior year is equal to the sum of local government aid and equalization aid a city was originally certified to receive in calendar year 1993 under Minnesota Statutes 1992, section 477A.013, subdivisions 3 and 5, and the amount of disparity reduction aid the city received in calendar year 1993 under section 273.1398, subdivision 3."

Pages 64 to 67, delete sections 5 to 8

Page 69, lines 7 and 36, delete the new language and reinstate the old language:

Page 72, delete section 12

Page 73, line 4, delete "13" and insert "8"

Page 230, after line 21, insert:

"ARTICLE 12

CERTIFIED SMALL BUSINESS TAX INCENTIVES

Section 1. [290A.26] [PROPERTY TAX REFUND FOR CERTIFIED SMALL BUSINESSES.]

Subdivision 1. [DEFINITIONS.] (a) "Eligible claimant" means a small business which has been designated as a certified small business under section 469.208, effective for the fiscal year in which a refund is paid under this section.

(b) "Eligible property" means the class 3 real property, as defined in section 273.13, subdivision 24, used by an eligible claimant on the assessment date related to property taxes payable in the year preceding the year in which a claim is filed under this section. If an eligible claimant uses either more or less than one full tax parcel in the business, only the portion of each tax parcel actually used by the claimant is eligible.

(c) "Eligible property market value" means the assessor's estimated market value of the eligible property for the assessment related to property taxes payable in the year preceding the year in which a claim is filed under this section. If an eligible claimant uses less than a full tax parcel, eligible property market value for that parcel means: (1) the assessor's estimated market value for the portion of the parcel which is used by the claimant; or (2) the portion of the assessor's estimated market value for the full parcel which represents the portion of the parcel used by the claimant, computed by comparing the total square feet of land and building floor space used by the eligible firm and the total square feet of land and building floor space contained in the parcel.

(d) "Eligible tax" means the net property tax payable on the eligible market value.

(e) "Net property tax payable" means the property tax payable on the eligible property market value, less

(1) special assessments, penalties, and interest payable on the property;

(2) abatements, including the local property tax credit for certified small businesses under sections 469.209 to 469.215; and

(3) any state-paid credits other than the refund provided under this section.

Net property tax payable shall not be reduced by an abatement or a court ordered reduction in the property tax on the property occurring after the claim for refund has been submitted under subdivision 2. The taxes are considered payable in the year prescribed by law for payment of the taxes.

Subd. 2. [FILING OF CLAIM.] (a) A claim for refund under this section must be filed with the commissioner of revenue on or before June 1 immediately preceding the fiscal year during which the claimant's designation as a certified small business under section 469.208 is effective. Claims filed after June 1 immediately preceding the fiscal year for which the claimant's designation is effective will not be paid, and section 289A.60, subdivision 12, paragraph (e), does not apply to the refunds under this section. Each eligible claimant may file only one claim for refund under this section in regard to each property taxes payable year.

(b) Claims made under this section must be in the form and contain the information required by the commissioner of revenue. In addition to any other information which may be required by the commissioner of revenue, each claim must show the Minnesota taxpayer identification number of the eligible claimant and the complete tax parcel identification number shown on the property tax statement for each payable year and each tax parcel upon which the refund claim is based.

(c) If the eligible property consists of more than one tax parcel, the claimant must submit a single claim for each property taxes payable year, but the claim may be for all tax parcels included within the eligible property.

Subd. 3. [CALCULATION OF REFUND AMOUNT.] The refund amount under this section for each eligible claimant is equal to 70 percent of the amount by which the eligible tax payable in the previous calendar year exceeds the product of 0.038 times the eligible property market value for taxes payable in the previous year, up to a maximum of \$3,000 for each claim. If the amount appropriated under subdivision 6 for any fiscal year is insufficient to pay the refund amounts calculated under this subdivision for payment in that fiscal year, the commissioner of revenue shall reduce each claimant's allowed refund so that the sum of all refund amounts allowed by the commissioner under this section equals the amount appropriated under subdivision 6 for that fiscal year. If refund amounts must be reduced under this subdivision, the reductions will be accomplished by equally decreasing for all claimants, the percentage of the excess to be refunded. For this purpose, "excess" means the amount by which the eligible tax payable exceeds the product of 0.038 times the eligible property market value.

Subd. 4. [PAYMENT OF CLAIM.] Notwithstanding section 290A.07, allowable claims filed under this section must be paid by the commissioner of revenue on or before October 15 of each filing year. If the initial refund amounts were proportionately reduced under subdivision 3, the commissioner of revenue must attach an explanation of the reduction process and results.

Subd. 5. [ADMINISTRATION.] (a) The commissioner of revenue has the powers granted in chapters 289A and 290A to administer the refund under this section. Sections 289A.60, subdivisions 12, except for paragraphs (c) and (e), and 13; 289A.63, subdivision 2; 289A.65; 290A.11; and 290A.15 specifically apply to claims filed or allowed under this section.

(b) If an eligible claimant ceases business operations prior to receiving a refund for which timely application was made under this section, the right to the refund shall lapse. If the commissioner of revenue cannot locate a claimant within one year from the date an original warrant was issued to that claimant under this section, the right to the refund shall lapse, and the warrant shall be deposited in the general fund.

(c) The commissioner of revenue must make available forms with instructions for claimants as the commissioner deems necessary for the proper administration of this section.

(d) Notwithstanding section 289A.56, whenever a claimant is owed a property tax refund under this section, the unpaid refund bears interest at the rate provided in section 270.76 after October 15 of the filing year until the date the refund is paid.

Subd. 6. [APPROPRIATION.] \$10,000,000 is appropriated for fiscal year 1995 from the general fund to the commissioner of revenue to pay the refunds under this section for claims filed in calendar year 1994.

Sec. 2. Minnesota Statutes 1992, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of section 297A.25, subdivisions 42 and 50, the tax on sales of capital equipment, and construction materials and supplies under section 297A.25, subdivision 50, shall be imposed and collected as if the rates under sections 297A.02, subdivision 1, and 297A.021, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the exemption under section 297A.25, subdivision 42 or 50, shall be paid to the purchaser. In the case of building materials qualifying under section 297A.25, subdivision 50, where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.25, subdivision 42, or capital equipment or construction materials and supplies under section 297A.25, subdivision 50. No more than two applications for refunds may be filed under this subdivision in a calendar year. No owner may apply for a refund based on the exemption under section 297A.25, subdivision 50, before July 1, 1993. Unless otherwise specifically provided by this subdivision, the provisions of section 289A.40 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

This subdivision does not apply to capital equipment qualifying for exemption under section 297A.25, subdivision 42, if the capital equipment is purchased by a certified small business. For purposes of this subdivision, a certified small business is a business designated as a certified small business under section 469.208 for the time period during which the contract to purchase the equipment was executed.

Sec. 3. [297A.2595] [CERTIFIED SMALL BUSINESS; EXEMPTION.]

Notwithstanding the exclusion of replacement machinery and equipment from the definition of capital equipment found in section 297A.01, subdivision 16, there shall be exempt from tax all capital equipment, as otherwise defined in section 297A.01, subdivision 16, purchased by a certified small business to replace machinery and equipment in an existing facility. A business is a certified small business for purposes of this section if it was designated as a certified small business under section 469.208 for the time period during which the contract to purchase the equipment was executed.

Sec. 4. [469.208] [CERTIFIED SMALL BUSINESS.]

Subdivision 1. [DESIGNATION.] The commissioner of trade and economic development shall annually by April 1 designate a business as a certified small business if:

(1) an application, filed by March 1 of the same calendar year, is made by the business on a form as prescribed by the commissioner and the business is eligible for certification under subdivision 2; or

(2) the business was determined by the commissioner to be eligible for certification under subdivision 2.

In 1993, the commissioner shall make a designation upon determining that the business is eligible for certification. Designations made in 1993 shall be effective as of July 1, 1993, and shall remain in force until June 30, 1994, and in all subsequent years, the designation will be effective for the 12-month period beginning July 1.

Subd. 2. [ELIGIBILITY.] A business is eligible for designation as a certified small business if it meets the following criteria:

(1) the business is classified in the Standard Industrial Classification Manual, 1987, as prepared by the statistical policy division of the office of management and budget, office of the president, as mining (Division B) or manufacturing (Division D), except industry number 2411 shall not qualify; and

(2) the business had 100 or fewer employees based upon employment records available to the commissioner at the time of application for certification or the business was currently designated as a certified small business and had 125 or fewer employees based upon average annual employment using the four most recent quarterly employment reports available to the commissioner.

In determining the number of employees of a business, the commissioner may use data supplied by the commissioner of jobs and training relating to the number of employees reported for purposes of unemployment compensation.

Subd. 3. [SHARED DATA.] Data collected under section 268.121 used for certification of establishments by the commissioner must be shared with the commissioner of revenue for purposes of this section. Notwithstanding any other law, information that establishes eligibility for designation under this section is public data under chapter 13.

Subd. 4. [ANNUAL REPORT.] The commissioner of trade and economic development shall annually, by January 30, report to the legislature with an analysis of the benefits and the impact of the small business tax incentives provided under sections 290A.26 and 297A.2595.

Sec. 5. [469.209] [PURPOSES.]

The local property tax credit for certified small businesses is a locally funded property tax abatement program to help businesses meet cash flow or financing needs through negotiated property tax abatement agreements with county, city, or town governments. The legislature finds that the abatement of property taxes as provided in sections 469.209 to 469.215 is in the public interest. The abatements provided in these sections will promote diverse and stable local economies, and will provide incentives for attracting and retaining employment opportunities within this state.

Sec. 6. [469.210] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] In sections 469.209 to 469.215, the terms defined in this section have the meanings given them, unless the context indicates a different meaning.

Subd. 2. [CITY.] "City" means a home rule charter or statutory city.

Subd. 3. [ELIGIBLE PROPERTY.] "Eligible property" means taxable property, classified as class 3 under section 273.13, subdivision 24, used by a small business which receives a designation as a certified small business under section 469.208. For purposes of sections 469.209 to 469.215, a parcel of eligible property may consist of any number of tax parcels or portions of tax parcels.

Subd. 4. [ELIGIBLE TAX.] "Eligible tax" means the net property tax on the taxpayer's eligible property in the year following a year when the taxpayer receives a designation as a certified small business under section 469.208.

Subd. 5. [ELIGIBLE TAXPAYER.] "Eligible taxpayer" means a small business designated as a certified small business under section 469.208.

Subd. 6. [GOVERNING BODY.] "Governing body" means the county board in the case of a county, the city council or other body having general legislative powers in the case of a city, and the board of supervisors in the case of a town.

Subd. 7. [NET PROPERTY TAX PAYABLE.] "Net property tax payable" means the property tax payable on the eligible property, less

(1) special assessments, penalties, and interest payable on the property; and

(2) any state-paid credits, except for the refund provided under section 290A.26.

The taxes are considered payable in the year prescribed by law for payment of the taxes.

Subd. 8. [TOWN.] "Town" means an organized township.

Sec. 7. [469.211] [AUTHORITY.]

(a) The governing body of any city, county, or town may enter into a written property tax abatement agreement with any eligible taxpayer. The agreement may provide for an abatement of up to 100 percent of the portion of each year's eligible tax which is levied by the agreeing governmental subdivision. The maximum term of any abatement agreement is 12 years.

(b) If the eligible taxpayer is not the owner of the eligible property, the agreement must provide a mechanism and requirement whereby the entire property tax abatement, for each payable year which is covered by the agreement, is given to the eligible taxpayer and not to the owner of the property.

(c) By mutual consent of the parties, an existing abatement agreement may be terminated, extended, or otherwise modified during its term; however, any change to the terms or conditions of an abatement agreement, except for the correction of transcription or other errors of a clerical nature, must be treated under sections 469.209 to 469.215 as if the modified agreement were a new agreement.

(d) Abatement agreements fully executed before September 1 of an assessment year may be effective beginning with property taxes payable in the subsequent year. Abatement agreements fully executed on or after September 1 in an assessment year may only be effective beginning with property taxes payable in the second subsequent year.

Sec. 8. [469.212] [PROCEDURES FOR NEW AGREEMENTS.]

Subdivision 1. [RESOLUTION OF GOVERNING BODY.] The governing body of a city, county, or town may not enter into an abatement agreement until after it has duly adopted a resolution in support of the proposed agreement. The resolution required by this subdivision must contain a statement that the governing body expects the benefits to the governmental unit of the proposed abatement agreement to at least equal the costs to the unit of the proposed agreement. The resolution must also include a specific statement as to the nature and extent of the public benefits which the governing body expects to result from the agreement. Upon adoption, the resolution must be published in the same manner in which ordinances are published in the governmental unit.

Subd. 2. [PUBLIC MEETING.] The governing body of a city, county, or town may not vote on a resolution in support of a proposed abatement agreement until the proposed agreement is discussed at a public meeting of the governing body. The contents of an adopted resolution must not differ materially from the terms of the proposed agreement, as those terms were presented at the public meeting during which the proposed agreement was discussed. During the meeting to discuss a proposed agreement, the governing body shall hear comments regarding the proposed agreement, allow the public to ask questions about the proposed agreement, and explain the reasons for the proposed agreement. Opportunity to make comments and ask questions shall be granted to all residents of the city, county, or town, as the case may be, and to all other interested persons. Other official business may be conducted at the meeting. Notice of the opportunity to comment on the proposed agreement must be published in a qualified newspaper at least twice, once each in successive weeks, and in no event may a required notice be published less than ten days nor more than 30 days before the date of the meeting. The notice must not be placed in the part of the newspaper where legal notices and classified advertisements appear.

Sec. 9. [469.213] [ANNUAL REVIEW OF EXISTING AGREEMENTS.]

At least once in each calendar year, beginning in 1994, if the governing body of a governmental subdivision has entered into an abatement agreement which will affect property taxes payable in the next calendar year, that governing body must review the following items during a public meeting held before September 1 of the year:

(1) the estimated dollar amount of the abatement for each eligible taxpayer in the current as well as the following calendar year;

(2) the benefits to the governmental unit of each agreement for the current calendar year;

(3) whether, in cases where the eligible taxpayer is not the owner of the affected property, the abatement granted by each agreement in the immediately preceding calendar year was realized by, and benefited, the eligible taxpayer; and

(4) any other material term or condition of each abatement agreement which affects property taxes payable in the subsequent year.

During the meeting the governing body shall hear comments regarding the existing agreements being reviewed, allow the public to ask questions about the agreements being reviewed, and, if asked, explain the reasons for the agreements being reviewed. Opportunity to make comments and ask questions shall be granted to all residents of the city, county, or town, as the case may be, and to all other interested persons. Other official business may be conducted at the meeting. Notice of the opportunity to comment on the review of existing agreements must be published in a qualified newspaper at least twice, once each in successive weeks, and in no event may a required notice be published less than ten days nor more than 30 days before the date of the meeting. The notice must not be placed in the part of the newspaper where legal notices and classified advertisements appear.

The reviews required by this section may be continued at a later meeting if the notice requirements for the original meeting are fulfilled in regard to the continuation meeting. The meeting required by this section may be held in conjunction with the meeting or meetings required by section 469.212.

A meeting is not required under this section if a discussion has occurred under section 469.212 in regard to the same abatement for the same payable year.

Sec. 10. [469.214] [ABATEMENT AMOUNTS TO BE INCLUDED IN ANNUAL LEVY.]

An estimated amount sufficient to pay the abatements granted for taxes payable in the subsequent year must be included in the proposed levy amount of each governmental subdivision under section 275.065. The abatement amounts for taxes payable in the subsequent year need not be included in the governmental unit's certified levy if other funds are available to fund the abatements.

Sec. 11. [469.215] [PROPERTY TAX STATEMENT.]

The property tax abatement granted to each eligible property for a taxes payable year must be shown on the property tax statement issued for that property for that property taxes payable year. The amount of the abatement must be identified as a "local property tax credit."

Sec. 12. [EFFECTIVE DATE.]

Section 1 is effective for refund claims filed in 1994, based on property taxes payable in 1993, and thereafter.

Sections 2 to 4 are effective the day following final enactment.

Sections 5 to 11 are effective the day following final enactment for property taxes payable in 1994 and thereafter."

Page 230, line 35, delete "\$340,000,000" and insert "\$500,000,000"

Page 231, line 8, strike everything after the comma

Page 231, line 9, strike the old language and delete the new language

Page 231, line 10, strike "account"

Page 231, line 15, strike "and"

Page 231, line 16, delete the new language and strike the old language

Page 231, line 17, strike the old language

Page 231, line 19, strike the period and delete the new language

Page 231, line 20, delete everything before "all"

Renumber the articles and sections in sequence

Correct internal references

Amend the title accordingly

Signed: STEVE SVIGGUM, GIL GUTKNECHT, SIDNEY PAULY AND RON ABRAMS.

Sviggum moved that the Minority Report on H. F. No. 1735 be substituted for the Majority Report and that the Minority Report be now adopted.

A roll call was requested and properly seconded.

The question was taken on the Sviggum motion and the roll was called. There were 46 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Holsten	Lindner	Onnen	Stanius	Weaver
Bettermann	Erhardt	Hugoson	Lynch	Ozment	Sviggum	Wolf
Bishop	Frerichs	Johnson, V.	Macklin	Pauly	Swenson	Worke
Blatz	Goodno	Knickerbocker	Molnau	Pawlenty	Tompkins	Workman
Commers	Gruenes	Koppendrayner	Morrison	Rhodes	Van Dellen	
Dauids	Gutknecht	Leppik	Ness	Seagren	Vickerman	
Dehler	Haukoos	Limmer	Olson, M.	Smith	Waltman	

Those who voted in the negative were:

Anderson, I.	Cooper	Huntley	Lasley	Neary	Reding	Tunheim
Anderson, R.	Dauner	Jacobs	Lieder	Nelson	Rest	Vellenga
Asch	Dawkins	Jaros	Lourey	Olson, E.	Rice	Wagenius
Battaglia	Delmont	Jefferson	Luther	Olson, K.	Rodosovich	Wejzman
Bauerly	Dorn	Johnson, A.	Mahon	Opatz	Sarna	Welle
Beard	Evans	Johnson, R.	Mariani	Orenstein	Sekhon	Wenzel
Bergson	Farrell	Kahn	McCollum	Osthoff	Simoneau	Winter
Bertram	Garcia	Kalis	McGuire	Ostrom	Skoglund	Spk. Long
Brown, K.	Greenfield	Kelley	Milbert	Pelowski	Solberg	
Carlson	Greiling	Kelso	Mosel	Perlt	Sparby	
Carruthers	Hasskamp	Kinkel	Munger	Peterson	Steensma	
Clark	Hausman	Klinzing	Murphy	Fugh	Trimble	

The motion did not prevail.

The question recurred on the adoption of the Majority Report from the Committee on Ways and Means relating to H. F. No. 1735. The Majority Report on H. F. No. 1735 was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 73, 187, 192, 378, 490, 570, 771, 854, 867, 973, 974, 998, 1036, 1096, 1149, 1169, 1253, 1282, 1310, 1398, 1439, 1442, 1529, 1636, 1661, 1694 and 1735 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 64, 238, 483, 490, 754, 1466, 50, 273, 306, 512, 663 and 748 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Orfield introduced:

H. F. No. 1736, A bill for an act relating to environmental law; establishing a private cause of action for abandonment of hazardous waste; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Battaglia, for the Committee on Environment and Natural Resources Finance, introduced:

H. F. No. 1737, A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by various state departments; establishing a state recreation area; amending Minnesota Statutes 1992, sections 41A.09, subdivision 3; 84B.11, subdivision 1; 85.045, subdivision 2; 85.22, subdivision 2a; 86A.04; 86A.05, subdivisions 2 and 3; 86A.08, subdivision 1; 88.79, subdivision 2; 90.031, subdivision 4; 90.041, by adding a subdivision; 90.101, subdivision 1; 90.121; 90.201, by adding a subdivision; 92.46, subdivision 1; 94.165; 97A.441; 115A.90, by adding a subdivision; 115A.908, subdivisions 2 and 3; 115A.923, subdivision 1a; 116.07, by adding a subdivision; 116P.10; 473.351, subdivision 2; and 473.843, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97A; and 115A; repealing Minnesota Statutes 1992, section 41A.09, subdivision 1.

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

Greiling introduced:

H. F. No. 1738, A bill for an act relating to education; changing the definition of pupil unit for pupils in grade 5 or 6 who attend middle schools with pupils in grade 7, 8, or 9; amending Minnesota Statutes 1992, section 124.17, subdivision 1.

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

Olson, M.; Workman; Vickerman and Commers introduced:

H. F. No. 1739, A bill for an act relating to workers' compensation; defining "suitable job"; modifying permanent total disability benefits; eliminating supplementary benefits in certain circumstances; abolishing the workers' compensation court of appeals; amending Minnesota Statutes 1992, sections 176.101, subdivisions 3e, 4, and 5; 176.66, subdivision 11; 480A.06, subdivisions 3 and 4; repealing Minnesota Statutes 1992, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; and 176.132, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Olson, M.; Workman; Dempsey; Holsten and Luther introduced:

H. F. No. 1740, A bill for an act relating to elections; limiting the political contribution refund; amending Minnesota Statutes 1992, sections 10A.322, subdivision 4; and 290.06, subdivision 23.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Elections.

Rice, for the Committee on Economic Development, Infrastructure and Regulation Finance, introduced:

H. F. No. 1741, A bill for an act relating to the organization and operation of state government; appropriating money for community development, certain agencies of state government, and public safety, with certain conditions.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

Pugh introduced:

H. F. No. 1742, A bill for an act relating to taxation; providing for the time of payment of refunds of taxes by school districts; proposing coding for new law in Minnesota Statutes, chapter 276.

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

Winter, Wenzel, Krueger, Dehler and Rodosovich introduced:

H. F. No. 1743, A bill for an act relating to the military; changing the national guard tuition reimbursement law; amending Minnesota Statutes 1992, section 192.501, subdivision 2.

The bill was read for the first time and referred to the Committee on General Legislation, Veterans Affairs and Elections.

Johnson, A.; Evans; Stanius and McGuire introduced:

H. F. No. 1744, A bill for an act relating to game and fish; modifying provisions relating to hunting by disabled persons; amending Minnesota Statutes 1992, sections 97B.045; and 97B.111.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Olson, M.; Luther; Bettermann; Holsten and Jennings introduced:

H. F. No. 1745, A bill for an act relating to state government; creating an efficiency review and advisory board; establishing its powers and duties; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Murphy and Swenson, for the Judiciary Finance Division, introduced:

H. F. No. 1746, A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; amending Minnesota Statutes 1992, sections 43A.02, subdivision 25; 43A.24, subdivision 2; 121.88, subdivision 9; 124.2713, subdivisions 5 and 6; 124C.46, subdivision 1; 169.1265, subdivision 1; 179.02, by adding a subdivision; 271.07; 357.021, subdivisions 1a and 2; 357.022; 357.18, subdivision 3; 357.24; 484.74, subdivision 1; 484.76, subdivision 1; 508.82; 508A.82; 548.23; 548.30; 549.02; 593.48; 609.101, subdivision 4; 611.17; 611.20; 611.25, subdivision 3; 611.26, subdivision 3; 611.27, subdivisions 4 and 13; 611.271; 626.861, subdivision 4; and Laws 1989, chapter 335, article 3,

section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 121; 242; 244; 609; and 611; proposing coding for new law as Minnesota Statutes, chapter 491A.

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

Wenzel introduced:

H. F. No. 1747, A bill for an act relating to taxation; sales and use; exempting passenger car restraint systems for children; amending Minnesota Statutes 1992, section 297A.25, by adding a subdivision.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 226, A bill for an act relating to health; clarifying the meaning of comprehensive health maintenance services; amending Minnesota Statutes 1992, section 62D.02, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 295, A bill for an act relating to utilities; authorizing utilities to make automatic annual rate adjustments for costs of conservation improvements; amending Minnesota Statutes 1992, section 216B.16, subdivision 6b.

H. F. No. 654, A bill for an act relating to commerce; regulating corporate registrations and administrative dissolutions; regulating limited partnership registrations; regulating trademarks; regulating various lien filings; making various housekeeping changes relating to the powers and duties of the secretary of state; regulating legal newspapers; amending Minnesota Statutes 1992, sections 302A.821, subdivision 6; 303.13, subdivisions 1 and 2; 317A.823, subdivision 1; 317A.827, subdivision 3; 322A.70; 331A.07; 333.20, subdivision 3; 336.9-403; 514.27; 514.661, subdivision 4; 514.945, subdivision 1; 514.956, subdivision 3; and 514.960, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 183, 441, 764, 96, 577, 688 and 1148.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 183, A bill for an act relating to data practices; comprehensive law enforcement data; classifying booking photographs; amending Minnesota Statutes 1992, section 13.82, subdivisions 5 and 8, and by adding a subdivision.

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

S. F. No. 441, A bill for an act relating to employment; requiring employers to indemnify employees for liability arising out of the scope of employment; proposing coding for new law in Minnesota Statutes, chapter 181.

The bill was read for the first time.

McGuire moved that S. F. No. 441 and H. F. No. 535, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 764, A bill for an act relating to criminal procedure; authorizing the presence of a supportive person during certain criminal proceedings in which a minor is testifying as a prosecuting witness; amending Minnesota Statutes 1992, section 631.046, subdivision 1.

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

S. F. No. 96, A bill for an act relating to the environment; wastewater treatment; clarifying rulemaking provisions for pollution control agency adoption of wastewater treatment standards; changing the composition of the technical advisory committee; changing the definition of individual on-site treatment system; amending Minnesota Statutes 1992, sections 115.44, subdivisions 4, 6, and 7; 115.54; and 116.18, subdivision 3c.

The bill was read for the first time.

McCollum moved that S. F. No. 96 and H. F. No. 534, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 577, A bill for an act relating to controlled substances; prescribing penalties for failure to comply with the precursor chemical tracking system; requiring reporting of missing substances and purchases made out of state; clarifying reporting requirements; amending Minnesota Statutes 1992, sections 152.0971, subdivision 3, and by adding subdivisions; 152.0972, subdivision 1; and 152.0973, subdivisions 2, 3, 4, and by adding subdivisions.

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

S. F. No. 688, A bill for an act relating to state government; changing the name of the council on affairs of Spanish-speaking people to the council on affairs of Mexicano/Chicano and Latino people; making related changes in definitions and duties; amending Minnesota Statutes 1992, section 3.9223, subdivisions 1, 2, 3, 5, 7, and by adding a subdivision.

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

S. F. No. 1148, A bill for an act relating to traffic regulations; increasing fees for overweight trucks; authorizing permit to be issued for trailer or semitrailer exceeding 28-1/2 feet in three-vehicle combination; amending Minnesota Statutes 1992, sections 169.81, subdivision 2; and 169.86, subdivision 5.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

CONSENT CALENDAR

S. F. No. 5, A bill for an act relating to game and fish; extending the permissible period for the open season on raccoon; amending Minnesota Statutes 1992, section 97B.621, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 394, A bill for an act relating to financial institutions; permitting contracts between financial institutions to accept deposits and honor withdrawals; proposing coding for new law in Minnesota Statutes, chapter 47.

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 124 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Beard	Brown, K.	Dauner	Dorn	Greenfield	Hausman
Anderson, I.	Bergson	Carlson	Davids	Erhardt	Greiling	Holsten
Anderson, R.	Bertram	Carruthers	Dawkins	Evans	Gruenes	Hugoson
Asch	Bettermann	Clark	Dehler	Farrell	Gutknecht	Huntley
Battaglia	Bishop	Commers	Delmont	Garcia	Hasskamp	Jacobs
Bauerly	Blatz	Cooper	Dempsey	Goodno	Haukoos	Jaros

Jefferson	Lasley	McGuire	Olson, M.	Pugh	Sparby	Waltman
Jennings	Leppik	Milbert	Onnen	Reding	Stanius	Weaver
Johnson, A.	Lieder	Molnau	Opatz	Rest	Steensma	Wejzman
Johnson, V.	Limmer	Morrison	Orenstein	Rhodes	Sviggum	Welle
Kahn	Lindner	Mosel	Orfield	Rodosovich	Swenson	Wenzel
Kalis	Lourey	Munger	Osthoff	Sarna	Tompkins	Winter
Kelley	Luther	Murphy	Ostrom	Seagren	Trimble	Wolf
Kelso	Lynch	Neary	Ozment	Sekhon	Tunheim	Worke
Kinkel	Macklin	Nelson	Pauly	Simoneau	Van Dellen	Workman
Klinzing	Mahon	Ness	Pawlenty	Skoglund	Vellenga	Spk. Long
Knickerbocker	Mariani	Olson, E.	Perlt	Smith	Vickerman	
Koppendraye	McCollum	Olson, K.	Peterson	Solberg	Wagenius	

Those who voted in the negative were:

Rice

The bill was passed and its title agreed to.

H. F. No. 977, A bill for an act relating to retirement; Minneapolis employees retirement fund; permitting purchase of service credit by a certain member.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1161, A bill for an act relating to retirement; public employees retirement association; permitting payment in lieu of salary deductions to obtain service credit notwithstanding a one-year time limitation.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1525, A bill for an act relating to occupations and professions; abstracters; providing for certain applicants to be exempt from the bond and liability insurance requirement; amending Minnesota Statutes 1992, section 386.66.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 582, A bill for an act relating to motor vehicles; extending validity period of nonresident temporary vehicle permits; amending Minnesota Statutes 1992, section 168.091, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Anderson, I., from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today, Monday, April 19, 1993:

H. F. Nos. 287, 43, 947, 969 and 1272; S. F. No. 270; H. F. No. 1450; S. F. No. 431; H. F. No. 607; S. F. No. 568; H. F. Nos. 87, 671, 874, 427, 1151, 608, 1435, 704, 699 and 1112; S. F. No. 629; and H. F. Nos. 574, 1023, 1164 and 238.

SPECIAL ORDERS

H. F. No. 994 was reported to the House.

Blatz moved that H. F. No. 994 be continued on Special Orders. The motion prevailed.

H. F. No. 1095 was reported to the House.

Pugh moved to amend H. F. No. 1095, the first engrossment, as follows:

Page 35, after line 18, insert:

"Sec. 31. Minnesota Statutes 1992, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by ~~two nonaffiliated~~ a licensed insurance companies, company pursuant to subdivision 2. ~~Each rejection must be in writing and must be obtained within 60 days before the date of application to the assigned risk plan. In addition, the rejections must also show the name of the insurance company and the representative contacted."~~

Page 35, line 19, delete "31" and insert "32"

Page 35, line 32, delete "32" and insert "33"

Amend the title as follows:

Page 1, line 9, after the semicolon insert "regulating the workers' compensation assigned risk plan;"

Page 1, line 21, delete "and" and before the period insert "; and 79.252, subdivision 1"

The motion prevailed and the amendment was adopted.

H. F. No. 1095, A bill for an act relating to insurance; regulating investments, assets and liabilities, and annual statements of companies; providing for continuance of coverage upon liquidation; modifying the definition of resident for purposes of the Minnesota insurance guaranty association; regulating dividends and other distributions of insurance holding company systems; regulating risk retention groups; regulating the workers' compensation assigned risk plan; enacting the NAIC model legislation; amending Minnesota Statutes 1992, sections 60A.11, subdivision 9; 60A.12, subdivision 3; 60A.13, subdivisions 1 and 6; 60A.23, subdivision 4; 60B.22, subdivision 1; 60C.03, subdivision 7; 60D.20, subdivisions 2 and 4; 60E.01; 60E.02, subdivisions 9 and 12; 60E.03; 60E.04, subdivisions 1, 2, 3, 4, 7, 8, 11, and by adding a subdivision; 60E.05; 60E.07; 60E.08; 60E.09; 60E.10; 60E.12; and 60E.13; proposing coding for new law in Minnesota Statutes, chapters 60A and 60E; repealing Minnesota Statutes 1992, sections 60A.07, subdivision 5d; 60A.12, subdivision 10; 60B.24; 60E.11; and 79.252, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hasskamp

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

H. F. No. 1428 was reported to the House.

Bishop and Evans moved to amend H. F. No. 1428, the first engrossment, as follows:

Page 5, after line 23, insert:

"Sec. 7. Minnesota Statutes 1992, section 150A.06, is amended by adding a subdivision to read:

Subd. 4b. [APPEAL OF DENIAL OF APPLICATION.] A person whose application for licensure by credentials has been denied may appeal the decision to the board. The board shall establish an appeals process and inform a denied candidate of the right to appeal and the process for filing the appeal."

Renumber the remaining section

The motion prevailed and the amendment was adopted.

H. F. No. 1428, A bill for an act relating to occupations and professions; dentistry; modifying a certain exception to the licensing requirements; establishing faculty, resident dentist, and specialty licenses; modifying a certain ground for disciplinary action; amending Minnesota Statutes 1992, sections 150A.01, by adding subdivisions; 150A.05, subdivision 2; 150A.06, by adding subdivisions; and 150A.08, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 129, A bill for an act relating to marriage dissolution; maintenance; applying child support enforcement actions to actions to enforce maintenance; expanding notice of rights of parties in dissolution or separation proceeding;

requiring child support order to assign responsibility for child's medical coverage; clarifying visitation rights; requiring dissolution judgment or decree to provide notice about principal residence; amending Minnesota Statutes 1992, sections 214.101, subdivisions 1 and 4; 518.17, subdivision 3; 518.171, subdivision 1; 518.175, subdivision 6; 518.177; 518.55; 518.551, subdivision 12; 518.583; 518.611, subdivision 2; and 518.641, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

Anderson, I., moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Reding moved that the names of Kahn and Hausman be added as authors on H. F. No. 192. The motion prevailed.

Greenfield moved that the name of Cooper be added as an author on H. F. No. 1178. The motion prevailed.

Kalis moved that the names of Lourey and Trimble be added as authors on H. F. No. 1733. The motion prevailed.

Asch moved that H. F. No. 1574 be returned to its author. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, April 20, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, April 20, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

THIRTY-NINTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 20, 1993

The House of Representatives convened at 1:00 p.m. and was called to order by Gerald J. Jerry Bauerly, Speaker pro tempore.

Prayer was offered by the Reverend Dr. Donald M. Meisel, House Chaplain.

The roll was called and the following members were present:

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

A quorum was present.

Mahon was excused.

Long was excused until 1:50 p.m. Kahn was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kelley 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. 96 and H. F. No. 534, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McCollum moved that the rules be so far suspended that S. F. No. 96 be substituted for H. F. No. 534 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 441 and H. F. No. 535, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

McGuire moved that S. F. No. 441 be substituted for H. F. No. 535 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communication was received:

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F.</i> <i>No.</i>	<i>H.F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> 1993	<i>Date Filed</i> 1993
371		Resolution No. 2	2:40 p.m. April 19	April 19
234		33	2:42 p.m. April 19	April 19

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 746, A bill for an act relating to motor vehicles; requiring vehicle owner to transfer certificate of title upon gaining ownership to motor vehicle; allowing registrar to research records before responding to phone request; amending Minnesota Statutes 1992, sections 168.10, subdivision 1; 168.34; and 168A.30, subdivision 2.

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

The report was adopted.

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

H. F. No. 805, A bill for an act relating to the environment; providing for the disposal of ash from incinerators operated by the Western Lake Superior Sanitary District; amending Minnesota Statutes 1992, section 458D.07, subdivision 3.

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

The report was adopted.

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

H. F. No. 863, A bill for an act relating to pollution control; modifying eligibility area for state financial assistance program for combined sewer overflow; amending Minnesota Statutes 1992, section 116.162, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [COMBINED SEWER OVERFLOW STUDY; CITY OF RED WING.]

The commissioner of the pollution control agency shall study the feasibility and cost of including the city of Red Wing in the combined sewer overflow program under Minnesota Statutes, section 116.162. The commissioner shall report the findings of the study to the legislature by January 15, 1994.

Delete the title and insert:

"A bill for an act relating to pollution control; requiring a study of the feasibility of including the city of Red Wing in the state financial assistance program for combined sewer overflow."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1068, A bill for an act relating to natural resources; regulating various phases of the operation of aquatic farms, quarantine facilities, and private fish hatcheries within the state; providing penalties; amending Minnesota Statutes 1992, sections 17.4982, subdivision 8; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4985, subdivisions 2 and 3; 17.4986, subdivision 2; 17.4991, subdivision 4; 17.4992, subdivision 3; 97C.203; 97C.515, subdivision 4; and 97C.525, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 17.4982, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 17.4981 to ~~17.4997~~ 17.4998.

Sec. 2. Minnesota Statutes 1992, section 17.4982, is amended by adding a subdivision to read:

Subd. 2a. [AQUACULTURE THERAPEUTICS.] "Aquaculture therapeutics" means drugs, medications, and disease control chemicals that are approved for aquaculture use by the United States Food and Drug Administration or the United States Environmental Protection Agency.

Sec. 3. Minnesota Statutes 1992, section 17.4982, subdivision 8, is amended to read:

Subd. 8. [CONTAINMENT FACILITY.] "Containment facility" means a licensed facility for salmonids or catfish that complies with clauses (1), (3), and (4), or clauses (2), (3), and (4):

(1) ~~disinfects its effluent to the standards in section 17.4991 before the effluent is discharged to public waters, if the facility contains catfish and discharges into or upstream of waters containing catfish or if the facility contains salmonids and discharges into or upstream of waters containing salmonids;~~

(2) does not discharge to public waters or to waters of the state directly connected to public waters;

(3) raises aquatic life for food consumption only;

(4) contains aquatic life requiring a fish health inspection prior to transportation.

Sec. 4. Minnesota Statutes 1992, section 17.4983, subdivision 2, is amended to read:

Subd. 2. [ACQUISITION FROM STATE.] (a) The commissioner may sell aquatic life to licensed facilities at fair wholesale market value. Fair wholesale market value must be determined by the average market price charged in this state and contiguous states and provinces for similar quantities.

(b) The commissioner shall establish procedures to make aquatic life available to licensed facilities if state aquatic life would otherwise die or go to waste, such as in cases of winterkill lakes, waters where piscicides will be applied, and waters subject to extreme draw-down. The public must be given angling opportunities if public access is available.

(c) The commissioner shall attempt to provide opportunities to make brood stock available to licensed facilities to reduce reliance on out-of-state sources without causing adverse impacts to game fish populations.

(d) If the commissioner denies approval to obtain aquatic life outside the state, a written notice must be submitted to the applicant stating the reasons for denial, and the commissioner shall:

(1) designate approved sources if available to obtain the desired aquatic life; or

(2) sell the aquatic life from state hatcheries at fair wholesale market value if there is a surplus from state operations.

Sec. 5. Minnesota Statutes 1992, section 17.4984, subdivision 2, is amended to read:

Subd. 2. [LISTED WATERS.] (a) An aquatic farm license must list:

(1) the specific waters of the state that may be used in connection with the licensed aquatic farm and the species approved for each licensed water; and

(2) whether aeration requiring a permit is approved; ~~and~~

~~(3) whether piscicide use is approved.~~

Additional waters may not be used until they are approved by the commissioner.

(b) The right to use waters licensed for private fish hatchery or aquatic farm purposes may be transferred between licensees with prior approval by the commissioner if requirements for species to be raised are met. Waters that are continually connected by a permanent watercourse to other waters must not be approved for aquatic farm use, except that connected waters that are isolated from other waters may be licensed as a single water body. Waters that are

intermittently connected or may become connected with other waters may be denied, or screening or other measures may be required to prevent passage of aquatic life. Listed waters may be changed on approval by the area fisheries supervisor or the commissioner.

(c) The commissioner shall conduct an inspection of waters to be licensed prior to approving or denying initial licensing of the waters.

(d) Waters containing game fish of significant public value may be denied licensing unless the applicant can demonstrate exclusive riparian control.

(e) Waters containing game fish of significant public value may be denied licensing unless the game fish of significant public value are sold to the licensee, removed for other state use by the department of natural resources, or disposed of as provided in writing by the commissioner.

(f) Waters licensed under an aquatic farm license may be aerated during open water periods without a separate aeration permit.

Sec. 6. Minnesota Statutes 1992, section 17.4985, subdivision 2, is amended to read:

Subd. 2. [BILL OF LADING.] (a) A person may transport aquatic life except salmonids or catfish with a completed bill of lading for:

(1) intrastate transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species and of the proper classification for the aquatic life if the aquatic life is being transported into a watershed where it is not currently present or if the original source of the aquatic life is outside Minnesota and contiguous states; and

(2) stocking of waters other than public waters.

~~(b) When aquatic life is transported between licensed private fish hatcheries, aquatic farms, or aquarium facilities under paragraph (a), a copy of the bill of lading must be submitted to the regional fisheries manager:~~

~~(1) at least 72 hours before the transportation if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states; or~~

~~(2) within 30 days in cases not covered by clause (1).~~

~~(c) A bill of lading is also required at least 72 hours before any transportation between licensed waters of the same licensee if species transported into a watershed are not found in it, or have their original source outside Minnesota and contiguous states.~~

~~(d) For transportation and stocking of waters that are not public waters:~~

~~(1) a bill of lading must be submitted to the regional fisheries manager 72 hours before transporting fish for stocking;~~

~~(2) a bill of lading must be submitted to the regional fisheries manager within five days after stocking if the waters to be stocked are confirmed by telecopy or telephone prior to stocking by the regional fisheries office not to be public waters; or~~

~~(3) a completed bill of lading may be submitted to the regional fisheries office by telecopy prior to transporting fish for stocking. Confirmation that the waters to be stocked are not public waters may be made by returning the bill of lading by telecopy or in writing, in which cases additional copies need not be submitted to the department of natural resources.~~

~~(e) (d) Bill of lading forms may only be issued by the department of natural resources in St. Paul, and new bill of lading forms may not be issued until all previously issued forms have been returned.~~

Sec. 7. Minnesota Statutes 1992, section 17.4985, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS FOR TRANSPORTATION PERMITS AND BILLS OF LADING.] (a) A bill of lading or transportation permit is not required by an aquatic farm licensee for importation, transportation, or export for the following:

- (1) minnows taken under an aquatic farm license in this state and transported intrastate;
- (2) aquarium or ornamental fish including goldfish and tropical, subtropical, and saltwater species that cannot survive in the waters of the state, which may be imported or transported if accompanied by shipping documents;
- (3) fish or fish eggs that have been processed for use as food, bait, or other purposes unrelated to fish propagation;
- (4) live fish, except salmonids and catfish, from a licensed aquatic farm, which may be transported directly to an outlet for processing or for other food purposes if accompanied by shipping documents;
- (5) fish being exported if accompanied by shipping documents;
- (6) sucker eggs, sucker fry, or fathead minnows transported intrastate for bait propagation or feeding of cultural aquatic life;
- (7) species of fish that are found within the state used in connection with public shows, exhibits, demonstrations, or fishing pools for periods not exceeding 14 days; or

(8) ~~transfer of aquatic life between licensed waters of the same licensee~~ intrastate transportation of aquatic life between licensed private fish hatcheries, aquatic farms, or aquarium facilities licensed for the same species and of the proper facility classification for the aquatic life, except where required in subdivision 2 and except that salmonids and catfish may only be transferred or transported intrastate without a transportation permit if they had no record of bacterial kidney disease at the time they were imported into the state and if the most recent fish health inspection since importation has shown no certifiable diseases to be present.

Aquatic life being transferred between licensed private fish hatcheries, aquatic farms, or aquarium facilities must be accompanied by shipping documents and salmonids and catfish being transferred or transported intrastate without a transportation permit must be accompanied by a copy of their most recent fish health inspection.

(b) Shipping documents required under paragraph (a) must show the place of origin, owner or consignee, destination, number, and species.

Sec. 8. Minnesota Statutes 1992, section 17.4986, subdivision 2, is amended to read:

Subd. 2. [LICENSED FACILITIES.] (a) The commissioner shall issue transportation permits to import:

- (1) indigenous and naturalized species except trout, salmon, and catfish from any source to a standard facility;
- (2) trout, salmon, and catfish from a nonemergency disease area to a containment facility if the fish are certified within the previous year to be free of certifiable diseases, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced; and
- (3) trout, salmon, and catfish from a facility in a nonemergency disease area with a disease-free history of three years or more to a standard facility, except that eggs with enteric redmouth, whirling disease, or furunculosis may be imported following treatment approved by the commissioner, and fish with bacterial kidney disease may be imported into areas where the disease has been previously introduced.

(b) If a source facility in ~~an emergency~~ a nonemergency disease area cannot demonstrate a history free from disease, aquatic life may only be imported into a quarantine facility.

Sec. 9. Minnesota Statutes 1992, section 17.4986, is amended by adding a subdivision to read:

Subd. 4. [DISEASE-FREE HISTORY.] When disease-free histories of more than one year are required for importing salmonids or catfish, the disease history must be of consecutive years that include the year previous to, or the year of, the transportation request.

Sec. 10. Minnesota Statutes 1992, section 17.4991, subdivision 3, is amended to read:

Subd. 3. [FISH HEALTH INSPECTION.] (a) An aquatic farm propagating trout, salmon, or catfish and having an effluent discharge from the aquatic farm into public waters must have an annual fish health inspection conducted by a certified fish health inspector. Testing must be conducted according to approved laboratory methods.

(b) A health inspection fee must be charged based on each lot of fish sampled. The fee by check or money order payable to the department of natural resources must be prepaid or paid at the time a bill or notice is received from the commissioner that the inspection and processing of samples is completed.

(c) Upon receipt of payment and completion of inspection, the commissioner shall notify the operator and issue a fish health certificate. The certification must be made according to the Fish Health Blue Book by a person certified as a fish health inspector.

(d) All aquatic life in transit or held at transfer stations within the state may be inspected by the commissioner. This inspection may include the collection of stock for purposes of pathological analysis. Sample size necessary for analysis will follow guidelines listed in the Fish Health Blue Book.

(e) Salmonids and catfish must have a fish health inspection before being transported from a containment facility, unless the fish are being transported directly to an outlet for processing or other food purposes or unless the commissioner determines that an inspection is not needed. A fish health inspection conducted for this purpose need only be done on the lot or lots of fish that will be transported. The commissioner must conduct a fish health inspection requested for this purpose within five working days of receiving written notice. Salmonids and catfish may be immediately transported from a containment facility to another containment facility once a sample has been obtained for a health inspection or once the five-day notice period has expired.

Sec. 11. Minnesota Statutes 1992, section 17.4991, subdivision 4, is amended to read:

Subd. 4. [EMERGENCY DISEASE DETERMINATION.] If emergency diseases exist, the commissioner may order the fish aquatic life in the facility to be impounded, confiscated, sold, or destroyed and the facility disinfected. The commissioner shall make every effort to allow disposed fish aquatic life to be sold for market if there is no imminent danger of a significant adverse impact on natural fish populations or human health or of escape of the pathogen to public waters.

Sec. 12. Minnesota Statutes 1992, section 17.4991, is amended by adding a subdivision to read:

Subd. 5. [AQUACULTURE THERAPEUTICS REGISTRATION.] (a) Aquaculture therapeutics must be registered and labeled in accordance with rules adopted by the commissioner of agriculture relating to drugs and feed additives.

(b) The department of agriculture may not require registration of those aquaculture therapeutics designated as low regulatory priority by the United States Food and Drug Administration.

Sec. 13. Minnesota Statutes 1992, section 17.4992, subdivision 3, is amended to read:

Subd. 3. [ACQUISITION OF FISH FOR BROOD STOCK.] Game fish brood stock may be sold to private fish hatcheries or aquatic farms by the state at fair wholesale market value. As a one-time purchase for brood stock development, up to 20 pair of adults may be provided, if available, by the state through normal operations.

Sec. 14. Minnesota Statutes 1992, section 17.4995, is amended to read:

17.4995 [RECEIPTS TO THE GAME AND FISH FUND DEPARTMENT OF NATURAL RESOURCES.]

Money received by the state under sections 17.4981 to 17.4997 must be deposited in the state treasury and credited to the game and fish fund and is appropriated to the commissioner for fisheries purposes.

Sec. 15. [17.4998] [VIOLATIONS; PENALTY.]

Unless a different penalty is prescribed, a violation of a provision of sections 17.4981 to 17.4997 or a rule of the commissioner governing the operation of an aquatic farm, private fish hatchery, or quarantine facility is a misdemeanor.

Sec. 16. Minnesota Statutes 1992, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. ~~Aquaculture therapeutics shall be registered and labeled in the same manner as pesticides.~~ Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.

(d) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

Sec. 17. Minnesota Statutes 1992, section 97C.203, is amended to read:

97C.203 [DISPOSAL OF STATE HATCHERY EGGS OR FRY.]

The commissioner shall dispose of game fish eggs and fry according to the following order of priorities:

(1) distribution of fish eggs and fry to state hatcheries to hatch fry or raise fingerlings for stocking waters of the state for recreational fishing; and

(2) sale of fish eggs and fry to private fish hatcheries or licensed aquatic farms ~~to hatch fry or raise fingerlings to stock waters of this state with fingerlings for recreational fishing~~ at a price not less than the wholesale fair market value, established as the average price charged at the state's private hatcheries and contiguous states per volume rates; and

~~(3) sale at fair market value, established as the average price charged at the state's private sources and contiguous states per volume rates of fish eggs and fry to private fish hatcheries and aquatic farms to hatch fry or raise fingerlings for sale.~~

Sec. 18. Minnesota Statutes 1992, section 97C.515, subdivision 4, is amended to read:

Subd. 4. [PRIVATE FISH HATCHERY OR AQUATIC FARM.] A person with a private fish hatchery or aquatic farm license may transport minnows from contiguous states to the private fish hatchery or aquatic farm, provided the minnows are used for processing or feeding hatchery fish. The commissioner may require inspection of minnows transported from outside the state.

Sec. 19. Minnesota Statutes 1992, section 97C.525, subdivision 3, is amended to read:

Subd. 3. [MINNOW DEALERS AND HAULERS.] A resident minnow dealer or a nonresident exporting minnow hauler may transport ~~leeches, suckers, and fathead~~ minnows out of the state. A nonresident exporting minnow hauler must possess a bill of lading issued by a minnow dealer with an exporting minnow dealer's license. The bill of lading must be on a form furnished by the commissioner and must state the exporting minnow hauler's name and address, the route through the state, number and species of minnows, and the time it was issued."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying provisions relating to aquaculture; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 17.4982, subdivisions 1, 8, and by adding a subdivision; 17.4983, subdivision 2; 17.4984, subdivision 2; 17.4985, subdivisions 2 and 3; 17.4986, subdivision 2, and by adding a subdivision; 17.4991, subdivisions 3, 4, and by adding a subdivision; 17.4992, subdivision 3; 17.4995; 18B.26, subdivision 1; 97C.203; 97C.515, subdivision 4; and 97C.525, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 17."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1122, A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, subdivision 1.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1205, A bill for an act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; providing that the law requiring that fines collected for violations of building repair orders must be used for the housing calendar consolidation projects is permanent; amending Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1286, A bill for an act relating to commerce; regulating prize notices; requiring certain disclosures by solicitors; providing for reimbursement in certain cases; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1294, A bill for an act relating to medical assistance; increasing asset allowances; removing the 30-month limitation on prohibited transfers for medical assistance eligibility; requiring the commissioner of human services to seek necessary federal law changes or waivers; providing for medical assistance liens on real property; appropriating money; amending Minnesota Statutes 1992, sections 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; and 256B.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 514.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1317, A bill for an act relating to health-related occupations; requiring hearing instrument dispensers to be certified by the commissioner of health; requiring holders of temporary hearing instrument dispensing permits to be supervised by certified hearing instrument dispensers; authorizing rulemaking; authorizing cease and desist orders; providing for penalties; amending Minnesota Statutes 1992, sections 153A.13, subdivisions 4 and 5; 153A.14; 153A.15; 153A.17; proposing coding for new law in Minnesota Statutes, chapter 214.

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

The report was adopted.

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

H. F. No. 1402, A bill for an act relating to natural resources; amending requirements to mitigate wetlands; adding exemptions; extending interim rules; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1 and 2; 103G.2369, subdivision 2; and Laws 1991, chapter 354, article 7, section 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 103G.222, is amended to read:

103G.222 [REPLACEMENT OF WETLANDS.]

(a) After the effective date of the rules adopted under section 103B.3355 or 103G.2242, whichever is later, wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under either a replacement plan approved as provided in section 103G.2242 or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242.

(b) Replacement must be guided by the following principles in descending order of priority:

- (1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;
- (2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;
- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and
- (5) compensating for the impact by replacing or providing substitute wetland resources or environments.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

(e) Replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 103G.2242, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish replacement in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded. Wetlands impacted by public transportation projects may be replaced statewide, provided they are approved by the commissioner under an established wetland banking system, or under the rules for wetland banking as provided for under section 103G.2242.

(f) Except as provided in paragraph (g), for a wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland located on agricultural land or in counties or watersheds in which 80 percent or more of the presettlement wetland acreage exists, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in counties or watersheds where 80 percent or more of the presettlement wetlands are intact, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded, naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The technical evaluation panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the technical evaluation panel has reason to believe that the wetland characteristics may change substantially, the panel must postpone its recommendations until the wetland has stabilized.

Sec. 2. Minnesota Statutes 1992, section 103G.2241, is amended to read:

103G.2241 [EXEMPTIONS.]

~~Subdivision 1. [EXEMPTIONS.]~~ (a) Subject to the conditions in paragraph (b), a replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;

(3) activities necessary to repair and maintain existing public or private drainage systems as long as wetlands that have been in existence for more than 20 years are not drained;

(4) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

- (5) activities exempted from federal regulation under United States Code, title 33, section 1344(f);
- (6) activities authorized under, and conducted in accordance with, an applicable general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clause (14), limited to when a new road crosses a wetland, and all of clause (26);
- (7) activities in a type 1 wetland on agricultural land, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition) except for bottomland hardwood type 1 wetlands;
- (8) activities in a type 2 wetland that is two acres in size or less located on agricultural land;
- (9) activities in a wetland restored for conservation purposes under a contract or easement providing the landowner with the right to drain the restored wetland;
- (10) activities in a wetland created solely as a result of:
- (i) beaver dam construction;
 - (ii) blockage of culverts through roadways maintained by a public or private entity;
 - (iii) actions by public entities that were taken for a purpose other than creating the wetland; or
 - (iv) any combination of (i) to (iii);
- (11) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:
- (i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and
 - (ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;
- (12) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;
- (13) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline;
- (14) temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters;
- (15) permanent access for forest roads across wetlands so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters;
- (16) activities associated with routine maintenance or repair of existing public highways, roads, streets, and bridges, provided the activities do not result in additional intrusion into the wetland ~~and do not result in the draining or filling, wholly or partially, of a wetland~~ outside of the existing right-of-way;
- (17) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and ~~do~~ does not result in the draining or filling, wholly or partially, of a wetland;
- (18) normal maintenance and minor repair of structures causing no additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland;

(19) duck blinds;

(20) aquaculture activities, ~~except building or altering of docks and activities involving the draining or filling, wholly or partially, of a wetland including pond excavation and associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including buildings;~~

(21) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United State Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;

(22) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices;

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food, Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(24) development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having local site plan approval, conditional use permits, or similar official approval by a governing body or government agency, within five years before July 1, 1991. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body.

(b) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

Sec. 3. Minnesota Statutes 1992, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. [RULES.] (a) By ~~July 1~~ December 31, 1993, the board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; may address the state establishment and administration of a wetland banking program for public and private projects, which may include provisions allowing monetary payment to the wetland banking program for alteration of wetlands on agricultural land; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

(c) If the local government unit fails to apply the rules, the government unit is subject to penalty as determined by the board.

(d) Interim guidelines adopted by the board on December 18, 1991, shall continue in effect statewide through December 31, 1993.

Sec. 4. Minnesota Statutes 1992, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. [EVALUATION.] Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a technical evaluation panel after an on-site inspection. The technical evaluation panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, and ~~an engineer for~~ a technical professional with expertise in water resources management appointed by the local government unit. The panel shall use the "Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989). The panel shall provide the wetland determination to the local government unit that must approve a replacement plan under this section, and may recommend approval or denial of the plan. The authority must consider and include the decision of the technical evaluation panel in their approval or denial of a plan.

Sec. 5. Minnesota Statutes 1992, section 103G.2369, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED ACTIVITIES.] (a) Except as provided in subdivision 3, until July 1, 1993, a person may not drain, ~~burn,~~ or fill a wetland.

(b) Except as provided in subdivision 3, until July 1, 1993, a state agency or local unit of government may not issue a permit for an activity prohibited in paragraph (a) or for an activity that would include an activity prohibited in paragraph (a).

Sec. 6. Laws 1991, chapter 354, article 7, section 2, is amended to read:

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1992, and is repealed ~~July~~ January 1, 1993 1994."

Delete the title and insert:

"A bill for an act relating to natural resources; amending requirements relating to replacement of wetlands; modifying exemptions; amending Minnesota Statutes 1992, sections 103G.222; 103G.2241; 103G.2242, subdivisions 1 and 2; 103G.2369, subdivision 2; and Laws 1991, chapter 354, article 7, section 2."

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.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1494, A bill for an act relating to the environment; imposing criminal penalties for knowing violations of air pollution requirements; amending Minnesota Statutes 1992, section 609.671, subdivisions 9 and 12.

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

The report was adopted.

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

H. F. No. 1499, A bill for an act relating to consumer protection; providing for training requirements for manual or mechanical therapy; requiring diagnosis of a person's condition before therapy; providing for rulemaking; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 146.

Reported the same back with the following amendments:

Page 1, line 13, after "person" insert "regulated under this chapter" and delete "provides" and insert "is not otherwise authorized to provide"

Page 1, line 16, delete "agency" and insert "board"

Page 2, delete lines 14 and 15 and insert:

"Subd. 5. [PENALTY.] A person who violates this section is subject to disciplinary action by the board that regulates the person's practice.

Subd. 6. [SCOPE OF PRACTICE.] Nothing in this section expands or limits the scope of practice of licensed physicians, registered physical therapists, or occupational therapists certified by the American Occupational Therapy Certification Board."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 1579, A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 474A.047, subdivision 1; and 474A.061, subdivision 2a.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1992, section 462A.221, is amended by adding a subdivision to read:

Subd. 4. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given it in section 473.121, subdivision 2.

Sec. 2. Minnesota Statutes 1992, section 462A.221, is amended by adding a subdivision to read:

Subd. 5. [SUBSTANTIAL REHABILITATION.] "Substantial rehabilitation" means rehabilitation of at least \$5,000 per unit.

Sec. 3. Minnesota Statutes 1992, section 462A.222, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) Projects will be awarded tax credits in three competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) in the metropolitan area:

(i) new construction or substantial rehabilitation single-room occupancy projects which are affordable by households whose income does not exceed 30 percent of the median income;

~~(2)~~ (ii) new construction or substantial rehabilitation family housing projects in which at least 75 percent of the units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms;

(iii) substantial rehabilitation projects in neighborhoods targeted by the city for revitalization;

(2) outside the metropolitan area, projects which meet a locally identified housing need and which are in short supply in the local housing market as evidenced by credible data submitted with the application;

(3) projects in which a percentage of the units are set aside and rented to persons:

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (5), as amended through December 31, 1990;

(iii) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2;

(iv) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a); or

(v) with physical disabilities if at least 50 percent of the units are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects which preserve existing subsidized housing which is subject to prepayment if the use of tax credits is necessary to prevent conversion to market rate use; or

(5) projects financed by the Farmers Home Administration which meet statewide distribution goals.

(d) Before the date for applications for the second round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to the pool from which they were allocated, along with copies of any allocation or commitment. In the second round, the agency shall allocate the remaining credits from the regional pools to projects from the respective regions.

(e) In the third round, all unallocated tax credits must be transferred to a unified pool for allocation by the agency on a statewide basis.

(f) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation."

Page 8, delete section 5 and insert:

"Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 3, 5, and 7 are effective the day following final enactment. Section 5 applies to mortgage bonds allocated on or after April 1, 1993."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon insert "changing procedures for allocating tax credits;"

Page 1, line 4, after "sections" insert "462A.221, by adding subdivisions; 462A.222, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1702, A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to lenders and owners for redevelopment of property under an approved cleanup plan; providing authority to issue "no-association determinations"; creating a pollution abatement loan and grant program in the department of trade and economic development; providing for loan repayment by municipalities; authorizing the issuance of bonds and the making of loans and grants; appropriating money; amending Minnesota Statutes 1992, section 115B.175, subdivision 6, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115B; and 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 115B.175, subdivision 4, is amended to read:

Subd. 4. [PERFORMANCE OF RESPONSE ACTIONS DOES NOT ASSOCIATE PERSONS WITH RELEASE.] Persons specified in subdivision 6 or 6a, paragraph (c), do not associate themselves with, or aggravate or contribute to, any release or threatened release identified in an approved voluntary response action plan for the purpose of section 115B.03, subdivision 3, paragraph (d), or subdivision 7, clause (1), of this section as a result of performance of the response actions required in accordance with the plan and the direction of the commissioner. ~~This subdivision does not apply to a person specified in subdivision 7.~~ Nothing in this section relieves a person of any liability for failure to exercise due care in performing a response action.

Sec. 2. Minnesota Statutes 1992, section 115B.175, is amended by adding a subdivision to read:

Subd. 6a. [VOLUNTARY RESPONSE ACTIONS BY RESPONSIBLE PERSONS.] (a) Notwithstanding subdivision 1, paragraph (a), when a person who is responsible for a release or threatened release under sections 115B.01 to 115B.18 undertakes and completes response actions, the protection from liability provided by this section applies to persons described in paragraph (c) if the response actions are undertaken and completed in accordance with this subdivision.

(b) The response actions must be undertaken and completed in accordance with a voluntary response action plan approved as provided in subdivision 3. Notwithstanding subdivision 2, a voluntary response action plan submitted by a person who is responsible for the release or threatened release must require remedy or removal of all releases and threatened releases at the identified area of real property. The identified area of real property must correspond to the boundaries of a parcel that is either separately platted or is the entire parcel.

(c) Subject to the provisions of subdivision 7, when the commissioner issues a certificate of completion under subdivision 5 for response actions completed at an identified area of real property in accordance with this subdivision, the liability protection under this section applies to:

(1) a person who acquires the identified real property after approval of the voluntary response action plan;

(2) a person providing financing for response actions or development at the identified real property after approval of the response action plan, whether the financing is provided to the person undertaking the response actions or other person who acquires or develops the property; and

(3) a successor or assign of a person to whom the liability protection applies under this paragraph.

Sec. 3. Minnesota Statutes 1992, section 115B.175, subdivision 7, is amended to read:

Subd. 7. [PERSONS NOT PROTECTED FROM LIABILITY.] The protection from liability provided by this section does not apply to:

(1) a person who aggravates or contributes to a release or threatened release that was not remedied under an approved voluntary response action plan;

(2) a person who was responsible under sections 115B.01 to 115B.18 for a release or threatened release identified in the approved voluntary response action plan before taking an action that would have made the person subject to the protection under subdivision 6 or 6a; or

(3) a person who obtains approval of a voluntary response action plan for purposes of this section by fraud or misrepresentation, or by knowingly failing to disclose material information, or who knows that approval was so obtained before taking an action that would have made the person subject to the protection under subdivision 6 or 6a.

Sec. 4. [115B.178] [ASSOCIATION WITH RELEASE; COMMISSIONER'S DETERMINATION.]

Subdivision 1. [DETERMINATION.] The commissioner may issue determinations that certain actions proposed to be taken at real property subject to a release or threatened release of a hazardous substance or pollutant or contaminant will not constitute conduct associating the person with the release or threatened release for the purpose of section 115B.03, subdivision 3, clause (d). Proposed actions that may be covered by a determination under this section include response actions approved by the commissioner to address the release or threatened release, actions to improve or develop the real property, or other similar actions. A determination may be subject to terms and conditions deemed reasonable by the commissioner. When a person takes actions in accordance with a determination issued under this subdivision, the actions do not associate the person with the release for the purpose of section 115B.03, subdivision 3, clause (d).

Subd. 2. [SCOPE AND EFFECT OF DETERMINATION.] Section 115B.177, subdivision 2, applies to a determination by the commissioner under this section.

Sec. 5. [115B.179] [COMMISSIONER'S AUTHORITY NOT LIMITED.]

The commissioner's authority to make a determination or enter into an agreement under section 115B.177 and to make a determination under section 115B.178 does not limit or preclude any other authority of the commissioner under any law."

Delete the title and insert:

"A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to lenders and owners for redevelopment of property under an approved cleanup plan; providing authority to issue determinations regarding association with a release; amending Minnesota Statutes 1992, section 115B.175, subdivisions 4, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115B."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

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

H. F. No. 1709, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

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. 1727, A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1992, sections 3.9741; 16A.127, subdivision 8; 126.56, subdivision 5; 135A.03, subdivision 7; 135A.06, subdivision 1; 135A.061; 136A.02, subdivisions 5, 6, and 7; 136A.04, subdivision 1; 136A.0411; 136A.08; 136A.101, subdivision 7; 136A.121, subdivisions 6 and 9; 136A.125, subdivision 3; 136A.1352, subdivisions 1 and 2; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.1701, subdivision 4, and by adding a subdivision; 136A.233; 136A.653, subdivision 1; 136A.69; 136A.87; 136C.15; 136C.61, subdivision 7; 136E.04, subdivision 3; 137.022, subdivision 3, and by adding a subdivision; 141.25, subdivision 8; 141.26, subdivisions 1 and 5; Laws 1990, chapter 591, article 3, section 10, as amended; Laws 1991, chapter 356, articles 6, section 4, as amended; and 9, section 8, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136A.121, subdivision 10; 136A.134; 136A.1352, subdivision 3; 136A.234; 136A.70; 136A.85; 136A.86; 136A.88; Laws 1991, chapter 356, article 8, section 23.

Reported the same back with the following amendments:

Page 2, delete line 12 and insert:

"119,157,000	125,401,000	244,558,000"
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Page 2, delete line 16 and insert:

"97,170,000	104,248,000	201,418,000"
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Page 2, line 32, delete "119,304,000" and insert "119,157,000" and delete "125,522,000" and insert "125,401,000"

Page 3, delete line 15 and insert:

"98,799,000	105,092,000"
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Page 3, delete line 58 and insert:

"10,303,000	10,304,000"
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Page 5, line 32, delete "97,036,000" and insert "97,170,000" and delete "104,114,000" and insert "104,248,000"

Page 5, line 39, delete "\$130,920,000" and insert "\$131,120,000"

Page 5, line 40, delete "\$140,782,000" and insert "\$140,982,000"

Page 5, delete lines 48 to 56 and insert:

"\$134,000 each year is for instructional costs to provide administrative and instructional support at the Anoka-Ramsey Community College extension center in Cambridge. The legislature intends that Cambridge continue to be operated as an extension center and not be developed into an independent college."

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:

H. F. No. 1737, A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by various state departments; establishing a state recreation area; amending Minnesota Statutes 1992, sections 41A.09, subdivision 3; 84B.11, subdivision 1; 85.045, subdivision 2; 85.22, subdivision 2a; 86A.04; 86A.05, subdivisions 2 and 3; 86A.08, subdivision 1; 88.79, subdivision 2; 90.031, subdivision 4; 90.041, by adding a subdivision; 90.101, subdivision 1; 90.121; 90.201, by adding a subdivision; 92.46, subdivision 1; 94.165; 97A.441; 115A.90, by adding a subdivision; 115A.908, subdivisions 2 and 3; 115A.923, subdivision 1a; 116.07, by adding a subdivision; 116P.10; 473.351, subdivision 2; and 473.843, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97A; and 115A; repealing Minnesota Statutes 1992, section 41A.09, subdivision 1.

Reported the same back with the following amendments:

Page 61, after line 26, insert:

"Sec. 30. [LAKE SUPERIOR DIVER ACCESS.]

The \$20,000 appropriated by Laws 1991, chapter 254, article 1, section 14, subdivision 3(h), for diver access at Split Rock Lighthouse state park shall be used for diver access at other areas along the north shore of Lake Superior."

Page 61, line 32, delete "and 28" and insert "28, and 30"

Renumber sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

S. F. No. 452, A bill for an act relating to civil commitment; clarifying time limitations for appeal under the civil commitment act; amending Minnesota Statutes 1992, section 253B.23, subdivision 7.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 746, 805, 863, 1068, 1122, 1205, 1286, 1317, 1494, 1499, 1579, 1709, 1727 and 1737 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 96, 441 and 452 were read for the second time.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 1407.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1407, A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating an instructional telecommunications network; providing for grants from the higher education coordinating board for regional linkages, regional coordination, courseware development and usage, and faculty training; authorizing the state board of community colleges to use higher education facilities authority revenue bonds to construct student residences; creating three accounts in the permanent university fund and making allocations from the accounts; providing tuition exemptions at technical colleges for Southwest Asia veterans; prescribing changes in eligibility and in duties and responsibilities for certain financial assistance programs; establishing grant programs to promote recruitment and retention initiatives by nurses training and teacher education programs directed toward persons of color; establishing grant programs for nursing students and students in teacher education programs who are persons of color; establishing an education to employment transitions system; amending Minnesota Statutes 1992, sections 136A.101, subdivisions 1 and 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; 136A.233, subdivisions 2 and 3; 136C.13, subdivision 4; 136C.61, subdivision 7; and 137.022, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; proposing coding for new law as Minnesota Statutes, chapter 126B; repealing Minnesota Statutes 1992, sections 136A.121, subdivision 17; and 136A.134.

The bill was read for the first time.

Rodosovich moved that S. F. No. 1407 and H. F. No. 1727, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 427 and 1735.

H. F. No. 427, A bill for an act relating to taxation; making technical corrections and administrative changes to sales and use taxes, income and franchise taxes, property taxes, and tax administration and enforcement; changing penalties; appropriating money; amending Minnesota Statutes 1992, sections 82B.035, by adding a subdivision; 84.82, subdivision 10; 86B.401, subdivision 12; 270.071, subdivision 2; 270.072, subdivision 2; 271.06, subdivision 1; 271.09, subdivision 3; 272.02, subdivisions 1 and 4; 272.025, subdivision 1; 272.12; 273.03, subdivision 2; 273.061, subdivision 8; 273.124, subdivisions 9 and 13; 273.13, subdivision 25; 273.138, subdivision 5; 273.1398, subdivisions 1, 3, and 5b; 274.13, subdivision 1; 274.18; 275.065, subdivision 5a; 275.07, subdivisions 1 and 4; 275.28, subdivision 3; 275.295; 277.01, subdivision 2; 277.15; 277.17; 278.01, subdivision 1; 278.02; 278.03; 278.04; 278.08; 278.09; 287.21, subdivision 4; 287.22; 289A.08, subdivisions 3, 10, and 15; 289A.09, subdivision 1; 289A.11, subdivisions 1 and 3; 289A.12, subdivisions 2, 3, 4, 7, 8, 9, 10, 11, 12, and 14; 289A.18, subdivisions 1 and 4; 289A.20, subdivision 4; 289A.25, subdivisions 1, 2, 5a, 6, 8, 10, and 12; 289A.26, subdivisions 1, 4, and 6; 290A.04, subdivisions 1 and 2h; 296.14, subdivision 2; 297A.01,

subdivision 3; 297B.01, subdivision 5; 297B.03; 347.10; 348.04; 469.175, subdivision 5; and 473H.10, subdivision 3; Laws 1991, chapter 291, article 1, section 65, as amended; Laws 1992, chapter 511, article 2, section 61; proposing coding for new law in Minnesota Statutes, chapters 273; 289A; and 297; repealing Minnesota Statutes 1992, sections 60A.13, subdivision 1a; 273.49; 274.19; 274.20; 277.011; 289A.08, subdivisions 9 and 12; 297A.258; and 348.03.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The Speaker assumed the Chair.

H. F. No. 1735 was reported to the House.

Rest moved to amend H. F. No. 1735, as follows:

Page 24, line 15, delete "is" and insert "means the sum of the net levy for all cities divided by the sum of the city net tax capacity for all cities. For purposes of this section, "net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year prior to the aid distribution."

Page 24, delete lines 16 to 20

Page 25, line 18, after "exceed" insert "the sum of (1)"

Page 25, line 18, delete "city" and insert "city's net"

Page 25, line 19, before the period, insert "plus (2) its city aid base multiplied by the base reduction percentage".

Page 25, line 19, delete everything after the period

Page 25, delete lines 20 to 24

Page 32, line 17, after "17A," insert "28A, 31,"

Page 32, after line 17, insert:

"Subd. 4. [SLAUGHTER.] Ratitae must be slaughtered and inspected in accordance with the United States department of agriculture voluntary inspection program for exotic animals, Code of Federal Regulations, title 9, part 352."

Page 32, line 18, delete "4" and insert "5"

Page 33, line 5, after "17A," and insert "28A, 31,"

Page 33, after line 5, insert:

"Subd. 4. [SLAUGHTER.] Llamas must be slaughtered and inspected in accordance with the United States department of agriculture voluntary inspection program for exotic animals, Code of Federal Regulations, title 9, part 352."

Page 33, line 6, delete "4" and insert "5"

Page 36, line 14, delete "[295.60]" and insert "[295.45]"

Page 55, after line 26, insert:

"Sec. 43. [CITY OF GARRISON; SALES TAX.]

Subdivision 1. [SALES TAX AUTHORIZED.] Notwithstanding Minnesota Statutes, section 477A.016, or any other contrary provision of law, ordinance, or city charter, the city of Garrison may, by ordinance, impose an additional sales tax of up to one percent on sales transactions taxable pursuant to Minnesota Statutes, chapter 297A, that occur within the city.

Subd. 2. [USE OF REVENUES.] Revenues received from taxes authorized under subdivision 1 must be dedicated by the city to pay the cost of collecting the tax and to pay all or part of the expenses of the construction and maintenance of a sewer system in the city, including payment of principal and interest on loans received by the city to construct the sewer system.

Subd. 3. [ENFORCEMENT; COLLECTION; AND ADMINISTRATION OF TAXES.] (a) The city may provide for collection and enforcement of the tax by ordinance or the city may enter into an agreement with the commissioner of revenue, providing for collection of the tax.

(b) If the city enters an agreement with the commissioner of revenue for collection of the tax, the sales tax imposed under this section must be reported and paid to the commissioner of revenue with the state sales taxes, and be subject to the same penalties, interest, and enforcement provisions. The proceeds of the tax, less refunds and a proportionate share of the cost of collection, shall be remitted at least quarterly to the city. The commissioner shall deduct from the proceeds remitted an amount that equals the indirect statewide cost as well as the direct and indirect department costs necessary to administer, audit, and collect the tax.

Subd. 4. [REFERENDUM.] The city may impose the tax under this section only after approval by the voters in a referendum held at a special or general election in the city.

Subd. 5. [LOCAL APPROVAL; EFFECTIVE DATE.] This section is effective the day after final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city of Garrison."

Page 55, line 27, delete "43" and insert "44"

Page 55, line 32, delete "44" and insert "45"

Page 56, line 26, delete "43" and insert "44"

Page 56, line 27, delete "43" and insert "44"

Page 114, after line 29, insert:

"Section 1. Minnesota Statutes 1992, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

- (1) all public burying grounds;
- (2) all public schoolhouses;
- (3) all public hospitals;
- (4) all academies, colleges, and universities, and all seminaries of learning;
- (5) all churches, church property, and houses of worship;
- (6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d);
- (7) all public property exclusively used for any public purpose;
- (8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

- (a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;
- (b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;
- (c) personal property defined in section 272.03, subdivision 2, clause (3);
- (d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;
- (e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 274.19, subdivision 8, paragraph (f); and
- (f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue

an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 18; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

(21) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

(23) Photovoltaic devices, as defined in section 216C.06, subdivision 13, installed after January 1, 1992, and used to produce or store electric power.

(24) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

(25) Real and personal property that is leased from the federal government and located adjacent to the boundary waters canoe area, and is operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and is primarily used to provide recreational opportunities for disabled veterans and their families."

Page 123, after line 7, insert:

"Sec. 12. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

Subd. 18. [VACANT HOSPITALS.] In valuing a hospital, as defined in section 144.50, subdivision 2, that is located outside of a metropolitan county, as defined in section 473.121, subdivision 4, and that on the date of sale is vacant and not used for hospital purposes or for any other purpose, the assessor's estimated market value for taxes levied in the year of the sale shall be no greater than the sales price of the property, including both the land and the buildings, as adjusted for terms of financing. If the sale is made later than December 15, the market value as determined under this subdivision shall be used for taxes levied in the following year. This subdivision applies only if the sales price of the property was determined under an arms length transaction."

Page 147, line 16, delete ", (ii) reappraisals, or (iii)" and insert "or (ii)"

Renumber sections in article 6

Page 153, after line 16, insert:

"Section 1 is effective for the 1993 assessment, taxes payable in 1994, and thereafter."

Correct internal cross references in article 6

Page 184, line 21, delete "12" and insert "8"

Page 225, line 13, after "REDUCTION.]" insert "(a)"

Page 225, after line 22, insert:

"(b) If the city does not elect to pay for a portion of the cost as provided by paragraph (a), the state aid reductions under Minnesota Statutes, section 273.1399 apply. The qualified captured net tax capacity of the district or subdistrict or both must be calculated under Minnesota Statutes 1992, section 273.1399, subdivision 1, paragraph (a), clause (3) under the "All Other Districts" column."

Amend the title accordingly

The question was taken on the Rest amendment and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

Swiggum and Olson, E., moved to amend H. F. No. 1735, as amended, as follows:

Page 126, line 5, before the period insert ", except as provided in paragraph (d).

(d) Agricultural property that is occupied and used for purposes of a homestead by a relative of the owner, is a homestead, only to the extent of the homestead treatment that would be provided if the related owner occupied the property, and only if all of the following criteria are met:

(1) the relative who is occupying the agricultural property is a son or daughter of the owner of the agricultural property,

(2) the owner of the agricultural property must be a Minnesota resident,

(3) the owner of the agricultural property is not eligible to receive homestead treatment on any other agricultural property in Minnesota, and

(4) the owner of the agricultural property is limited to only one agricultural homestead per family under this paragraph.

For purposes of this paragraph, "agricultural property" means the house, garage, other farm buildings and structures and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to receive homestead benefits under this paragraph. The assessor may require the necessary proof that the requirements under this paragraph have been met."

Page 153, line 18, delete "paragraph" and insert "paragraphs"

Page 153, line 19, after "(c)" delete ", is" and insert "and (d), are"

The motion prevailed and the amendment was adopted.

Workman moved to amend H. F. No. 1735, as amended, as follows:

Page 55, after line 20, insert:

"Sec. 42. [CARVER COUNTY; BUILDING MATERIALS FOR CORRECTIONAL FACILITY.]

Subdivision 1. [EXEMPTION.] Notwithstanding any other law to the contrary, the gross receipts from the sale of construction materials and supplies after May 31, 1992, for construction of that part of a correctional facility in Carver county that is mandated by state or federal law, rule, or regulation are exempt. The exemption applies regardless of whether the materials and supplies are purchased by the county or by a contractor, subcontractor, or builder under a contract with the county.

Subd. 2. [REFUND.] If the materials are purchased by a contractor, subcontractor, or builder as part of a lump sum contract with a price covering both labor and materials for use in the project, the tax must be imposed and collected as if the sale were taxable, and the rates under Minnesota Statutes, sections 297A.02, subdivision 1, and 297A.021, applied. Upon application of the county in the manner prescribed by the commissioner of revenue, a refund equal to the taxes paid by the contractor, subcontractor, or builder must be paid to the county. The contractor, subcontractor, or builder must furnish to the county a statement of the cost of the construction materials and supplies and the sales taxes paid on them. The amount required to make the refunds is appropriated to the commissioner of revenue.

Subd. 3. [LOCAL APPROVAL.] This section is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of Carver county."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Workman amendment and the roll was called. There were 48 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Holsten	Leppik	Ness	Seagren	Vickerman
Bettermann	Erhardt	Hugoson	Limmer	Olson, M.	Smith	Waltman
Bishop	Frerichs	Johnson, V.	Lindner	Onnen	Stanius	Weaver
Blatz	Girard	Kelso	Lynch	Ozment	Swiggum	Wolf
Commers	Goodno	Knickerbocker	Macklin	Pauly	Swenson	Worke
Davids	Gruenes	Koppendraye	Molnau	Pawlenty	Tompkins	Workman
Dehler	Haukoos	Krinkie	Morrison	Rhodes	Van Dellen	

Those who voted in the negative were:

Anderson, I.	Carruthers	Greiling	Klinzing	Murphy	Perlt	Steensma
Anderson, R.	Clark	Hasskamp	Krueger	Neary	Peterson	Tomassoni
Asch	Cooper	Hausman	Lasley	Nelson	Pugh	Trimble
Battaglia	Dauner	Huntley	Lieder	Olson, E.	Reding	Tunheim
Bauerly	Dawkins	Jacobs	Lourey	Olson, K.	Rest	Vellenga
Beard	Delmont	Jaros	Luther	Opatz	Rodosovich	Wagenius
Bergson	Dorn	Jefferson	Mariani	Orenstein	Rukavina	Wejzman
Bertram	Evans	Johnson, A.	McCollum	Orfield	Sarna	Welle
Brown, C.	Farrell	Kalis	McGuire	Osthoff	Sekhon	Wenzel
Brown, K.	Garcia	Kelley	Mosel	Ostrom	Skoglund	Winter
Carlson	Greenfield	Kinkel	Munger	Pelowski	Solberg	Spk. Long

The motion did not prevail and the amendment was not adopted.

Hugoson moved to amend H. F. No. 1735, as amended, as follows:

Page 15, after line 36, insert:

"Sec. 8. Minnesota Statutes 1992, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, other than a town or special taxing district, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. The notice must clearly state that each taxing authority holding a public meeting will present information for discussion at that meeting regarding the compensation paid to its employees in the current and the next succeeding budget year, and how those amounts relate to its property tax levies.

(d) The notice must state for each parcel:

(1) the market value of the property as defined under section 272.03, subdivision 8, for property taxes payable in the following year and for taxes payable the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district, the sum of the special taxing districts, and as a total of the taxing authorities, including special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

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

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

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

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph."

Page 16, strike line 11

Page 16, line 12, strike everything before "the"

Page 16, strike lines 14 to 27

Page 17, after line 31, insert:

"(e) The commissioner of revenue, subject to the approval of the chairs of the house and senate tax committees, shall prescribe the form and format of the advertisement.

(f) Beginning in 1993, each city, county, and school district must include in the advertisement required under this subdivision, information comparing current and proposed employee compensation costs in the current and next succeeding budget years, and a statement that its employee compensation costs for these periods will be discussed at the public meeting required under this section. The commissioner of revenue, subject to the approval of the chairs of the house and senate tax committees, shall specify the form, format, and content of the information to be included in the advertisement.

(g) Beginning in 1993, the commissioner of revenue shall prescribe the form, format, and content of a notice comparing current and proposed employee compensation costs for the executive branch of the state, the University of Minnesota, the community college system, the state board of technical colleges, the state university system, the metropolitan council, the metropolitan mosquito control commission, and the regional transit board. The notice must be at least one-eighth page size of a standard-size or tabloid-size newspaper. The notice must be published statewide, on or before December 31 each year. The notice must be published in official newspapers of general circulation. The newspapers selected must be of general interest and readership, and not of limited subject matter. The notice must be published in a sufficient number of newspapers so as to cover the geographical area of the state. The notice must be published in newspapers that are published at least once per week, and the notice must not be placed in the part of any newspaper where legal notices and classified advertisements appear. The form, format, and content of each year's notice must be approved by the chairs of the house and senate tax committees prior to publication.

Sec. 10. Minnesota Statutes 1992, section 275.065, subdivision 6, is amended to read:

Subd. 6. [PUBLIC HEARING; ADOPTION OF BUDGET AND LEVY.] Between November 29 and December 20, the governing bodies of the city and county shall each hold a public hearing to adopt its final budget and property tax levy for taxes payable in the following year, and the governing body of the school district shall hold a public hearing to review its current budget and adopt its property tax levy for taxes payable in the following year.

At the hearing, the taxing authority, other than a school district, may amend the proposed budget and property tax levy and must adopt a final budget and property tax levy, and the school district may amend the proposed property tax levy and must adopt a final property tax levy.

The property tax levy certified under section 275.07 by a city, county, or school district must not exceed the proposed levy determined under subdivision 1, except by an amount up to the sum of the following amounts:

(1) the amount of a school district levy whose voters approved a referendum to increase taxes under section 124.82, subdivision 3, 124A.03, subdivision 2, 124B.03, subdivision 2, or 136C.411, after the proposed levy was certified;

(2) the amount of a city or county levy approved by the voters after the proposed levy was certified;

(3) the amount of a levy to pay principal and interest on bonds issued or approved by the voters under section 475.58 after the proposed levy was certified;

(4) the amount of a levy to pay costs due to a natural disaster occurring after the proposed levy was certified, if that amount is approved by the commissioner of revenue under subdivision 6a;

(5) the amount of a levy to pay tort judgments against a taxing authority that become final after the proposed levy was certified, if the amount is approved by the commissioner of revenue under subdivision 6a; and

(6) the amount of an increase in levy limits certified to the taxing authority by the commissioner of revenue or the commissioner of education after the proposed levy was certified.

At the hearing the percentage increase in property taxes proposed by the taxing authority, if any, and the specific purposes for which property tax revenues are being increased must be discussed. Specific information must be presented on: (i) the percentage of the proposed budget representing employee compensation costs; (ii) total expenditures for employee wages and benefits in the two previous years, the current calendar year, and proposed for the following year; (iii) numbers of employees by general classification and whether full or part time in the two

previous years, the current calendar year, and proposed for the following year; and (iv) how changes in employee compensation costs between the current and proposed budgets compare with, and affect, the current and proposed levies. During the discussion, the governing body shall hear comments regarding a proposed increase and explain the reasons for the proposed increase. The public shall be allowed to speak and to ask questions prior to adoption of any measures by the governing body. The governing body, other than the governing body of a school district, shall adopt its final property tax levy prior to adopting its final budget.

If the hearing is not completed on its scheduled date, the taxing authority must announce, prior to adjournment of the hearing, the date, time, and place for the continuation of the hearing. The continued hearing must be held at least five business days but no more than 14 business days after the original hearing.

The hearing must be held after 5:00 p.m. if scheduled on a day other than Saturday. No hearing may be held on a Sunday. The governing body of a county shall hold its hearing on the second Tuesday in December each year. The county auditor shall provide for the coordination of hearing dates for all cities and school districts within the county.

By August 15, each school board shall certify to the county auditors of the counties in which the school district is located the dates on which it elects to hold its hearings and any continuations. If a school board does not certify the dates by August 15, the auditor will assign the hearing date. The dates elected or assigned must not conflict with the county hearing dates. By August 20, the county auditor shall notify the clerks of the cities within the county of the dates on which school districts have elected to hold their hearings. At the time a city certifies its proposed levy under subdivision 1 it shall certify the dates on which it elects to hold its hearings and any continuations. The city must not select dates that conflict with the county hearing dates or with those elected by or assigned to the school districts in which the city is located.

The county hearing dates and the city and school district hearing dates must be designated on the notices required under subdivision 3. The continuation dates need not be stated on the notices.

This subdivision does not apply to towns and special taxing districts."

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 Hugoson amendment and the roll was called. There were 47 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Holsten	Limmer	Olson, M.	Smith	Waltman
Bettermann	Frerichs	Hugoson	Lindner	Onnen	Stanius	Weaver
Bishop	Girard	Johnson, V.	Lynch	Ozment	Sviggum	Wolf
Blatz	Goodno	Knickerbocker	Macklin	Pauly	Swenson	Worke
Commers	Gruenes	Koppendrayner	Molnau	Pawlenty	Tompkins	Workman
Dauids	Gutknecht	Krinkie	Morrison	Rhodes	Van Dellen	
Dehler	Haukoos	Leppik	Ness	Seagren	Vickerman	

Those who voted in the negative were:

Anderson, I.	Beard	Carlson	Dawkins	Farrell	Hausman	Johnson, A.
Anderson, R.	Bergson	Carruthers	Delmont	Garcia	Huntley	Johnson, R.
Asch	Bertram	Clark	Dempsey	Greenfield	Jacobs	Kalis
Battaglia	Brown, C.	Cooper	Dorn	Greiling	Jaros	Kelley
Bauerly	Brown, K.	Dauner	Evans	Hasskamp	Jefferson	Kelso

Kinkel	Mariani	Neary	Osthoff	Rest	Skoglund	Wagenius
Klinzing	McCollum	Nelson	Ostrom	Rice	Solberg	Wejcman
Krueger	McGuire	Olson, E.	Pelowski	Rodosovich	Sparby	Welle
Lasley	Milbert	Olson, K.	Perlt	Rukavina	Steensma	Wenzel
Lieder	Mosel	Opatz	Peterson	Sarna	Tomassoni	Winter
Lourey	Munger	Orenstein	Pugh	Sekhon	Trimble	Spk. Long
Luther	Murphy	Orfield	Reding	Simoneau	Tunheim	

The motion did not prevail and the amendment was not adopted.

Van Dellen moved to amend H. F. No. 1735, as amended, as follows:

Page 19, after line 6, insert:

"Sec. 12. [275.63] [GENERAL PROPERTY TAX LIMITATIONS FOR TAXES PAYABLE IN 1994.]

Subdivision 1. [SCOPE; DEFINITION.] This section supersedes all special and general laws and charter provisions establishing any type of limitation on ad valorem tax levies of governmental subdivisions to the extent that they authorize property taxation in excess of the limitation established in this section, but otherwise such levy limitations are in no way affected by this section. For these purposes, "governmental subdivision" means a county, a home rule charter city, a statutory city, a township with a population of 5,000 or more as determined according to section 275.14, and all special taxing districts.

Subd. 2. [PAYABLE 1994 MARKET VALUE.] For taxes payable in 1994, the market value of all property shall be the lesser of: (1) its market value established in the assessment for taxes payable in 1993, plus the market value established in the assessment for taxes payable in 1994 of new construction in the assessment for taxes payable in 1994; or (2) its market value established in the assessment for taxes payable in 1994. For property that was exempt from tax for taxes payable in 1993, "market value" means the market value of the property established in the assessment for taxes payable in 1994.

Subd. 3. [PAYABLE 1994 TAX RATE LIMITATION.] The local tax rate for taxes payable in 1994 of a governmental subdivision, after the adjustments required by section 275.08, subdivision 1c, and subdivision 1d if applicable, shall not exceed the comparable rate for the governmental subdivision for taxes payable in 1993 by an amount greater than the payable 1994 tax rate necessary to compensate for (1) two-thirds of the aid reduction to the governmental subdivision under section 273.1398, subdivision 2d; and (2) for cities, any reduction under section 477A.013. If a governmental subdivision certifies a levy for taxes payable in 1994 to the county auditor that would produce a local tax rate in excess of the limitation established in this section, the county auditor shall extend only such amount of taxes as the limitation of this section will permit.

Subd. 4. [TORT JUDGMENTS AND NATURAL DISASTERS.] A governmental subdivision may appeal to the commissioner of revenue for authorization to levy an amount in excess of the limitation established in this section for the reasons and under the procedures provided in section 275.065, subdivision 6a.

Subd. 5. [REFERENDA.] No governmental subdivision may levy a tax in excess of the limitation provided in this section unless the excess levy is approved by the voters through a referendum held on the question. A levy approved at such a referendum is subject to the provisions of section 275.61. All referenda under this subdivision must be held on November 2, 1993."

Pages 64 to 67, delete sections 5, 6, and 8

Page 69, lines 7 and 36, delete the new language and reinstate the old language

Page 72, delete section 12

Page 73, line 4, delete "13" and insert "9"

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 Van Dellen amendment and the roll was called. There were 50 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Haukoos	Limmer	Onnen	Sviggum	Worke
Asch	Dempsey	Holsten	Lindner	Osthoff	Swenson	Workman
Bergson	Erhardt	Hugoson	Lynch	Pauly	Tompkins	
Bettermann	Frerichs	Johnson, V.	Macklin	Pawlenty	Van Dellen	
Bishop	Girard	Knickerbocker	Molnau	Rhodes	Vickerman	
Blatz	Goodno	Koppendrayer	Morrison	Seagren	Waltman	
Commers	Gruenes	Krinkie	Ness	Smith	Weaver	
Dauids	Gutknecht	Leppik	Olson, M.	Stanisus	Wolf	

Those who voted in the negative were:

Anderson, I.	Dauner	Jefferson	Lourey	Olson, K.	Rice	Tunheim
Anderson, R.	Dawkins	Jennings	Luther	Opatz	Rodosovich	Vellenga
Battaglia	Delmont	Johnson, A.	Mariani	Orenstein	Rukavina	Wagenius
Bauerly	Dorn	Johnson, R.	McCollum	Orfield	Sarna	Wejcman
Beard	Evans	Kalis	McGuire	Ostrom	Sekhon	Welle
Bertram	Farrell	Kelley	Milbert	Ozment	Simoneau	Wenzel
Brown, C.	Garcia	Kelso	Mosel	Pelowski	Skoglund	Winter
Brown, K.	Greiling	Kinkel	Munger	Perlt	Solberg	Spk. Long
Carlson	Hausman	Klinzing	Murphy	Peterson	Sparby	
Carruthers	Huntley	Krueger	Neary	Pugh	Steensma	
Clark	Jacobs	Lasley	Nelson	Reding	Tomassoni	
Cooper	Jaros	Lieder	Olson, E.	Rest	Trimble	

The motion did not prevail and the amendment was not adopted.

Smith moved to amend H. F. No. 1735, as amended, as follows:

Page 230, after line 23, insert:

"Section 1. [3.868] [TAX INCREASE; VOTE OF THE HOUSE OF REPRESENTATIVES.]

Any law that would increase the rate of a tax or enlarge the class of objects that are subject to a tax shall not take effect without the affirmative vote of 60 percent of all the members of the house of representatives."

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 Smith amendment and the roll was called. There were 47 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Haukoos	Leppik	Ness	Smith	Waltman
Bergson	Erhardt	Holsten	Limmer	Olson, M.	Stanius	Weaver
Bettermann	Frerichs	Hugoson	Lindner	Ornen	Sviggum	Wolf
Blatz	Girard	Johnson, V.	Lynch	Ozment	Swenson	Worke
Commers	Goodno	Knickerbocker	Macklin	Pauly	Tompkins	Workman
Dauids	Gruenes	Koppendrayer	Molnau	Rhodes	Van Dellen	
Dehler	Gutknecht	Krinkie	Morrison	Seagren	Vickerman	

Those who voted in the negative were:

Anderson, I.	Cooper	Jacobs	Lieder	Olson, E.	Rest	Tunheim
Anderson, R.	Dauner	Jaros	Lourey	Olson, K.	Rodosovich	Vellenga
Asch	Dawkins	Jefferson	Luther	Opatz	Rukavina	Wagenius
Battaglia	Delmont	Johnson, A.	Mariani	Orenstein	Sarna	Wejcman
Bauerly	Dorn	Johnson, R.	McCollum	Orfield	Sekhon	Welle
Beard	Evans	Kalis	McGuire	Osthoff	Simoneau	Wenzel
Bertram	Farrell	Kelley	Milbert	Ostrom	Skoglund	Winter
Brown, C.	Garcia	Kelso	Mosel	Pelowski	Solberg	Spk. Long
Brown, K.	Greenfield	Kinkel	Munger	Perlt	Sparby	
Carlson	Greiling	Klinzing	Murphy	Peterson	Steensma	
Carruthers	Hausman	Krueger	Neary	Pugh	Tomassoni	
Clark	Huntley	Lasley	Nelson	Reding	Trimble	

The motion did not prevail and the amendment was not adopted.

Ozment moved to amend H. F. No. 1735, as amended, as follows:

Page 164, delete line 14 and insert "at least one public hearing in each county in the metropolitan area."

The motion did not prevail and the amendment was not adopted.

Abrams moved to amend H. F. No. 1735, as amended, as follows:

Pages 24 and 25, delete sections 22 to 26, and insert:

"Sec. 22. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 35. [CITY NET LEVY.] "City net levy" means the city levy, after all adjustments, used for calculating the local tax rate under section 275.08 for taxes payable in the year before the aid distribution.

Sec. 23. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 36. [AVERAGE CITY NET TAX CAPACITY PER CAPITA.] Average city net tax capacity per capita is the sum of city net tax capacity for all cities divided by the total population of all cities.

Sec. 24. Minnesota Statutes 1992, section 477A.011, is amended by adding a subdivision to read:

Subd. 37. [REVENUE CAPACITY FACTOR.] The revenue capacity factor for a city is one minus the ratio of the city net tax capacity per capita divided by two times the average city net tax capacity per capita. A city's revenue capacity factor cannot be less than zero.

Sec. 25. Minnesota Statutes 1992, section 477A.013, is amended by adding a subdivision to read:

Subd. 8. [CITY AID.] In calendar years 1994, 1995, and 1996, each city shall receive an aid distribution equal to the product of (1) the need increase percentage, (2) the city's revenue need, (3) the city's population, and (4) the city's revenue capacity factor. The need increase percentage must be the same for all cities and must be calculated by the department of revenue so that the total of the aid distributed under this subdivision equals the total amount for city aid under section 477A.03.

Any increase in aid that a city receives under this subdivision in any year compared to its aid in the prior year must not exceed ten percent of its net levy from the prior year. Any decrease in aid that a city receives under this subdivision in any year compared to its aid in the prior year must not exceed the lesser of seven percent of its aid from the prior year or seven percent of its net levy from the prior year. For calendar year 1994, aid in the prior year is equal to the sum of local government aid and equalization aid a city was originally certified to receive in calendar year 1993 under Minnesota Statutes 1992, section 477A.013, subdivisions 3 and 5, and the amount of disparity reduction aid the city received in calendar year 1993 under section 273.1398, subdivision 3."

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 Abrams amendment and the roll was called. There were 51 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Lindner	Ness	Rhodes	Weaver
Asch	Delmont	Jacobs	Luther	Olson, M.	Seagren	Wolf
Bergson	Dempsey	Knickerbocker	Lynch	Onnen	Smith	Workman
Bishop	Erhardt	Koppendrayner	Macklin	Ozment	Stanius	
Blatz	Evans	Krinkie	McGuire	Pauly	Sviggum	
Carruthers	Greiling	Lasley	Milbert	Pawlenty	Swenson	
Commers	Gutknecht	Leppik	Molnau	Perlt	Tompkins	
Dauids	Hasskamp	Limmer	Morrison	Pugh	Van Dellen	

Those who voted in the negative were:

Anderson, I.	Dauner	Hausman	Kinkel	Olson, E.	Rukavina	Vellenga
Anderson, R.	Dawkins	Hugoson	Klinzing	Opatz	Sarna	Vickerman
Battaglia	Dorn	Huntley	Krueger	Orenstein	Sekhon	Wagenius
Bauerly	Farrell	Jaros	Lieder	Orfield	Simoneau	Waltman
Beard	Frerichs	Jefferson	Lourey	Osthoff	Skoglund	Wejzman
Bertram	Garcia	Jennings	Mariani	Ostrom	Solberg	Welle
Bettermann	Girard	Johnson, R.	Mosel	Pelowski	Sparby	Wenzel
Brown, K.	Goodno	Johnson, V.	Munger	Peterson	Steensma	Winter
Carlson	Greenfield	Kalis	Murphy	Reding	Tomassoni	Worke
Clark	Gruenes	Kelley	Neary	Rest	Trimble	Spk. Long
Cooper	Haukoos	Kelso	Nelson	Rodosovich	Tunheim	

The motion did not prevail and the amendment was not adopted.

Peterson moved to amend H. F. No. 1735, as amended, as follows:

Page 136, after line 17, insert:

"To receive the reduced class rate on additional parcels under clause (1), the taxpayer must notify the county assessor that the taxpayer owns additional parcels in the same city or town."

The motion prevailed and the amendment was adopted.

Morrison and Rest moved to amend H. F. No. 1735, as amended, as follows:

Page 10, line 6 of the Rest amendment, delete "that is located"

Page 10, delete line 7 of the Rest amendment

Page 10, line 8 of the Rest amendment, delete "subdivision 4, and"

The motion prevailed and the amendment was adopted.

H. F. No. 1735, A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax valuations, classifications, and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17,

18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 78 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dauner	Jacobs	Lourey	Orenstein	Rukavina	Wagenius
Anderson, R.	Dawkins	Jaros	Luther	Orfield	Sarna	Wejcman
Battaglia	Delmont	Jefferson	Mariani	Osthoff	Sekhon	Welle
Bauerly	Dorn	Jennings	McCollum	Ostrom	Simoneau	Wenzel
Beard	Evans	Johnson, R.	McGuire	Ozment	Skoglund	Winter
Bertram	Farrell	Kahn	Milbert	Pelowski	Solberg	Spk. Long
Brown, C.	Garcia	Kalis	Mosel	Peterson	Sparby	
Brown, K.	Greenfield	Kinkel	Munger	Pugh	Steensma	
Carlson	Greiling	Klinzing	Murphy	Reding	Tomassoni	
Carruthers	Hasskamp	Krueger	Nelson	Rest	Trimble	
Clark	Hausman	Lasley	Olson, E.	Rice	Tunheim	
Cooper	Huntley	Lieder	Olson, K.	Rodosovich	Vellenga	

Those who voted in the negative were:

Abrams	Dehler	Haukoos	Krinkie	Neary	Rhodes	Vickerman
Asch	Dempsey	Holsten	Leppik	Ness	Seagren	Waltman
Bergson	Erhardt	Hugoson	Limmer	Olson, M.	Smith	Weaver
Bettermann	Frerichs	Johnson, V.	Lindner	Onnen	Stanius	Wolf
Bishop	Girard	Kelley	Lynch	Opatz	Sviggum	Worke
Blatz	Goodno	Kelso	Macklin	Pauly	Swenson	Workman
Commers	Gruenes	Knickerbocker	Molnau	Pawlenty	Tompkins	
Davids	Gutknecht	Koppendrayer	Morrison	Perlt	Van Dellen	

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

SPECIAL ORDERS

Anderson, I., moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Rest from the Committee on Taxes to which was referred:

H. F. No. 350, A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; miscellaneous programs and provisions; choice programs; libraries; state agencies; and realignment of responsibilities; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621; 120.064, subdivisions 3 and 4; 120.0751, subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223, subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261, subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2; 124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69, subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2; 128A.03, subdivision 2; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1, 2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 473F.02, by adding a subdivision; and 475.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; repealing Minnesota Statutes 1992, sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721, subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; and Laws 1988, chapter 486, section 59.

Reported the same back with the following amendments:

Page 22, line 28, delete "\$1,052,000,000" and insert "\$729,000,000"

Page 33, after line 3, insert:

"Sec. 33. [EDUCATION AIDS INCREASE ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] There is established an education aids increase account in the general fund of the state treasury for the deposit of funds for education aids in the biennium beginning July 1, 1995. The money in this account must be used only to pay the fiscal year 1996 obligations of education property tax reductions in payable year 1994.

Subd. 2. [TRANSFER OF FUNDS.] The commissioner of finance shall transfer \$46,000,000 to the education aids increase account on June 1, 1995.

Subd. 3. [EXPIRATION.] The education aids increase account expires on December 31, 1996. Any unexpended money in the education aids increase account on December 31, 1996, shall be transferred to the general fund.

Sec. 34. [REFERENDUM LEVY ELECTION; 1993.]

Subdivision 1. [ELECTION LIMIT.] A school district shall not conduct an election in 1993 under Minnesota Statutes, chapter 124A, except as allowed in this section.

Subd. 2. [EXPIRING REFERENDUM.] A school district may hold an election in 1993 under Minnesota Statutes, chapter 124A, to replace a referendum that expires with taxes payable in 1993. The amount of such a referendum may not exceed the dollars per pupil that were raised in 1993 by the referendum authority expiring with taxes payable in 1993.

Subd. 3. [OTHER EXCEPTIONS.] A school district may hold an election in 1993 under Minnesota Statutes, chapter 124A, if it receives the commissioner's approval under this subdivision. Districts requesting approval under this subdivision must submit an application to the commissioner by August 1, 1993. The application must: (1) state that the district is in statutory operating debt and has an approved plan to eliminate that debt that includes passing a referendum levy; or (2) document a situation that will result in the district entering into statutory operating debt if a referendum levy is not passed. The commissioner must approve, deny, or modify each district's application to hold a referendum levy by August 31, 1993.

Sec. 35. Minnesota Statutes 1992, section 273.1398, is amended by adding a subdivision to read:

Subd. 2d. [AID ADJUSTMENT; SCHOOL DISTRICTS.] Fiscal year 1995 homestead and agricultural credit aids to school districts under subdivision 2 shall be reduced by an amount equal to 2.75 percent of adjusted net tax capacity. The adjusted net tax capacity shall be determined in the same manner as adjusted net tax capacity is determined under section 124.2131 for taxes payable in 1994. Aid reductions under this subdivision shall be considered permanent reductions to homestead and agricultural credit aid amounts to be carried over for future years."

Page 33, line 10, delete "\$1,788,051,000" and insert "\$1,939,112,000"

Page 33, line 11, delete "\$1,972,000,000" and insert "\$2,279,331,000"

Page 33, line 13, delete "\$1,530,500,000" and insert "\$1,681,561,000"

Page 33, line 14, delete "\$266,000,000" and insert "\$265,150,000"

Page 33, line 15, delete "\$1,706,000,000" and insert "\$2,014,181,000"

Renumber the sections in article 1 in sequence

Page 38, line 2, delete "4.0" and insert "3.45"

Page 39, line 13, delete "1.0345" and insert "1.04"

Page 57, line 29, delete "1994" and insert "1995"

Page 66, line 5, delete "1995" and insert "1994"

Page 104, line 27, before "way" insert "existing"

Page 107, line 23, delete "section" and insert "sections" and delete ", is" and insert "; and 145.926, are"

Page 107, delete lines 26 and 27

Page 107, line 28, delete "Section" and insert "Sections" and delete ", is" and insert "; 124A.29, subdivision 1; 124A.32; 145A.10, subdivision 5; 256E.03, subdivision 1a; 256E.03, subdivision 8; 256E.08, subdivision 1; 256E.09, subdivision 2; and 256E.09, subdivision 3a, are"

Page 107, line 29, delete "applies" and insert "apply"

Page 125, after line 10, insert:

"Sec. 25. Minnesota Statutes 1992, section 124.84, subdivision 3, is amended to read:

Subd. 3. [LEVY AUTHORITY.] The district may levy up to \$300,000 under this section, as approved by the commissioner. The approved amount may be levied over five or fewer years. For taxes payable in 1994 and later, a district's maximum levy in any year under this section is limited to not more than one-fourth of the total levy authority remaining as of July 1, 1993."

Page 134, line 32, delete "\$73,549,000" and insert "\$84,514,000"

Page 134, line 36, delete "\$62,730,000" and insert "\$73,695,000"

Page 135, line 5, delete "\$36,180,000" and insert "\$41,620,000"

Page 135, line 7, delete "\$30,179,000" and insert "\$36,295,000"

Page 135, line 14, delete "\$18,924,000" and insert "\$28,299,000"

Page 135, line 18, delete "\$17,230,000" and insert "\$26,605,000"

Page 136, line 22, delete "34" and insert "35"

Renumber the sections in article 5 in sequence

Page 158, line 10, delete "MISCELLANEOUS" and insert "OTHER EDUCATION PROGRAMS"

Page 160, line 28, delete "\$....." and insert "\$2,000"

Page 164, after line 16, insert:

"Sec. 9. Minnesota Statutes 1992, section 275.48, is amended to read:

275.48 [ADDITIONAL TAX LEVIES IN CERTAIN MUNICIPALITIES.]

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city, township or school district for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original net tax capacity, the city, township or school district may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the sum of any interest paid on the abatement refunds and the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity. The total tax levy authorized for a school district by this section shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 124.918, subdivision 1, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.

Except for school districts, the amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 10. [COMMISSIONER APPROVAL; INTEREST ON PAYMENTS.]

For taxes payable in 1994, the commissioner of education must grant approval of all levies for interest payments on abatement refunds. If the total amount of levy would exceed \$917,000, the commissioner shall proportionately reduce each district's interest on abatements levy."

Page 168, after line 25, insert:

"Sec. 15. [EARLY RETIREMENT INCENTIVE.]

Subdivision 1. [BOARD MUST OFFER.] A school board must offer the early retirement incentive provided in this section to a teacher, as defined in Minnesota Statutes, section 354.05, subdivision 2, or 354A.011, subdivision 27, who is eligible under subdivision 2.

Subd. 2. [ELIGIBILITY.] A teacher is eligible to receive the incentive if the person:

(1) has at least 25 years of combined service credit in any Minnesota public pension plans governed by Minnesota Statutes, section 356.30, subdivision 3, or is at least 65 years old and has at least one year of combined service credit in these pension plans;

(2) upon retirement is immediately eligible for a retirement annuity from a defined benefit plan;

(3) is at least 55 years of age; and

(4) retires on or after May 17, 1993, and before August 1, 1993.

Subd. 3. [INCENTIVE.] For a person who selects the incentive under this section, the multiplier percentage used to calculate the retirement annuity must be increased by .10 for each year of allowable service credit up to 30 years.

Subd. 4. [LIMITS ON REHIRING.] During the biennium ending June 30, 1995, a school board may not hire a replacement for a person who retires under this subdivision, except under position-specific action of the board.

Subd. 5. [CONDITIONS.] For purposes of this section, a person retires when the person terminates active employment and applies for retirement benefits. An employee who retires under this section using the rule of 90 must not be included in the calculations required by Minnesota Statutes, section 356.85."

Page 174, after line 7, insert:

"Section 9 is effective July 1, 1993, and applies, for the first time, to levies for 1993 taxes payable in 1994.

Section 15 is effective the day following final enactment."

Renummer the sections in article 8 in sequence

Page 174, line 9, delete "CHOICE PROGRAMS" and insert "MISCELLANEOUS"

Page 186, strike lines 22 to 30

Page 196, line 29, delete "or" and insert "and"

Page 201, line 10, delete "and" and after "2f" insert "; and 123.3514, subdivision 6"

Correct internal references

Amend the title as follows:

Page 1, line 6, before "miscellaneous" insert "other education programs;"

Page 1, line 7, delete "programs and"

Page 1, line 9, before "appropriating" insert "making conforming changes;"

Page 2, line 10, after the first semicolon insert "124.84, subdivision 3;"

Page 2, line 31, after the semicolon insert "273.1398, by adding a subdivision; 275.48;"

Page 2, line 33, before "proposing" insert "Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29;"

Page 2, line 34, delete "Laws"

Page 2, delete lines 35 to 37

Page 2, line 38, delete everything before "repealing"

Page 2, line 42, before "and" insert "145.926;"

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. 416, A bill for an act relating to government data practices; providing for the issuance of commissioner's opinions under the data practices act; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [13.072] [OPINIONS BY THE COMMISSIONER.]

Subdivision 1. [OPINION; WHEN REQUIRED.] (a) Upon request of a state agency, statewide system, or political subdivision, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under chapter 13 or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a state agency, statewide system, or political subdivision, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data. If the commissioner determines that no opinion will be issued, the commissioner shall give the state agency, statewide system, political subdivision, or person requesting the opinion notice of the decision not to issue the opinion within five days of receipt of the request. If this notice is not given, the commissioner shall issue an opinion within 20 days of receipt of the request. For good cause and upon written notice to the person requesting the opinion, the commissioner may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline. The state agency, statewide system, or political subdivision must be provided a reasonable opportunity to explain the reasons for its decision regarding the data. The commissioner or the state agency, statewide system, or political subdivision may choose to give notice to the subject of the data concerning the dispute regarding the data.

(b) This section does not apply to a question involving the exercise of a discretionary power specifically granted by statute to a responsible authority to withhold or grant access to government data in a manner different than the data's general statutory classification.

(c) A written opinion issued by the attorney general shall take precedence over an opinion issued by the commissioner under this section.

Subd. 2. [EFFECT.] Opinions issued by the commissioner under this section are not binding on the state agency, statewide system, or political subdivision whose data is the subject of the opinion. The commissioner shall arrange for public dissemination of opinions issued under this section. This section does not preclude a person from bringing any other action under this chapter or other law in addition to or instead of requesting a written opinion. A state agency, statewide system, political subdivision, or person that acts in conformity with a written opinion of the commissioner is not liable for compensatory or exemplary damages or awards of attorneys fees in actions under section 13.08 or for a penalty under section 13.09.

Subd. 3. [FEE.] A state agency, statewide system, or political subdivision that requests an opinion must pay a fee of \$200 for each request.

Sec. 2. [REPEALER.]

Section 1 is repealed effective August 1, 1995."

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1746, A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; amending Minnesota Statutes 1992, sections 43A.02, subdivision 25; 43A.24, subdivision 2; 121.88, subdivision 9; 124.2713, subdivisions 5 and 6; 124C.46, subdivision 1; 169.1265, subdivision 1; 179.02, by adding a subdivision; 271.07; 357.021, subdivisions 1a and 2; 357.022; 357.18, subdivision 3; 357.24; 484.74, subdivision 1; 484.76, subdivision 1; 508.82; 508A.82; 548.23; 548.30; 549.02; 593.48; 609.101, subdivision 4; 611.17; 611.20; 611.25, subdivision 3; 611.26, subdivision 3; 611.27, subdivisions 4 and 13; 611.271; 626.861, subdivision 4; and Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 121; 242; 244; 609; and 611; proposing coding for new law as Minnesota Statutes, chapter 491A.

Reported the same back with the following amendments:

Page 9, after line 12, insert:

"Sec. 10. Minnesota Statutes 1992, section 270B.14, is amended by adding a subdivision to read:

Subd. 12. [DISCLOSURE TO DISTRICT COURT.] (a) The commissioner may disclose return information to the district court concerning returns filed under chapter 290, as limited by paragraph (b), as necessary to verify income information in order to determine public defender eligibility.

(b) The commissioner may disclose to the district court only the name and any relevant information from the most recently filed tax returns of persons seeking representation by a public defender.

(c) Data received under this subdivision may be used for the purposes of determining public defender eligibility under section 611.17 and shall be private and for the exclusive use of the court except for any prosecution under section 609.48."

Page 36, line 11, delete "\$329,000" and insert "\$222,000"

Page 42, line 25, after the period insert "If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area."

Page 48, line 7, delete "an annual" and insert "a monthly"

Page 55, line 25, delete "11" and insert "12"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the first semicolon insert "270B.14, by adding a subdivision;"

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. 416 was read for the second time.

MOTIONS AND RESOLUTIONS

Cooper moved that the name of Worke be added as an author on H. F. No. 867. The motion prevailed.

Farrell moved that the name of Olson, K., be added as an author on H. F. No. 1042. The motion prevailed.

Orenstein moved that H. F. No. 1319 be recalled from the Committee on Local Government and Metropolitan Affairs and be re-referred to the Committee on Taxes. The motion prevailed.

Stanius moved that H. F. No. 1094, now on General Orders, be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance. The motion prevailed.

Lieder moved that H. F. No. 1366, now on General Orders, be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance. The motion prevailed.

Davids moved that H. F. No. 1565 be returned to its author. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 1:30 p.m., Wednesday, April 21, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:30 p.m., Wednesday, April 21, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

FORTIETH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 21, 1993

The House of Representatives convened at 1:30 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Jerry Schommer, New Church Pastor, Wooddale Church, Eden Prairie, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Girard was excused.

Mahon was excused until 5:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Pawlenty 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. 1407 and H. F. No. 1727, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rodosovich moved that the rules be so far suspended that S. F. No. 1407 be substituted for H. F. No. 1727 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 10, A bill for an act relating to education; establishing a youth apprenticeship program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 126.

Reported the same back with the following amendments:

Page 7, after line 21, insert:

"Sec. 4. [REPEALER.]

Sections 1 and 2 are repealed June 30, 1997."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kalis from the Committee on Capital Investment to which was referred:

H. F. No. 218, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds and canceling previous authorizations; appropriating money, with certain conditions and reducing certain appropriations.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [MINNESOTA ZOOLOGICAL GARDEN MARINE EDUCATION CENTER.]

(a) \$3,000,000 is appropriated from the bond proceeds fund to the Minnesota zoological garden to plan, design, and prepare schematics and detailed plans for a marine education center, and to design and construct related visitor improvements at the zoo. All of the debt service costs on the bonds sold to finance this project must be paid from dedicated receipts of the Minnesota zoological garden to the commissioner of finance as required under Minnesota Statutes, section 16A.643.

(b) To provide the money appropriated by this act from the bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$3,000,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "authorizing a marine education center at the Minnesota zoological garden;"

Page 1, line 6, delete "and canceling previous authorizations"

Page 1, line 7, delete "and" and insert a period

Page 1, delete line 8

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. 272, A bill for an act relating to state departments; abolishing department of public safety and transferring certain responsibilities and personnel to other agencies; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 13.99, subdivision 82; 15.01; 15A.081, subdivision 1; 16B.14; 16B.54, subdivision 2; 43A.05, subdivision 4; 43A.34, subdivision 4; 65B.28, subdivision 2; 161.125, subdivision 3; 161.20, subdivision 4; 161.465; 168.011, by adding subdivisions; 168.126, subdivision 3; 168.325; 169.751; 169.783, subdivision 1; 170.23; 170.24; 171.015; 216C.19, subdivision 1; 218.031, subdivision 2; 270.73, subdivision 1; 297B.01, subdivision 3; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.30, subdivision 1; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01, subdivisions 2 and 4; 299C.06; 299C.13; 299C.50; 299F.01, subdivision 2; 299L.01, subdivision 1; 340A.201; 347.51, subdivision 2a; 349.151, subdivision 2; 352B.01, subdivision 2; 360.0752, subdivision 7; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16; repealing Minnesota Statutes 1992, sections 168.325, subdivision 4; 171.015, subdivisions 1 and 5; 270B.12, subdivision 4; 299A.01; 299C.01, subdivision 1; and 299F.01, subdivisions 1 and 3; Laws 1987, chapter 315, section 4, subdivision 2; Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [DEPARTMENT OF PUBLIC SAFETY ABOLISHED; RESPONSIBILITIES TRANSFERRED.]

Subdivision 1. [DEPARTMENT ABOLISHED, RESPONSIBILITIES TRANSFERRED.] The department of public safety is abolished. The responsibilities held by the department are transferred to a receiving agency as designated in this act. Except as otherwise provided by this act, the responsibilities of the department must be transferred pursuant to Minnesota Statutes, section 15.039. For purposes of this act "responsibilities" includes the powers, duties, rights, obligations, rules, court actions, contracts, records, property of every description, unexpended funds, personnel, and authority imposed by law, of the department of public safety. For the purposes of this act, "receiving agency" has the meaning given to "new agency" in Minnesota Statutes, section 15.039, subdivision 1.

Subd. 2. [SPECIFIC POSITIONS ABOLISHED.] (a) The following positions in the department of public safety are not transferred to a receiving agency and are specifically abolished:

- (1) commissioner;
- (2) deputy commissioner;
- (3) assistant commissioners;
- (4) assistants to the commissioner;
- (5) office of the commissioner (all positions);
- (6) affirmative action officer;
- (7) eight positions from finance and administrative services;
- (8) personnel, training, employee relations (all positions);
- (9) 12 positions from information systems management;
- (10) public education and media relations (all positions); and

(11) liquor control (all positions not specifically transferred to the department of commerce).

(b) After the day of enactment of this act, the department of public safety shall not fill any position listed in paragraph (a), clauses (7), (9), and (11), that is vacant or becomes vacant. This paragraph is effective the day following final enactment.

(c) In determining the remaining positions listed in paragraph (a), clauses (7), (9), and (11), that are to be transferred to a receiving agency, the positions abolished under that paragraph must first include the positions vacant on July 1, 1993. Positions abolished under paragraph (a), clauses (7), (9), and (11), that are occupied by employees must then be determined first by any applicable law, then any applicable collective bargaining agreement, and only then by determination of the receiving agency.

Subd. 3. [SPECIFIC RESPONSIBILITIES ABOLISHED, NOT TRANSFERRED.] The responsibilities of the following offices of the department are abolished and not transferred to a receiving agency:

- (1) office of affirmative action;
- (2) office of personnel, training, employee relations; and
- (3) office of public education and media relations.

Subd. 4. [DEPARTMENT OF TRANSPORTATION.] The responsibilities of the following units are transferred to the department of transportation:

- (1) traffic safety division;
- (2) driver and vehicle services division;
- (3) capitol security division;
- (4) state patrol division;
- (5) seven positions from information systems management; and
- (6) 22 positions from the office of finance and administrative services.

Subd. 5. [OFFICE OF THE GOVERNOR.] The responsibilities of the following units are transferred to the office of the governor:

- (1) office of drug policy; and
- (2) office of violence prevention.

Subd. 6. [DEPARTMENT OF CORRECTIONS.] The responsibilities of the following units are transferred to the department of corrections:

- (1) crime victim and witness advisory council;
- (2) crime victim ombudsman; and
- (3) crime victims reparations board.

Subd. 7. [POLLUTION CONTROL AGENCY.] The responsibilities of the office of pipeline safety are transferred to the pollution control agency.

Subd. 8. [DEPARTMENT OF PUBLIC SERVICE.] The responsibilities of the following units are transferred to the department of public service:

- (1) emergency management division; and

(2) emergency response commission.

Subd. 9. [DEPARTMENT OF EMPLOYEE RELATIONS.] The responsibilities related to public safety officer's survivor benefits in Minnesota Statutes, sections 299A.41 to 299A.47 are transferred to the department of employee relations.

Subd. 10. [DEPARTMENT OF COMMERCE.] The responsibilities of the liquor control division are transferred to the department of commerce. Four positions from the liquor control licensing activity and six positions from the liquor enforcement activity of the liquor control division are transferred to the department of commerce.

Subd. 11. [BUREAU OF CRIMINAL APPREHENSION.] All powers, duties, and responsibilities formerly held by the commissioner of public safety with respect to the bureau of criminal apprehension are transferred to the superintendent of the bureau of criminal apprehension. The bureau is established as an agency of the executive branch of state government pursuant to section 35. The responsibilities of the following units are also transferred to the bureau:

- (1) gambling enforcement division;
- (2) the division of the state fire marshal;
- (3) seven positions from the office of finance and administrative services;
- (4) 17 positions from the office of information systems management; and
- (5) the Minnesota advisory council on fire protection systems.

Possession of the department's minicomputer system and equipment is transferred to the bureau of criminal apprehension. Computer applications supporting functions not transferred to the bureau of criminal apprehension are transferred to the applicable receiving agencies. For programs not transferred to the bureau of criminal apprehension, the commissioner of transportation shall make the necessary arrangements for the effective management of the department's information systems. The commissioner of transportation may lease time and services on the minicomputer system transferred to the bureau, and shall compensate the superintendent of the bureau for the leased time and services from funds appropriated to the commissioner for driver and vehicle services.

CONFORMING AMENDMENTS

Sec. 2. Minnesota Statutes 1992, section 3.732, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the housing finance agency, the higher education coordinating board, the higher education facilities authority, the armory building commission, the zoological board, the iron range resources and rehabilitation board, the state agricultural society, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota national guard, members of a bomb disposal unit approved by the ~~commissioner of public safety~~ superintendent of the bureau of criminal apprehension and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor or members of the Minnesota national guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. "Employee of the state" includes a public defender appointed by the state board of public defense.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 3. Minnesota Statutes 1992, section 13.99, subdivision 82, is amended to read:

Subd. 82. [EMERGENCY JOBS PROGRAM.] Data maintained by the commissioner of ~~public safety~~ jobs and training for the emergency jobs program are classified under section 268.673, subdivision 5.

Sec. 4. Minnesota Statutes 1992, section 15.01, is amended to read:

15.01 [DEPARTMENTS OF THE STATE.]

The following agencies are designated as the departments of the state government: the department of administration; the department of agriculture; the department of commerce; the department of corrections; the department of education; the department of jobs and training; the department of trade and economic development; the department of finance; the department of health; the department of human rights; the department of labor and industry; the department of military affairs; the department of natural resources; the department of employee relations; ~~the department of public safety~~; the department of public service; the department of human services; the department of revenue; the department of transportation; the department of veterans affairs; and their successor departments.

Sec. 5. Minnesota Statutes 1992, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;

Commissioner of education;

Commissioner of transportation;

Commissioner of human services;

Commissioner of revenue;

~~Commissioner of public safety;~~

Executive director, state board of investment;

Director of the state lottery;

\$50,000-\$67,500

Commissioner of administration;

Commissioner of agriculture;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of jobs and training;

Commissioner of employee relations;
Commissioner of health;
Commissioner of labor and industry;
Commissioner of natural resources;
Commissioner of trade and economic development;
Chief administrative law judge; office of administrative hearings;
Commissioner, pollution control agency;
Director, office of waste management;
Commissioner, housing finance agency;
Executive director, public employees retirement association;
Executive director, teacher's retirement association;
Executive director, state retirement system;
Chair, metropolitan council;
Chair, regional transit board;
Superintendent, bureau of criminal apprehension

\$42,500-\$60,000

Commissioner of human rights;
Commissioner, department of public service;
Commissioner of veterans affairs;
Commissioner, bureau of mediation services;
Commissioner, public utilities commission;
Member, transportation regulation board;
Ombudsman for corrections;
Ombudsman for mental health and retardation.

Sec. 6. Minnesota Statutes 1992, section 16B.14, is amended to read:

16B.14 [CERTAIN VEHICLES.]

Upon the written request of the commissioner of public safety superintendent of the bureau of criminal apprehension, motor vehicles for specific use by investigative and undercover agents of the department of public safety bureau of criminal apprehension must be purchased by the brand make and model. Upon the written request of the commissioner of transportation, motor vehicles for specific use as specially marked patrol vehicles pursuant

to section 169.98 must be purchased by the brand make and model. All other provisions of this chapter relating to competitive bidding apply to purchases covered by this section.

Sec. 7. Minnesota Statutes 1992, section 16B.46, is amended to read:

16B.46 [TELECOMMUNICATION; POWERS.]

The commissioner shall supervise and control all state telecommunication facilities including any transmission, emission, or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, radio, optical, or other electromagnetic systems. Nothing in this section modifies, amends, or abridges any powers and duties presently vested in or imposed upon the commissioner of transportation ~~or the commissioner of public safety, commissioner of commerce, or superintendent of the bureau of criminal apprehension~~ relating to telecommunications facilities or the commissioner of transportation relating only to radio air navigation facilities or other air navigation facilities.

Sec. 8. Minnesota Statutes 1992, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by the governor, the lieutenant governor, the ~~division bureau of criminal apprehension, division of liquor control, division of gambling enforcement, arson investigators of the division of fire marshal in the department of public safety,~~ financial institutions division of the department of commerce, state lottery board, criminal investigators of the department of revenue, state-owned community service facilities in the department of human services, the investigative staff of the department of jobs and training, and the office of the attorney general.

Sec. 9. Minnesota Statutes 1992, section 43A.05, subdivision 4, is amended to read:

Subd. 4. [TIME OFF IN EMERGENCIES.] The commissioner shall authorize appointing authorities to pay for time off in emergencies. The commissioner, after consultation with the ~~commissioner of public safety commissioners of transportation and public service,~~ may excuse employees from duty with full pay in the event of a natural or other emergency, if continued operation would involve a threat to the health or safety of individuals. Absence with pay shall not exceed 16 working hours at any one time unless the commissioner authorizes a longer duration.

Sec. 10. Minnesota Statutes 1992, section 43A.34, subdivision 4, is amended to read:

Subd. 4. [STATE PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.] Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973, and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol ~~division of the department of transportation and gambling enforcement divisions of the department of public safety~~ division of the bureau of criminal apprehension who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60

years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age of 70 years.

Sec. 11. Minnesota Statutes 1992, section 65B.28, subdivision 2, is amended to read:

Subd. 2. [ACCIDENT PREVENTION COURSE; RULES.] The commissioner of ~~public safety~~ transportation shall, ~~by January 1, 1985,~~ adopt rules establishing and regulating a motor vehicle accident prevention course for persons 55 years old and older. The rules must, at a minimum, include provisions:

- (1) establishing curriculum requirements;
- (2) establishing the number of hours required for successful completion of the course;
- (3) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course; and
- (4) requiring persons 55 years old and older to retake the course every three years to remain eligible for a premium reduction.

Sec. 12. Minnesota Statutes 1992, section 161.125, subdivision 3, is amended to read:

Subd. 3. [SOUND ABATEMENT MEASURES.] For the purpose of this section, sound abatement measures include but are not limited to the following:

- (a) traffic management measures, including reduced speed limits or exclusion and rerouting of excessively noisy vehicles;
- (b) design and construction measures, including use of sound absorbing road surface materials, landscaping and planning, acquisition of buffer zones or noise insulation of buildings on abutting property;
- (c) enforcement of the motor vehicle source noise limits of the pollution control agency and of the federal bureau of motor carrier safety; and
- (d) other measures designed for the purpose of reducing motor vehicle source noise or reducing the effects of that noise. The ~~commissioner of public safety shall cooperate with the~~ commissioner of transportation ~~in implementing any~~ may implement sound abatement measures that include law enforcement activities.

Sec. 13. Minnesota Statutes 1992, section 161.20, subdivision 4, is amended to read:

Subd. 4. [DEBT COLLECTION.] The commissioner shall make reasonable and businesslike efforts to collect money owed for licenses, fines, penalties, and permit fees or arising from damages to state-owned property or other causes related to the activities of the department of transportation. The commissioner may contract for debt collection services for the purpose of collecting a money judgment or legal indebtedness. The commissioner may ~~enter into an agreement with the commissioner of public safety to use~~ debt collection services authorized by this subdivision when civil penalties relating to the use of highways have been reduced to money judgment. Money received as full or partial payment shall be deposited to the appropriate fund. When money is collected through contracted services, the commissioner may make payment for the service from the money collected. The amount necessary for payment of contractual collection costs is appropriated from the fund in which money so collected is deposited.

Sec. 14. Minnesota Statutes 1992, section 161.465, is amended to read:

161.465 [REIMBURSEMENT FOR FIRE SERVICES.]

Ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a grass fire within the right-of-way of a trunk highway must be reimbursed upon certification to the commissioner of transportation from the trunk highway fund. In addition, ordinary expenses incurred by a municipal or volunteer fire department in extinguishing a fire outside the right-of-way of any trunk highway if the fire originated within the right-of-way, upon approval of a police officer ~~or an officer or~~ state trooper, employee of the ~~department of public safety~~ state fire

marshal, or arson investigator of the bureau of criminal apprehension must, upon certification to the commissioner of transportation by the proper official of the municipality or fire department within 60 days after the completion of the service, be reimbursed to the municipality or fire department from funds in the trunk highway fund. The commissioner of transportation shall take action practicable to secure reimbursement to the trunk highway fund of money expended under this section from the person, firm, or corporation responsible for the fire or danger of fire.

The provisions of this section shall not be construed to admit state liability for damage or destruction to private property or for injury to persons resulting from a fire originating within a trunk highway right-of-way.

Sec. 15. Minnesota Statutes 1992, section 168.011, is amended by adding a subdivision to read:

Subd. 37. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.

Sec. 16. Minnesota Statutes 1992, section 168.011, is amended by adding a subdivision to read:

Subd. 38. [DEPARTMENT.] "Department" means the department of transportation.

Sec. 17. Minnesota Statutes 1992, section 168.126, subdivision 3, is amended to read:

~~Subd. 3. [ELIGIBILITY CRITERIA, COMMISSIONER OF PUBLIC SAFETY.] The commissioner of public safety, in cooperation with the commissioner of transportation, shall establish criteria and procedures governing applications for and issuance of plates permitted by this section. The criteria and procedures may include:~~

- (1) certification of vehicle use as a commuter van;
- (2) provision for transfer of special license plates; and
- (3) deposit of fees for the registration, sale, and transfer of commuter vans.

The special plate must be designed to specifically identify the vehicle as a commuter van.

Sec. 18. Minnesota Statutes 1992, section 168.325, is amended to read:

168.325 [DIVISION OF MOTOR VEHICLES DRIVER AND VEHICLE SERVICES.]

~~Subdivision 1. [CREATION.] A division in the department of public safety transportation to be known as the division of motor vehicles driver and vehicle services is created hereby established, under the supervision and control of the director. The commissioner of transportation may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a.~~

~~Subd. 2. [VEHICLE REGISTRATION RESPONSIBILITIES.] All the functions, powers, and duties now vested in or imposed upon the secretary of state as registrar of motor vehicles as prescribed in Minnesota Statutes 1967, chapter 168, or any other by law, relating to the registration of motor vehicles, the issuance of motor vehicle licenses, the licensing of motor vehicle dealers, and other related matters therein contained not otherwise provided for in this section, are hereby transferred to, vested in, and imposed upon the commissioner of public safety. The duties of the secretary of state in relation thereto as heretofore constituted are abolished transportation.~~

~~Subd. 4. All the powers and duties now vested in or imposed upon the secretary of state in the issuance of chauffeurs' licenses and school bus drivers' licenses as prescribed in Minnesota Statutes 1967, chapter 168, are hereby transferred to, vested in, and imposed upon the commissioner of public safety. The duties of the secretary of state in connection with the issuance of such licenses are hereby abolished.~~

Sec. 19. Minnesota Statutes 1992, section 169.751, is amended to read:

169.751 [DEFINITIONS.]

For the purposes of sections 169.751 to 169.754 the following words shall have the meaning ascribed to them in this section:

(a) "First aid equipment" shall mean equipment for the purpose of rendering first aid to sick or injured persons as prescribed by the department of public safety for its state patrol vehicles, such equipment to include materials for the application of splints to fractures.

(b) "Patrol motor vehicles" shall mean the state patrol motor vehicles used in law enforcement of the department of public safety, the county sheriffs, and the various city, town, and other local police departments.

Sec. 20. Minnesota Statutes 1992, section 169.783, subdivision 1, is amended to read:

Subdivision 1. [POSTCRASH INSPECTION.] A peace officer responding to an accident involving a commercial motor vehicle must immediately notify the state patrol if the accident results in death, personal injury, or property damage to an apparent extent of more than \$4,400. It is a misdemeanor for a person to drive or cause to be driven a commercial motor vehicle after such an accident unless the vehicle: (1) has been inspected by a state trooper or other person authorized to conduct inspections under section 169.781, subdivision 3, paragraph (a), who is an employee of the department of public safety or transportation, and the person inspecting the vehicle has determined that the vehicle may safely be operated; or (2) a waiver has been granted under subdivision 2.

Sec. 21. Minnesota Statutes 1992, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

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

Sec. 22. Minnesota Statutes 1992, section 170.24, is amended to read:

170.24 [SUSPENSION OF LICENSE FOR NEGLECT TO REPORT ACCIDENT.]

The commissioner of transportation may suspend the license, or any nonresident's operating privilege, of any person who willfully fails, refuses or neglects to make report of a traffic accident as required by the laws of this state.

Sec. 23. Minnesota Statutes 1992, section 171.015, is amended to read:

171.015 [~~DRIVER'S LICENSE~~ DRIVER AND VEHICLE SERVICES DIVISION.]

Subdivision 1. [~~CREATED; DIRECTOR.~~] A division in the department of public safety to be known as the driver's license division is hereby created, under the supervision and control of a director. The commissioner may place the director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a. ~~The director shall be assigned the duties and responsibilities prescribed in this section.~~

Subd. 2. [POWERS AND DUTIES TRANSFERRED.] All the powers and duties ~~now vested in or imposed upon the department of transportation and the commissioner of transportation~~ in regard to drivers' licensing, drivers' training, and safety responsibility as prescribed by this chapter and chapters 169 and 170, are hereby transferred to, vested in, and imposed upon the commissioner of public safety transportation, through the department's division of driver and vehicle services. ~~The duties and responsibilities of the department of transportation and the commissioner of transportation, in relation to such matters as heretofore constituted, are hereby abolished.~~

Subd. 3. [LICENSING CHAUFFEURS AND SCHOOL BUS DRIVERS.] The commissioner of ~~public safety, with the approval of the governor,~~ transportation may transfer and assign to the ~~driver's license~~ driver and vehicle services division duties and responsibilities in relation to chauffeurs' licensing and school bus drivers' licensing ~~as vested in and imposed upon the division of motor vehicles.~~

Subd. 5. [POWERS AND DUTIES TRANSFERRED.] All the powers and duties now vested in or imposed upon the department of education and the department of transportation relating to drivers' training as prescribed by section 171.04, are hereby transferred to, vested in, and imposed upon the commissioner of public safety. The duties of the department of education and the department of transportation with reference to such training as heretofore constituted are hereby abolished.

Subd. 6. [FACILITIES FOR LICENSING ACTIVITIES.] The commissioner of transportation shall provide space as required for driver and chauffeur license activities at ~~such~~ locations and under ~~such contractual~~ conditions as ~~may be determined with the commissioner of public safety~~ may determine.

Sec. 24. Minnesota Statutes 1992, section 216C.19, subdivision 1, is amended to read:

Subdivision 1. [ROADWAY LIGHTING; RULES.] After consultation with the commissioner ~~and the commissioner of public safety,~~ the commissioner of transportation shall adopt rules under chapter 14 establishing minimum energy efficiency standards for street, highway, and parking lot lighting. The standards must be consistent with overall protection of the public health, safety and welfare. No new highway, street or parking lot lighting may be installed in violation of these rules. Existing lighting equipment, excluding roadway sign lighting, with lamps with initial efficiencies less than 70 lumens per watt must be replaced when worn out with light sources using lamps with initial efficiencies of at least 70 lumens per watt.

Sec. 25. Minnesota Statutes 1992, section 218.031, subdivision 2, is amended to read:

Subd. 2. [INFORMATION FURNISHED COMMISSIONER.] Every common carrier shall furnish to the commissioner:

(1) All schedules of rates, fares and charges, every part and classification thereof, together with minimum weights and rules with respect thereto, and any and all amendments, modifications or changes therein.

(2) All information duly required in blanks and forms furnished by the commissioner.

(3) A copy of all annual reports and valuation data furnished to the Interstate Commerce Commission not later than June 30th, covering the preceding calendar year, together with any additional information regarding valuation of its properties requested by the commissioner.

(4) A report of accidents, wrecks and casualties occurring in this state in such manner and form and at such times as prescribed by the commissioner. When received, all such reports ~~administered by the department of public safety~~ shall be ~~received and~~ administered in accordance with the provisions of section 169.09, subdivision 13. All other reports shall be open to public inspection but shall not be admissible in evidence in any suit or action for damages growing out of such accident, wreck or casualty.

(5) All tariff agreements or arrangements with other carriers.

(6) All joint schedules of rates, fares or classifications.

Sec. 26. Minnesota Statutes 1992, section 270.73, subdivision 1, is amended to read:

Subdivision 1. [POSTING, NOTICE.] ~~Pursuant to the authority to disclose under section 270B.12, subdivision 4,~~ The commissioner shall, by the 15th of each month, submit to the commissioner of ~~public safety~~ commerce a list of all taxpayers who are required to withhold or collect the tax imposed by section 290.92 or 297A.02, or local sales and use tax payable to the commissioner of revenue, or a local option tax administered and collected by the commissioner of revenue, and who are 30 days or more delinquent in either filing a tax return or paying the tax.

The commissioner of revenue is under no obligation to list a taxpayer whose business is inactive. At least ten days before notifying the commissioner of ~~public safety~~ commerce, the commissioner of revenue shall notify the taxpayer of the intended action.

The commissioner of public safety commerce shall post the list in the same manner as provided in section 340A.318, subdivision 3. The list will prominently show the date of posting. If a taxpayer previously listed cures the delinquency by filing all returns and paying all taxes, the commissioner shall notify the commissioner of public safety commerce within two business days that the delinquency was cured.

Sec. 27. Minnesota Statutes 1992, section 297B.01, subdivision 3, is amended to read:

Subd. 3. [MOTOR VEHICLE REGISTRAR.] "Motor vehicle registrar" shall mean the registrar of motor vehicles who is the officer in charge of the motor driver and vehicle services division, department of public safety transportation, of this state and who shall act as the agent of the commissioner of revenue in administering the provisions of this chapter.

Sec. 28. Minnesota Statutes 1992, section 297C.09, is amended to read:

297C.09 [IMPORTATION BY INDIVIDUALS.]

A person, other than a person under the age of 21 years, entering Minnesota from another state may have in possession one liter of intoxicating liquor or 288 ounces of malt liquor and a person entering Minnesota from a foreign country may have in possession four liters of intoxicating liquor or ten quarts (320 ounces) of malt liquor without the required payment of the Minnesota excise tax. A collector of commemorative bottles, other than a person under the age of 21 years, entering Minnesota from another state may have in possession 12 or fewer commemorative bottles without the required payment of the Minnesota excise tax. A person who imports or has in possession untaxed intoxicating liquor or malt liquor in excess of the quantities provided for in this section is guilty of a misdemeanor. This section does not apply to the consignments of alcoholic beverages shipped into this state by holders of Minnesota import licenses or Minnesota manufacturers and wholesalers when licensed by the commissioner of public safety commerce or to common carriers with licenses to sell intoxicating liquor in more than one state. A peace officer, the commissioner of commerce, or their authorized agents, may seize untaxed liquor.

Sec. 29. Minnesota Statutes 1992, section 297C.10, subdivision 1, is amended to read:

Subdivision 1. [ENFORCEMENT RESPONSIBILITY.] The commissioners of public safety commerce and revenue shall enforce and administer the provisions of this chapter.

Sec. 30. Minnesota Statutes 1992, section 299A.02, is amended to read:

299A.02 [COMMISSIONERS OF PUBLIC SAFETY COMMERCE AND REVENUE; LIQUOR CONTROL FUNCTIONS.]

Subdivision 1. [~~DIRECTOR OF DIVISION OF LIQUOR CONTROL~~ CONFLICT OF INTEREST.] No employee of the department of public safety commerce or the department of revenue having any responsibility for the administration or enforcement of Laws 1985, chapter 305, articles 2 to 11 this section and chapters 297C and 340A shall have a direct or indirect interest, except through ownership or investment in pension or mutual funds, in the manufacture, transportation or sale of intoxicating liquor or any malt or vinous beverages, intoxicating, nonintoxicating, or commercial or industrial alcohol. The commissioner of public safety commerce or the commissioner of revenue may remove an employee in the unclassified civil service for any intentional violation of any provision in Laws 1985, chapter 305, articles 2 to 11 this section and chapters 297C and 340A. Intentional violation of the preceding sections by a classified employee of one of the departments may be grounds for removal of that employee pursuant to section 43A.33.

Subd. 2. [GENERAL POWERS.] The commissioner of commerce shall administer and enforce the provisions of Laws 1985, chapter 305, articles 2 to 11 this section and chapters 297C and 340A except for those provisions thereof for which administration and enforcement are reserved to the commissioner of revenue.

Subd. 3. [REPORTS; RULES.] The commissioner shall have power to require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable rules to effect the object of Laws 1985, chapter 305, articles 2 to 11 this section and chapters 297C and 340A. The rules shall include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale. No rule may require the use of new containers in aging whiskey. No rule may require cordials or liqueurs to contain in excess of 2-1/2 percent by weight of sugar or dextrose or both.

Subd. 4. [SUBPOENAS.] In all matters relating to official duties, the commissioner shall have the powers possessed by courts of law to issue subpoenas and cause them to be served and enforced. All public officials, and their respective deputies and employees, and all individuals, partnerships, firms, corporations, incorporated and unincorporated associations, and others who manufacture, transport, or sell intoxicating liquor, or are connected therewith in any manner, shall at all times attend and answer under oath the commissioner's lawful inquiries, produce and exhibit such books, accounts, documents and property as the commissioner may desire to inspect, and in all things aid the commissioner in the performance of the commissioner's duties.

Sec. 31. Minnesota Statutes 1992, section 299A.30, is amended to read:

299A.30 [OFFICE OF DRUG POLICY AND VIOLENCE PREVENTION.]

Subdivision 1. [~~OFFICE; ASSISTANT COMMISSIONER~~ DIRECTOR.] The office of drug policy and violence prevention is ~~an office established in the department of public safety~~ office of the governor headed by ~~an assistant commissioner~~ a director appointed by the ~~commissioner~~ governor to serve in the unclassified service. The ~~assistant commissioner~~ director may appoint other employees. The ~~assistant commissioner~~ director shall coordinate the violence prevention activities and the prevention and supply reduction activities of state and local agencies and provide one professional staff member to assist on a full-time basis the work of the chemical abuse prevention resource council.

Subd. 2. [DUTIES.] (a) The ~~assistant commissioner~~ director shall:

(1) gather, develop, and make available throughout the state information and educational materials on preventing and reducing violence in the family and in the community, both directly and by serving as a clearinghouse for information and educational materials from schools, state and local agencies, community service providers, and local organizations;

(2) foster collaboration among schools, state and local agencies, community service providers, and local organizations that assist in violence intervention or prevention;

(3) assist schools, state and local agencies, service providers, and organizations, on request, with training and other programs designed to educate individuals about violence and reinforce values that contribute to ending violence;

(4) after consulting with all state agencies involved in preventing or reducing violence within the family or community, develop a statewide strategy for preventing and reducing violence that encompasses the efforts of those agencies and takes into account all money available for preventing or reducing violence from any source;

(5) submit the strategy to the governor and the legislature by January 15 of each calendar year, along with a summary of activities occurring during the previous year to prevent or reduce violence experienced by children, young people, and their families; and

(6) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of activities to prevent or reduce violence within the family or community.

(b) The ~~assistant commissioner~~ director shall gather and make available information on prevention and supply reduction activities throughout the state, foster cooperation among involved state and local agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of prevention and supply reduction activities.

(c) The ~~assistant commissioner~~ director shall coordinate the distribution of funds received by the state of Minnesota through the federal Anti-Drug Abuse Act. The ~~assistant commissioner~~ director shall recommend to the commissioner recipients of grants under sections 299A.33 and 299A.34, after consultation with the chemical abuse prevention resource council.

(d) The ~~assistant commissioner~~ director shall:

(1) after consultation with all state agencies involved in prevention or supply reduction activities, develop a state chemical abuse and dependency strategy encompassing the efforts of those agencies and taking into account all money available for prevention and supply reduction activities, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of prevention and supply reduction activities during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of prevention and supply reduction activities;

(4) provide information, including information on drug trends, and assistance to state and local agencies, both directly and by functioning as a clearinghouse for information from other agencies;

(5) facilitate cooperation among drug program agencies; and

(6) in coordination with the chemical abuse prevention resource council, review, approve, and coordinate the administration of prevention, criminal justice, and treatment grants.

Sec. 32. Minnesota Statutes 1992, section 299A.31, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse prevention resource council consisting of 19 members is established. The commissioners of ~~public safety~~ transportation, education, health, corrections, and human services, the director of the office of strategic and long-range planning, the superintendent of the bureau of criminal apprehension, 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.

Sec. 33. Minnesota Statutes 1992, section 299A.331, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The advisory council on drug abuse resistance education consists of:

(1) the attorney general who shall serve as chair;

(2) the ~~commissioner of public safety~~ superintendent of the bureau of criminal apprehension;

(3) the commissioner of education;

(4) three representatives of law enforcement appointed by the ~~commissioner of public safety~~ governor;

(5) three representatives of education appointed by the commissioner of education;

(6) a representative of the DARE officers association appointed by the peace officer standards and training board from among recommendations of the association; and

(7) seven citizens appointed by the attorney general.

Sec. 34. Minnesota Statutes 1992, section 299A.38, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "~~Commissioner~~" means ~~the commissioner of public safety~~.

(b) "Peace officer" means a person who is licensed under section 626.84, subdivision 1, paragraph (c).

(b) "Superintendent" means the superintendent of the bureau of criminal apprehension.

(c) "Vest" means bullet-resistant soft body armor that is flexible, concealable, and custom fitted to the peace officer to provide ballistic and trauma protection.

Sec. 35. Minnesota Statutes 1992, section 299C.01, is amended to read:

299C.01 [~~CRIMINAL BUREAU OF CRIMINAL APPREHENSION.~~]

Subdivision 1. [RESPONSIBILITIES TRANSFERRED.] All the powers and duties ~~now~~ formerly vested in or imposed upon the commissioner of public safety before the effective date of this act, relating to the bureau of criminal apprehension or the superintendent of the bureau of criminal apprehension as prescribed by chapter 626, or any other law, are hereby transferred to, vested in, and imposed upon the commissioner of public safety superintendent of the bureau of criminal apprehension. The bureau of criminal apprehension and the office of the superintendent of the bureau of criminal apprehension as heretofore constituted as a division of the department of public safety are abolished and the bureau is created as an independent agency in the executive branch of state government.

Subd. 2. [CREATED AS INDEPENDENT AGENCY.] ~~A division in the department of public safety to be known as~~ The bureau of criminal apprehension is hereby created, under the supervision and control of the superintendent of criminal apprehension, who shall be appointed by the commissioner governor, with the advice and consent of the senate, and serve at the commissioner's pleasure in the unclassified service of the state civil service, to whom a term coterminous with the term of the governor under whom appointed. The position of deputy superintendent, or similar position, is not authorized. Except when contrary to this subdivision, the provisions of section 15.06 apply to the position of superintendent of the bureau of criminal apprehension. The superintendent shall be assigned the duties and responsibilities described in this section chapter and chapters 299F and 299L.

Subd. 4. [DUTIES, GENERALLY.] ~~The division of the bureau of criminal apprehension shall perform such functions and duties as relate to statewide and nationwide crime information systems as the commissioner~~ superintendent may direct.

Sec. 36. Minnesota Statutes 1992, section 299C.03, is amended to read:

299C.03 [SUPERINTENDENT; RULES.]

The superintendent, ~~with the approval of the commissioner of public safety,~~ from time to time, shall make such rules and adopt such measures as the superintendent deems necessary, within the provisions and limitations of sections 299C.03 to 299C.08, 299C.10, 299C.11, 299C.17, 299C.18, and 299C.21, and chapters 299F and 299L, to secure the efficient operation of the bureau. The bureau shall cooperate with the respective sheriffs, constables, marshals, police, and other peace officers of the state in the detection of crime and the apprehension of criminals throughout the state, and shall have the power to conduct such investigations as the superintendent, ~~with the approval of the commissioner of public safety,~~ may deem necessary to secure evidence which may be essential to the apprehension and conviction of alleged violators of the criminal laws of the state. The various members of the bureau shall have and may exercise throughout the state the same powers of arrest possessed by a sheriff, but they shall not be employed to render police service in connection with strikes and other industrial disputes.

Sec. 37. Minnesota Statutes 1992, section 299C.06, is amended to read:

299C.06 [DIVISION POWERS AND DUTIES; LOCAL OFFICERS TO COOPERATE.]

It shall be the duty of all sheriffs, chiefs of police, city marshals, constables, prison wardens, superintendents of insane hospitals, reformatories and correctional schools, probation and parole officers, school attendance officers, coroners, county attorneys, court clerks, ~~the commissioner of public safety,~~ the commissioner of transportation, and the state fire marshal to furnish to the division statistics and information regarding the number of crimes reported and discovered, arrests made, complaints, informations, and indictments, filed and the disposition made of same, pleas, convictions, acquittals, probations granted or denied, receipts, transfers, and discharges to and from prisons, reformatories, correctional schools, and other institutions, paroles granted and revoked, commutation of sentences and pardons granted and rescinded, and all other data useful in determining the cause and amount of crime in this state and to form a basis for the study of crime, police methods, court procedure, and penal problems. Such statistics and information shall be furnished upon the request of the division and upon such forms as may be prescribed and furnished by it. The division shall have the power to inspect and prescribe the form and substance of the records kept by those officials from which the information is so furnished.

Sec. 38. Minnesota Statutes 1992, section 299C.13, is amended to read:

299C.13 [INFORMATION FURNISHED TO PEACE OFFICERS.]

Upon receipt of information data as to any arrested person, the bureau shall immediately ascertain whether the person arrested has a criminal record or is a fugitive from justice, and shall at once inform the arresting officer of the facts ascertained. Upon application by any sheriff, chief of police, or other peace officer in the state, or by an officer of the United States or by an officer of another state, territory, or government duly authorized to receive the same and effecting reciprocal interchange of similar information with the ~~division bureau~~, it shall be the duty of the bureau to furnish all information in its possession pertaining to the identification of any person. If the bureau has a sealed record on the arrested person, it shall notify the requesting peace officer of that fact and of the right to seek a court order to open the record for purposes of law enforcement.

Sec. 39. Minnesota Statutes 1992, section 299C.50, is amended to read:

299C.50 [TRANSFER OF FUNCTIONS.]

The ~~commissioner of public safety~~ superintendent of the bureau of criminal apprehension shall perform all duties in respect to the state's criminal justice information system ~~which were transferred from the commissioner of finance and the governor's commission on crime prevention and control by executive order of the governor; provided, that a transfer shall not occur if the state is informed by a federal agency that the transfer will result in the loss of federal moneys to which the state would otherwise be entitled pursuant to the Omnibus Crime Control and Safe Streets Act of 1968, Public Law Number 90 351, as amended by the Juvenile Justice and Delinquency Prevention Act of 1974, Public Law Number 93 415, and the Crime Control Act of 1976, Public Law Number 94 503.~~

Sec. 40. Minnesota Statutes 1992, section 299F.01, is amended to read:

299F.01 [FIRE MARSHAL.]

Subdivision 1. [COMMISSIONER'S POWERS AND DUTIES TRANSFERRED.] All the powers and duties ~~now formerly~~ vested in or imposed upon the commissioner of ~~commerce as ex officio state fire marshal as prescribed in Minnesota Statutes, chapters 73, 74, 75, 76, and any other law~~ public safety before the effective date of this act, are hereby transferred to, vested in, and imposed upon the commissioner of public safety superintendent of the bureau of criminal apprehension. The duties and responsibilities of the commissioner of ~~commerce as ex officio public safety related to the division of the~~ state fire marshal as heretofore constituted are abolished.

Subd. 2. [DIVISION CREATED; STATE FIRE MARSHAL.] A division in the ~~department of public safety~~ bureau of criminal apprehension to be known as the division of fire marshal is hereby created, under the supervision and control of the state fire marshal, to whom shall be assigned the duties and responsibilities described in this section. The commissioner may place the fire marshal's position in the unclassified service if the position meets the criteria of section 43A.08, subdivision 1a.

Subd. 3. [INCUMBENT; TRANSITIONAL PROVISION.] ~~Upon the effective date of this act~~ On July 1, 1993, the individual occupying the position of ~~assistant commissioner, state fire marshal~~ division on June 30, 1993, shall retain such position for a period of at least 12 months, or until removed for cause.

Sec. 41. Minnesota Statutes 1992, section 299F.05, subdivision 2, is amended to read:

Subd. 2. [INFORMATION SYSTEMS.] The state fire marshal and the superintendent of the bureau of criminal apprehension shall maintain a record of arrests, charges filed, and final disposition of all fires reported and investigated under sections 299F.04 and 299F.05. For this purpose a single reporting system shall be implemented by the ~~department of public safety utilizing the systems operated by the fire marshal and the bureau~~. The system shall be operated in such a way as to minimize duplication and discrepancies in reported figures.

Sec. 42. Minnesota Statutes 1992, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) ~~"Commissioner" means the commissioner of public safety.~~

(d) "Director" means the director of gambling enforcement.

(e) ~~(d)~~ "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

~~(f)~~ (e) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

Sec. 43. Minnesota Statutes 1992, section 340A.201, is amended to read:

340A.201 [LIQUOR CONTROL AUTHORITY.]

Effective July 1, 1993, the commissioner of public safety commerce is the successor to the commissioner of liquor control public safety with respect to the powers and duties related to liquor regulation vested in the latter as of February 6, 1976, except for those powers and duties transferred to the commissioner of revenue June 30, 1993. Any proceeding, court action, prosecution, or other business undertaken or commenced as of February 6, 1976 June 30, 1993, by the commissioner of liquor control public safety is assigned to and may be completed by the commissioners of public safety and revenue as appropriate and may be completed by them commissioner of commerce.

Sec. 44. Minnesota Statutes 1992, section 347.51, subdivision 2a, is amended to read:

Subd. 2a. [WARNING SYMBOL.] If a county issues a certificate of registration to the owner of a dangerous dog pursuant to subdivision 2, the county must provide, for posting on the owner's property, a copy of a warning symbol to inform children that there is a dangerous dog on the property. The design of the warning symbol must be uniform and specified by the commissioner of public safety health, after consultation with animal control professionals. The design specification process is exempt from rulemaking under chapter 14 and is exempt from section 14.38. The commissioner shall provide the number of copies of the warning symbol requested by each county and shall charge the county the actual cost of the warning symbols received. The county may charge the registrant a reasonable fee to cover its administrative costs and the cost of the warning symbol.

Sec. 45. Minnesota Statutes 1992, section 349.151, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) ~~Until July 1, the board consists of six members appointed by the governor with the advice and consent of the senate and the commissioner of gaming as a voting member.~~

~~(b)~~ On and after July 1, 1991, the board consists of seven members, as follows: (1) those members appointed by the governor before July 1, 1991, whose terms expire June 30, 1992, June 30, 1993, and June 30, 1994; (2) one member appointed by the governor for a term expiring June 30, 1994; (3) one member appointed by the ~~commissioner of public safety~~ governor for a term expiring June 30, 1995; and (4) one member appointed by the attorney general for a term expiring June 30, 1995.

(e) ~~(b)~~ All appointments under this subdivision are with the advice and consent of the senate.

~~(d)~~ (c) After expiration of the initial terms, appointments are for four years.

(e) ~~(d)~~ The board shall select one of its members to serve as chair. No more than three members appointed by the governor under this subdivision may belong to the same political party.

Sec. 46. Minnesota Statutes 1992, section 352B.01, subdivision 2, is amended to read:

Subd. 2. [MEMBER.] "Member" means:

(a) persons referred to and employed after June 30, 1943, under Laws 1929, chapter 355, as amended or supplemented, currently employed by the state, whose salaries or compensation is paid out of state funds;

(b) a conservation officer employed under section 97A.201, currently employed by the state, whose salary or compensation is paid out of state funds;

(c) a crime bureau officer who was employed by the crime bureau and was a member of the highway patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds;

(d) a person who is employed by the state in the department of public safety or a successor state agency in a data processing management position with salary or compensation paid from state funds, who was a crime bureau officer covered by the state patrol retirement plan on August 15, 1987, and who was initially hired in the data processing management position within the department during September 1987, or January 1988, with membership continuing for the duration of the person's employment in that position, whether or not the person has the power of arrest by warrant after August 15, 1987; and

(e) ~~public safety~~ employees of the bureau of criminal apprehension defined as peace officers in section 626.84, subdivision 1, paragraph (c), and employed with the division of gambling enforcement under section 299L.01.

Sec. 47. Minnesota Statutes 1992, section 360.0752, subdivision 7, is amended to read:

Subd. 7. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe that a person may be violating or has violated subdivision 2, the officer may require the person to provide a sample of the person's breath for a preliminary screening test using a device approved by the commissioner of public safety or the commissioner of transportation for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether to require the tests authorized in section 360.0753, but shall not be used in any court action except to prove that a test was properly required of a person pursuant to section 360.0753. Following the screening test, additional tests may be required of the person pursuant to the provisions of section 360.0753.

A person who refuses to furnish a sample of the person's breath is subject to the provisions of section 360.0753 unless, in compliance with section 360.0753, the person submits to a blood, breath, or urine test to determine the presence of alcohol or a controlled substance.

Sec. 48. Minnesota Statutes 1992, section 360.0753, subdivision 6, is amended to read:

Subd. 6. [MANNER OF MAKING TEST; ADDITIONAL TESTS.] Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol or controlled substance. This limitation does not apply to the taking of a breath or urine sample. The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer. The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant, or registered nurse drawing blood at the request of a peace officer for the purpose of determining alcohol concentration shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test shall be fully trained in the administration of breath tests pursuant to training given by the commissioner of ~~public safety or the commissioner of transportation~~ or the superintendent of the bureau of criminal apprehension.

Sec. 49. Minnesota Statutes 1992, section 611A.20, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF NOTICE.] The ~~commissioners of public safety and~~ commissioner of corrections, in consultation with sexual assault victim advocates and health care professionals, shall develop the notice required by subdivision 1. The notice must inform the victim of:

- (1) the risk of contracting sexually transmitted diseases as a result of a sexual assault;
- (2) the symptoms of sexually transmitted diseases;
- (3) recommendations for periodic testing for the diseases, where appropriate;
- (4) locations where confidential testing is done and the extent of the confidentiality provided;

(5) information necessary to make an informed decision whether to request a test of the offender under section 611A.19; and

(6) other medically relevant information.

Sec. 50. Minnesota Statutes 1992, section 624.7151, is amended to read:

624.7151 [STANDARDIZED FORMS.]

~~By December 1, 1992, the commissioner of public safety~~ The superintendent of the bureau of criminal apprehension shall adopt statewide standards governing the form and contents, as required by sections 624.7131 to 624.714, of every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is granted or renewed on or after January 1, 1993. The adoption of these standards is not subject to the rulemaking provisions of chapter 14.

Every application for a pistol transferee permit, pistol transferee permit, report of transfer of a pistol, application for a permit to carry a pistol, and permit to carry a pistol that is received, granted, or renewed by a police chief or county sheriff on or after January 1, 1993, must meet the statewide standards adopted by the ~~commissioner of public safety~~ superintendent. Notwithstanding the previous sentence, neither failure of the ~~department of public safety~~ to adopt standards nor failure of the police chief or county sheriff to meet them shall delay the timely processing of applications nor invalidate permits issued on other forms meeting the requirements of sections 624.7131 to 624.714.

Sec. 51. Minnesota Statutes 1992, section 626.5531, subdivision 2, is amended to read:

Subd. 2. [USE OF INFORMATION COLLECTED.] The head of a local law enforcement agency or state law enforcement department that employs peace officers licensed under section 626.843 must file a monthly report describing crimes reported under this section with the ~~department of public safety, bureau of criminal apprehension.~~ The commissioner of public safety superintendent of the bureau of criminal apprehension must summarize and analyze the information received and file an annual report with the department of human rights and the legislature. ~~The commissioner superintendent~~ superintendent may include information in the annual report concerning any additional criminal activity motivated by bias that is not covered by this section.

Sec. 52. Minnesota Statutes 1992, section 626.562, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF TELEPHONE LINE.] The commissioner of ~~public safety~~ human services shall contract for at least one statewide toll-free 24-hour telephone line for the purpose of providing consultative and training services for physicians, therapists, child protection workers, and other professionals involved in child protection. Services provided must include emergency and longer term consultation on individual child protection cases.

Sec. 53. Minnesota Statutes 1992, section 634.16, is amended to read:

634.16 [ADMISSION INTO EVIDENCE OF RESULTS OF INFRARED BREATH-TESTS.]

In any civil or criminal hearing or trial, the results of an infrared breath-test, when performed by a person who has been fully trained in the use of an infrared breath-testing instrument, as defined in section 169.01, subdivision 68, pursuant to training given or approved by the ~~commissioner of public safety superintendent of the bureau of criminal apprehension~~ or the ~~commissioner's superintendent's~~ acting agent, are admissible in evidence without antecedent expert testimony that an infrared breath-testing instrument provides a trustworthy and reliable measure of the alcohol in the breath.

Sec. 54. [WORKER PARTICIPATION.]

Subdivision 1. [RESTRUCTURING PROVISIONS.] The restructuring of agencies required by this act shall be conducted under Minnesota Statutes, section 43A.045.

Subd. 2. [WORKER PARTICIPATION COMMITTEES.] (a) Before the restructuring of executive branch agencies under this act, a committee including representatives of employees and employers within each affected agency must be established and be given adequate time to perform the functions prescribed by paragraph (b). Each exclusive representative of employees shall select a committee member from each of its bargaining units in each affected agency.

The head of each agency shall select an employee member from each unit of employees not represented by an exclusive representative. The agency head shall also appoint one or more committee members to represent the agency. The number of members appointed by the agency head, however, may not exceed the total number of members representing bargaining units.

(b) A committee established under paragraph (a) shall:

- (1) identify tasks related to agency reorganization and adopt plans for addressing those tasks;
- (2) identify other employer and employee issues related to reorganization and adopt plans for addressing those issues;
- (3) adopt plans for implementing this act, including detailed plans for providing retraining for affected employees; and
- (4) guide the implementation of the reorganization.

Sec. 55. [REPEALER.]

Minnesota Statutes 1992, sections 168.325, subdivision 4; 171.015, subdivisions 1 and 5; 270B.12, subdivision 4; and 299A.01, are repealed.

Laws 1987, chapter 315, section 4, subdivision 2, is repealed. Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7, are repealed.

Sec. 56. [INSTRUCTION TO REVISOR.]

Subdivision 1. [DEPARTMENT OF CORRECTIONS.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "commissioner of corrections" (or "commissioner" when referring to commissioner of corrections), "department of corrections" (or "department" when referring to the department of corrections), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 611A.55; 611A.56; 611A.71; 611A.74; 611A.75; and 611A.76.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 2. [DEPARTMENT OF EMPLOYEE RELATIONS.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "commissioner of employee relations" (or "commissioner" when referring to commissioner of employee relations), "department of employee relations" (or "department" when referring to the department of employee relations), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 299A.41 to 299A.47, as renumbered by this subdivision.

(b) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall renumber each section of Minnesota Statutes specified in column A with the number set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.

Column A

Column B

<u>299A.41</u>	<u>176B.011</u>
<u>299A.42</u>	<u>176B.06</u>
<u>299A.43</u>	<u>176B.07</u>
<u>299A.44</u>	<u>176B.08</u>
<u>299A.45</u>	<u>176B.09</u>
<u>299A.46</u>	<u>176B.10</u>
<u>299A.47</u>	<u>176B.11</u>

(c) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 3. [BUREAU OF CRIMINAL APPREHENSION.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "superintendent of the bureau of criminal apprehension" (or "superintendent" when referring to the superintendent of the bureau of criminal apprehension), "bureau of criminal apprehension" (or "bureau" when referring to the bureau of criminal apprehension), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 10A.01, subdivision 18; 123.75; 123.751; 144.653; 144A.10; 144B.10; 169.123, subdivision 3; 176.192; 214.04, subdivision 1; 242.31; 243.166; 270.062; 299A.28; 299A.33; 299A.34; 299A.35; 299A.38; 299C.065; 299C.17; 299C.23; 299C.46; 299C.48; 299C.49; 299C.52; 299C.53; 299C.54; 299C.55; 299F.011; 299F.19; 299F.362; 299F.46; 299F.73; 299F.75; 299F.78; 299L.02, subdivision 2; 299L.03; 299L.07; 299M.01 to 299M.12; 325F.04; 349.162; 349.163; 349.19; 471.471; 477A.0121; 604.09; 611A.02, subdivision 2; 611A.0311; 611A.07; 624.7131; 624.714; 624.7161; 626.553; 626.5532; and 634.15.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 4. [OFFICE OF THE GOVERNOR.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "governor" or "office of the governor," or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, section 326.33.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 5. [DEPARTMENT OF COMMERCE.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "commissioner of commerce" (or "commissioner" when referring to commissioner of commerce), "department of commerce" (or "department" when referring to the department of commerce), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 85.34; 297C.03; 297C.10, subdivision 2; 297C.12; 297C.13, subdivision 1; 340A.101; 340A.301 to 340A.909; 383C.28; and 383C.29.

(b) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall renumber Minnesota Statutes, section 299A.02, as 340A.2011 and make necessary cross-reference changes consistent with the renumbering.

(c) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 6. [DEPARTMENT OF PUBLIC SERVICE.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "commissioner of public service" (or "commissioner" when referring to commissioner of public service), "department of public service" (or "department" when referring to the department of public service), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 12.01 to 12.46; 115E.01 to 115E.09; 136C.70; 216D.01; 221.034; 299A.49 to 299A.52; 299F.092 to 299F.098; and 299K.02 to 299K.07.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 7. [POLLUTION CONTROL AGENCY.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety), or similar terms to "commissioner of pollution control agency" (or "commissioner" when referring to commissioner of pollution control agency), "department of pollution control agency" (or "department" when referring to the department of pollution control agency), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 299F.56; and 299J.01 to 299J.18.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Subd. 8. [DEPARTMENT OF TRANSPORTATION.] (a) In Minnesota Statutes 1993 Supplement, the revisor of statutes shall change the terms "commissioner of public safety" (or "commissioner" when referring to the commissioner of public safety), "department of public safety" (or "department" when referring to the department of public safety),

or similar terms to "commissioner of transportation" (or "commissioner" when referring to commissioner of transportation), "department of transportation" (or "department" when referring to the department of transportation), or similar terms, as appropriate and consistent with this act, where they appear in Minnesota Statutes 1992, sections 13.69; 13.99, subdivisions 54 to 57; 14.50 (editorial note); 16B.48; 48.512; 65B.02; 65B.13; 84.82; 84.86; 84.87; 84.872; 84.88; 84.91; 84.922; 84.924; 84.925; 84.9256; 84.928; 86B.005; 86B.331; 86B.335; 86B.401; 86B.415; 86B.820; 97B.065; 116.60; 116C.731; 126.112; 126.115; 126.15; 145.927; 152.18; 161.041; 161.242; 168.012 to 168.125; 168.126, subdivisions 1 and 2; 168.127 to 168.321; 168.33 to 168.846; 168C.01 to 168C.13; 169.01 to 169.122; 169.123, subdivisions 4, 5, 5a, 5b, 5c, 6, and 8; 169.125 to 169.75; 169.752 to 169.782; 169.79 to 169.99; 170.55; 171.01; 171.02 to 171.27; 171.30 to 171.56; 201.022; 201.161; 221.031; 221.034; 260.151; 260.161; 260.185; 260.191; 260.193; 260.195; 296.026; 296.17; 296.171; 297A.211; 299A.12; 299A.13; 299A.14; 299A.16; 299A.18; 299D.01 to 299D.09; 299E.01; 299E.02; 325F.662; 325F.665; 373.041; 373.35; 480.23; 593.37; 609.135; 609.324; 609.531; 609.5314; 626.88; and 631.40.

(b) The revisor of statutes shall make similar conforming corrections to Minnesota Rules.

Sec. 57. [EFFECTIVE DATE.]

Except for section 1, subdivision 2, paragraph (b), this act takes effect July 1, 1993."

Delete the title and insert:

"A bill for an act relating to state departments; abolishing department of public safety and transferring certain responsibilities and personnel to other agencies; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 13.99, subdivision 82; 15.01; 15A.081, subdivision 1; 16B.14; 16B.46; 16B.54, subdivision 2; 43A.05, subdivision 4; 43A.34, subdivision 4; 65B.28, subdivision 2; 161.125, subdivision 3; 161.20, subdivision 4; 161.465; 168.011, by adding subdivisions; 168.126, subdivision 3; 168.325; 169.751; 169.783, subdivision 1; 170.23; 170.24; 171.015; 216C.19, subdivision 1; 218.031, subdivision 2; 270.73, subdivision 1; 297B.01, subdivision 3; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.30; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01; 299C.03; 299C.06; 299C.13; 299C.50; 299F.01; 299F.05, subdivision 2; 299L.01, subdivision 1; 340A.201; 347.51, subdivision 2a; 349.151, subdivision 2; 352B.01, subdivision 2; 360.0752, subdivision 7; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16; repealing Minnesota Statutes 1992, sections 168.325, subdivision 4; 171.015, subdivisions 1 and 5; 270B.12, subdivision 4; and 299A.01; Laws 1987, chapter 315, section 4, subdivision 2; Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 357, A bill for an act relating to traffic regulations; authorizing delayed arrest of driver and penalizing vehicle owner or lessee for failure to yield right-of-way to emergency vehicle; amending Minnesota Statutes 1992, section 169.20, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 169.20, is amended by adding a subdivision to read:

Subd. 5a. [CITATION.] A peace officer may issue a citation in lieu of arrest to the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has failed to yield the right-of-way to an emergency vehicle in violation of subdivision 5.

Sec. 2. Minnesota Statutes 1992, section 169.20, is amended by adding a subdivision to read:

Subd. 5b. [VIOLATION; PENALTY FOR OWNERS AND LESSEES.] (a) If a motor vehicle is operated in violation of subdivision 5, the owner of the vehicle, or for a leased motor vehicle the lessee of the vehicle, is guilty of a petty misdemeanor.

(b) Paragraph (a) does not apply if (1) a person other than the owner or lessee was operating the vehicle at the time the violation occurred, or (2) the owner presents written evidence that the motor vehicle had been reported to a law enforcement agency as stolen at the time of the violation.

(c) Paragraph (a) does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee.

(d) Paragraph (a) does not prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 5.

(e) A violation under paragraph (a) does not constitute grounds for revocation or suspension of the owner's or lessee's driver's license."

Amend the title as follows:

Page 1, line 2, delete "delayed" and insert "citation in lieu of"

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. 390, A bill for an act relating to solid waste; requiring the commissioner of revenue to separately account for revenue from sales taxes on solid waste collection services; appropriating money; amending Minnesota Statutes 1992, section 297A.45, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete section 2, and insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for revenue collected after January 1, 1994."

Amend the title as follows:

Page 1, line 5, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 451, A bill for an act relating to the metropolitan transit commission; authorizing the commission to appoint peace officers and establish a law enforcement agency; amending Minnesota Statutes 1992, sections 473.405, by adding subdivisions; and 626.84, subdivision 1; repealing Minnesota Statutes 1992, section 629.40, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [473.407] [METROPOLITAN TRANSIT COMMISSION POLICE.]

Subdivision 1. [AUTHORIZATION.] The 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 metropolitan transit commission property, equipment, employees, and passengers.

Subd. 2. [LIMITATIONS.] The initial processing of a person arrested by the transit commission police for an offense within the agency's jurisdiction is the responsibility of the metropolitan transit commission police unless otherwise directed by the law enforcement agency with primary jurisdiction. A subsequent investigation is the responsibility of the law enforcement agency of the jurisdiction in which the crime was committed. The transit commission police are not authorized to apply for a search warrant as prescribed in section 626.05.

Subd. 3. [POLICIES.] Before the metropolitan transit commission begins to operate its law enforcement agency within a city or county with an existing law enforcement agency, the metropolitan transit commission police shall develop, in conjunction with the law enforcement agencies, written policies that describe how the issues of joint jurisdiction will be resolved. The policies must also address the operation of emergency vehicles by transit commission police responding to commission emergencies. These policies must be filed with the board of peace officer standards and training by August 1, 1993. Revisions of any of these policies must be filed with the board within ten days of the effective date of the revision. The metropolitan transit commission shall train all of its peace officers regarding the application of these policies.

Subd. 4. [CHIEF LAW ENFORCEMENT OFFICER.] The commission shall appoint a peace officer employed full time to be the chief law enforcement officer and to be responsible for the management of the law enforcement agency. The person shall possess the necessary police and management experience and have the title of chief of metropolitan transit commission police services. All other police management and supervisory personnel must be employed full time by the commission. Supervisory personnel must be on duty and available any time transit commission police are on duty. The commission may not hire part-time peace officers as defined in section 626.84, subdivision 1, paragraph (f), except that the commission may appoint peace officers to work on a part-time basis not to exceed 30 full-time equivalents.

Subd. 5. [EMERGENCIES.] (a) The commission shall ensure that all emergency vehicles used by transit commission police are equipped with radios capable of receiving and transmitting on the same frequencies utilized by the law enforcement agencies that have primary jurisdiction.

(b) When the transit commission police receive an emergency call they shall notify the public safety agency with primary jurisdiction and coordinate the appropriate response.

(c) Transit commission police officers shall notify the primary jurisdictions of their response to any emergency.

Subd. 6. [COMPLIANCE.] Except as otherwise provided in this section, the transit commission police shall comply with all statutes and administrative rules relating to the operation and management of a law enforcement agency.

Sec. 2. [INSTRUCTION TO REVISOR.]

The revisor shall substitute the reference "473.407" for the reference "629.40, subdivision 5" in Minnesota Statutes, section 352.01, subdivision 2b, clause (34).

Sec. 3. [REPEALER.]

Minnesota Statutes 1992, section 629.40, subdivision 5, is repealed.

Sec. 4. [APPLICATION.]

This act applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Amend the title as follows:

Page 1, line 4, delete "amending"

Page 1, delete line 5

Page 1, line 6, delete everything before "repealing" and insert "proposing coding for new law in Minnesota Statutes, chapter 473;"

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 483, A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 573, A bill for an act relating to crimes; modifying requirements for the dispensing of controlled substance; amending Minnesota Statutes 1992, sections 152.01, by adding a subdivision; and 152.11.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 726, A bill for an act relating to health; modifying provisions relating to asbestos abatement, licenses, and fees; consolidating and modifying enforcement remedies; providing penalties; amending Minnesota Statutes 1992, sections 103I.345, subdivision 1; 116.75; 116.76, subdivision 1; 116.77; 116.82, subdivision 3; 144.71, subdivision 1; 144.876, by adding a subdivision; 145A.07, subdivision 1; 326.37, subdivision 1; 326.71, subdivisions 3, 4, 5, 6, 8, and by adding subdivisions; 326.72; 326.73; 326.74; 326.75; 326.76; 326.78; 326.785; 326.79; 326.80; 326.81; 327.16, subdivision 6; and 327.20, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1992, sections 103I.701; 103I.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 157.081; 326.43; 326.53, subdivision 2; 326.63; 326.71, subdivision 7; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2.

Reported the same back with the following amendments:

Page 8, line 32, after "326.78," insert "subdivision 1,"

Page 8, delete line 34

Page 9, after line 24, insert:

"Sec. 17. Minnesota Statutes 1992, section 326.78, subdivision 2, is amended to read:"

Delete page 9, line 32 to page 13, line 26

Pages 13 to 15, delete sections 18 and 19

Renumber the sections in article 1

Page 20, line 1, delete the second comma and insert "; if the applicant has violated Minnesota laws that indicate that the person is not fit to hold a permit, license, registration, or certificate; if the person has been convicted of a criminal violation in another state or jurisdiction in connection with the activity for which the person is seeking a permit, license, registration, or certificate;"

Page 21, line 9, after "violations" insert "including the history of any previous violations by the person licensed as a different entity"

Page 25, line 13, before "A" insert "Subdivision 1. [SUBMITTING FALSE INFORMATION.]"

Page 25, after line 19, insert:

"Subd. 2. [POSSESSION OF FALSIFIED LICENSE.] A person required to have a permit, license, registration, or certificate under the statutes listed in section 144.99, subdivision 1, may not use or possess a permit, license, registration, or certificate that has been falsified and may not forge or alter a permit, license, registration, or certificate."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after "326.78" insert ", subdivisions 1 and 2" and delete "326.79; 326.80;"

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. 898, A bill for an act relating to natural resources; clarifying, modifying, and expanding rulemaking authority and other powers and duties of the commissioner of natural resources relating to game and fish, wild rice, stromatolites, and cross-country ski passes; clarifying, modifying, and expanding provisions relating to the taking, purchase, sale, possession, and transportation of wild animals; regulating entry and uses on certain public lands and waters; providing for the expiration of certain commissioner's orders; providing an exemption from rulemaking requirements; authorizing emergency rules; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 84.14, subdivision 3; 84.1525, subdivision 2; 85.41, subdivision 2; 85.45; 97A.045, subdivision 4, and by adding a subdivision; 97A.055, by adding a subdivision; 97A.091, subdivisions 1 and 2; 97A.095, subdivision 2; 97A.105, subdivision 1, and by adding a subdivision; 97A.137; 97A.255, subdivision 2; 97A.401, subdivision 4; 97A.415, subdivision 2; 97A.431, subdivisions 1 and 4; 97A.433, subdivisions 1 and 4; 97A.435, subdivision 4; 97A.441, by adding a subdivision; 97A.475, by adding a subdivision; 97A.485, subdivision 6, and by adding a subdivision; 97A.505, subdivision 5, and by adding a subdivision; 97A.535, subdivision 2; 97A.545, subdivisions 1, 2, 4, and by adding a

subdivision; 97A.551, by adding a subdivision; 97B.425; 97B.671, subdivisions 1 and 2; 97B.711, subdivision 2, and by adding a subdivision; 97B.721; 97B.811, by adding a subdivision; 97C.025; 97C.051, subdivision 1; 97C.081, subdivisions 2, 3, and by adding a subdivision; 97C.205; 97C.311; 97C.331; 97C.345, subdivision 4, and by adding a subdivision; 97C.391, subdivision 1; 97C.405; 97C.505, subdivision 1; 97C.601, subdivision 6; 97C.805, subdivisions 1, 2, and 4; and 97C.865; Laws 1991, chapter 259, section 24; proposing coding for new law in Minnesota Statutes, chapters 97A; 97B; and 97C.

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. 931, A bill for an act relating to motor fuels; increasing oxygenate level requirements for gasoline; enhancing capital access program; appropriating money; amending Minnesota Statutes 1992, sections 116.07, subdivision 4a; 116J.876, subdivisions 1, 12, and by adding a subdivision; and 239.791, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 239.791, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM OXYGEN CONTENT REQUIRED.] A person responsible for the product shall comply with the following requirements:

(a) After October 31, ~~1992~~ 1993, gasoline sold or offered for sale in a carbon monoxide control area, and during a carbon monoxide control period, must contain at least ~~two~~ 2.7 percent oxygen by weight.

(b) After October 31, 1995, gasoline sold or offered for sale at any time in a carbon monoxide control area must contain at least ~~two~~ 2.7 percent by oxygen by weight.

(c) After October 31, 1997, all gasoline sold or offered for sale in Minnesota must contain at least ~~two~~ 2.7 percent oxygen by weight.

Sec. 2. Minnesota Statutes 1992, section 239.791, subdivision 2, is amended to read:

Subd. 2. [AVERAGE OXYGEN CONTENT REQUIRED.] After October 31, ~~1992~~ 1993, the total amount of gasoline distributed, transported, delivered, sold, or offered for sale by a registered oxygenate blender, during each annual carbon monoxide control period, in each carbon monoxide control area, must contain ~~an average a~~ minimum of 2.7 percent oxygen by weight."

Delete the title and insert:

"A bill for an act relating to motor fuels; increasing minimum oxygen content in certain areas at certain times; amending Minnesota Statutes 1992, section 239.791, subdivisions 1 and 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 986, A bill for an act relating to metropolitan government; establishing a metropolitan radio systems planning committee under the metropolitan council.

Reported the same back with the following amendments:

Page 1, line 19, delete everything after "area"

Page 1, line 20, delete everything before the period and insert "defined in Minnesota Statutes, section 473.121, subdivision 2"

Page 2, line 1, delete "shall" and insert "consists"

Page 2, line 2, delete "consist" and after the period insert "No more than 16 members may be of one gender, unless there are not enough qualified persons of the underrepresented gender. Appointing authorities must consult with each other to assure compliance with this requirement." and delete "shall" and insert "must"

Page 2, lines 4, 7, 11, 13, 14, 16, 18, 20, 22, and 24, delete "shall" and insert "must"

Page 2, line 27, delete "shall" and insert "must"

Page 3, line 32, delete ". This"

Page 3, delete lines 33 and 34

Page 3, line 35, delete everything before the semicolon

Page 4, after line 2, insert:

"The analysis required by clause (6) must include, at a minimum, obtaining responses to "requests for information" for budgetary cost estimates for the options from at least two private vendors."

Page 4, line 7, delete ", and which" and insert ". The" and delete "shall" and insert "must"

Page 4, lines 13 and 19, delete "shall" and insert "must"

Page 4, line 23, delete "must" and insert "shall"

Page 4, line 34, delete "continue to" and after "borrow" insert "more than \$200,000"

Page 5, line 2, delete "metropolitan area" and insert "counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington"

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. 1106, A bill for an act relating to the environment; changing methods for assessing and collecting hazardous waste administration fees; providing for rulemaking; amending Minnesota Statutes 1992, section 116.12.

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1206, A bill for an act relating to commerce; trade practices; regulating transfers and sales of recordings; prescribing penalties; amending Minnesota Statutes 1992, sections 325E.17; 325E.18; and 325E.19; proposing coding for new law in Minnesota Statutes, chapter 325E; repealing Minnesota Statutes 1992, section 325E.20.

Reported the same back with the following amendments:

Page 1, line 11, delete "325E.203" and insert "325E.201"

Page 2, line 4, before "knowingly" insert "for commercial purposes"

Page 2, line 5, strike "to"

Page 2, line 6, strike "for commercial purposes" and insert "to"

Page 2, line 7, reinstate "~~sounds~~" and insert "or images from one recording to another recording"

Page 2, line 10, delete "recordings"

Page 2, line 11, after "(2)" insert "to"

Page 2, line 24, before "to" insert "for commercial purposes"

Page 2, line 36, delete "325E.203" and insert "325E.201"

Page 3, line 9, delete "sections 325E.169 to 325E.203" and insert "section 325E.17 or 325E.18"

Pages 3 and 4, delete sections 6 and 7

Page 4, after line 2, insert:

"Sec. 6. Minnesota Statutes 1992, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5317, 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 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, 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; 609.671, 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.

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

Page 4, line 3, delete "8" and insert "7"

Page 4, after line 4, insert:

"Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective October 1, 1993, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 5, delete "and" and before "proposing" insert "and 609.531, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1245, A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; proposing classifications of data as private and nonpublic; classifying certain licensing data, security service data, motor carrier operating data, and retirement data; amending Minnesota Statutes 1992, sections 13.32, subdivision 1; 13.41, subdivision 4; 13.42, subdivision 2; 13.46, subdivision 4; 13.643, by adding a subdivision; 13.72, by adding a subdivision; and 13.82, subdivisions 6 and 10; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [6.715] [CLASSIFICATION OF STATE AUDITOR'S DATA.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, "audit" means an examination, financial audit, compliance audit, or investigation performed by the state auditor.

(b) The definitions in section 13.02 apply to this section.

Subd. 2. [CLASSIFICATION.] Data relating to an audit are protected nonpublic data or confidential data on individuals, until the final report of the audit has been published or the audit is no longer being actively pursued. Data that support the conclusions of the report and that the state auditor reasonably believes will result in litigation are protected nonpublic data or confidential data on individuals, until the litigation has been completed or is no longer being actively pursued. Data on individuals that could reasonably be used to determine the identity of an individual supplying data for an audit are private if the data supplied by the individual were needed for an audit and the individual would not have provided the data to the state auditor without an assurance that the individual's identity would remain private, or the state auditor reasonably believes that the subject would not have provided the data. Data that could reasonably be used to determine the identity of an individual supplying data pursuant to section 609.456 are private.

Subd. 3. [LAW ENFORCEMENT.] Notwithstanding any provision to the contrary in subdivision 2, the state auditor may share data relating to an audit with appropriate local law enforcement agencies.

Sec. 2. Minnesota Statutes 1992, section 13.32, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Educational data" means data on individuals maintained by a public educational agency or institution or by a person acting for the agency or institution which relates to a student.

Records of instructional personnel which are in the sole possession of the maker thereof and are not accessible or revealed to any other individual except a substitute teacher, and are destroyed at the end of the school year, shall not be deemed to be government data.

Records of a law enforcement unit of a public educational agency or institution which are maintained apart from education data and are maintained solely for law enforcement purposes, and are not disclosed to individuals other than law enforcement officials of the jurisdiction are ~~confidential~~ not educational data; provided, that education records maintained by the educational agency or institution are not disclosed to the personnel of the law enforcement unit. The University of Minnesota police department is a law enforcement agency for purposes of section 13.82 and other sections of Minnesota Statutes dealing with law enforcement records. Records of organizations providing security services to a public educational agency or institution shall be administered consistent with section 13.861.

Records relating to a student who is employed by a public educational agency or institution which are made and maintained in the normal course of business, relate exclusively to the individual in that individual's capacity as an employee, and are not available for use for any other purpose are classified pursuant to section 13.43.

(b) "Student" means an individual currently or formerly enrolled or registered, applicants for enrollment or registration at a public educational agency or institution, or individuals who receive shared time educational services from a public agency or institution.

(c) "Substitute teacher" means an individual who performs on a temporary basis the duties of the individual who made the record, but does not include an individual who permanently succeeds to the position of the maker of the record.

Sec. 3. Minnesota Statutes 1992, section 13.32, subdivision 3, is amended to read:

Subd. 3. [PRIVATE DATA; WHEN DISCLOSURE IS PERMITTED.] Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

(a) Pursuant to section 13.05;

(b) Pursuant to a valid court order;

(c) Pursuant to a statute specifically authorizing access to the private data;

(d) To disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36 which are in effect on July 1, ~~1989~~ 1993;

(e) Pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3) and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, and 99.35 which are in effect on July 1, ~~1989~~ 1993; ~~or~~

(f) To appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted; ~~or~~

(g) When disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, chapter 1092, in effect on July 1, 1993.

Sec. 4. Minnesota Statutes 1992, section 13.41, subdivision 4, is amended to read:

Subd. 4. [PUBLIC DATA.] Licensing agency minutes, application data on licensees, orders for hearing, findings of fact, conclusions of law and specification of the final disciplinary action contained in the record of the disciplinary action are classified as public, pursuant to section 13.02, subdivision 15. The entire record concerning the disciplinary proceeding is public data pursuant to section 13.02, subdivision 15, in those instances where there is a public hearing concerning the disciplinary action. If the licensee and the licensing agency agree to resolve a complaint without a hearing, the agreement and the specific reasons for the agreement are public data. The license numbers, the license status, and continuing education records issued or maintained by the board of peace officer standards and training are classified as public data, pursuant to section 13.02, subdivision 15.

Sec. 5. Minnesota Statutes 1992, section 13.43, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] (a) Except for employees described in subdivision 5, the following personnel data on current and former employees, volunteers, and independent contractors of a state agency, statewide system, or political subdivision and members of advisory boards or commissions is public: name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; job title; job description; education and training background; previous work experience; date of first and last employment; the existence and status of any complaints or charges against the employee, whether or not the complaint or charge resulted in a disciplinary action; the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body; the terms of any agreement settling ~~administrative or judicial proceedings~~ any dispute arising out of the employment relationship; work location; a work telephone number; badge number; honors and awards received; payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data; and city and county of residence.

(b) For purposes of this subdivision, a final disposition occurs when the state agency, statewide system, or political subdivision makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the state agency, statewide system, political subdivision, or arbitrator.

(c) The state agency, statewide system, or political subdivision may display a photograph of a current or former employee to a prospective witness as part of the state agency's, statewide system's, or political subdivision's investigation of any complaint or charge against the employee.

Sec. 6. Minnesota Statutes 1992, section 13.46, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Individual" means an individual pursuant to section 13.02, subdivision 8, but does not include a vendor of services.

(b) "Program" includes all programs for which authority is vested in a component of the welfare system pursuant to statute or federal law, including, but not limited to, aid to families with dependent children, medical assistance, general assistance, work readiness, and general assistance medical care.

(c) "Welfare system" includes the department of human services, county welfare boards, county welfare agencies, human services boards, community mental health center boards, state hospitals, state nursing homes, the ombudsman for mental health and mental retardation, and persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, mental health divisions of counties and other providers under contract to deliver mental health services, or the ombudsman for mental health and mental retardation.

Sec. 7. Minnesota Statutes 1992, 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; or
- (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 or medical assistance may be disclosed to law enforcement officers in accordance with the requirements of Code of Federal Regulations, title 45, section 205.50, under the following circumstances: (i) the recipient is a fugitive felon; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in the proper exercise of those duties;
- (16) the current address of a recipient of general assistance, work readiness, or general assistance medical care may be disclosed 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) 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. 8. Minnesota Statutes 1992, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] (a) As used in this subdivision:

(1) "licensing data" means all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" means social security numbers, identity of and letters of reference, insurance information, reports from the bureau of criminal apprehension, health examination reports, and social/home studies.

(b) Except as provided in paragraph (c), the following data on current and former licensees are public: name, address, telephone number of licensees, licensed capacity, type of client preferred, variances granted, type of dwelling, name and relationship of other family members, previous license history, class of license, and the existence and status of complaints. When disciplinary action has been taken against a licensee or the complaint is resolved, the following data are public: the substance of the complaint, the findings of the investigation of the complaint, the record of informal resolution of a licensing violation, orders of hearing, findings of fact, conclusions of law, and specifications of the final disciplinary action contained in the record of disciplinary action.

In addition, the following data are public in the case of persons licensed under Minnesota Rules, parts 9502.0300 to 9502.0445 to provide family day care for children; 9545.0010 to 9545.0260 to provide foster care for children in the provider's own home; or 9555.5050 to 9555.6265 to provide foster care or day care services for adults in the provider's own home: the nature of any disqualification set aside under section 245A.04, subdivision 3b, and the reasons for setting aside the disqualification; and the reasons for granting any variance under section 245A.04, subdivision 9.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters under sections 626.556 and 626.557 may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning the disciplinary action.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, are subject to the destruction provisions of section 626.556, subdivision 11.

Sec. 9. [13.63] [MINNEAPOLIS EMPLOYEES RETIREMENT FUND DATA.]

Subdivision 1. [BENEFICIARY AND SURVIVOR DATA.] The following data on beneficiaries and survivors of Minneapolis employees retirement fund members are private data on individuals: home address, date of birth, direct deposit account number, and tax withholding data.

Subd. 2. [LIMITS ON DISCLOSURE.] Required disclosure of data about members, survivors, and beneficiaries is limited to name, gross pension, and type of benefit awarded.

Sec. 10. Minnesota Statutes 1992, section 13.643, is amended to read:

13.643 [DEPARTMENT OF AGRICULTURE DATA.]

Subdivision 1. [LOAN AND GRANT APPLICANT DATA.] The following data on applicants, collected by the department of agriculture in its sustainable agriculture revolving loan and grant programs under sections 17.115 and 17.116, are private or nonpublic: nonfarm income; credit history; insurance coverage; machinery and equipment list; financial information; and credit information requests.

Subd. 2. [FARM ADVOCATE DATA.] The following data supplied by farmer clients to Minnesota farm advocates and to the department of agriculture are private data on individuals: financial history, including listings of assets and debts, and personal and emotional status information.

Sec. 11. Minnesota Statutes 1992, section 13.692, is amended to read:

13.692 [DEPARTMENT OF PUBLIC SERVICE DATA.]

Subdivision 1. [TENANT.] Data collected by the department of public service that reveals the identity of a tenant who makes a complaint regarding energy efficiency standards for rental housing are private data on individuals.

Subd. 2. [UTILITY OR TELEPHONE COMPANY EMPLOYEE OR CUSTOMER.] (a) The following are private data on individuals: data collected by the department of public service or the public utilities commission, including the names or any other data that would reveal the identity of either an employee or customer of a telephone company or public utility who files a complaint or provides information regarding a violation or suspected violation by the telephone company or public utility of any federal or state law or rule; except this data may be released as needed to law enforcement authorities. If the complainant is a utility or telephone customer seeking relief for harm suffered personally from the alleged violation, the name of the complainant may be released to the utility for the purpose of investigating the complaint.

(b) The following are private data on individuals: data collected by the commission or the department of public service on individual public utility or telephone company customers or prospective customers, including copies of tax forms, needed to administer federal or state programs that provide relief from telephone company bills, public utility bills, or cold weather disconnection. The names, addresses, and other information identifying the customers or prospective customers may be released to public utilities or telephone companies to administer the programs.

Sec. 12. Minnesota Statutes 1992, section 13.72, is amended by adding a subdivision to read:

Subd. 8. [MOTOR CARRIER OPERATING DATA.] The following data submitted by Minnesota intrastate motor carriers to the department of transportation are nonpublic: all payroll reports including wages, hours or miles worked, hours earned, employee benefit data, and terminal and route-specific operating data including percentage of revenues paid to agent operated terminals, line-haul load factors, pickup and delivery (PUD) activity, and peddle driver activity.

Sec. 13. Minnesota Statutes 1992, section 13.792, is amended to read:

13.792 [MINNESOTA ZOOLOGICAL GARDEN PRIVATE DONOR GIFT DATA.]

The following data maintained by the Minnesota zoological garden, any community college, technical college, the University of Minnesota, a Minnesota state university, and any related entity subject to chapter 13 are classified as private or nonpublic:

(1) research information about prospects and donors gathered to aid in determining appropriateness of solicitation and level of gift request;

- (2) specific data in prospect lists that would identify prospects to be solicited, dollar amounts to be requested, and name of solicitor;
- (3) portions of solicitation letters and proposals that identify the prospect being solicited and the dollar amount being requested;
- (4) letters, pledge cards, and other responses received from donors regarding prospective donors gifts in response to solicitations;
- (5) portions of thank-you letters and other gift acknowledgment communications that would identify the name of the donor and the specific amount of the gift, pledge, or pledge payment; ~~and~~
- (6) donor financial or estate planning information, or portions of memoranda, letters, or other documents commenting on any donor's financial circumstances; and
- (7) data detailing dates of gifts, payment schedule of gifts, form of gifts, and specific gift amounts made by donors ~~to the Minnesota zoo.~~

Names of donors and gift ranges are public data.

Sec. 14. Minnesota Statutes 1992, section 13.82, subdivision 4, is amended to read:

Subd. 4. [RESPONSE OR INCIDENT DATA.] The following data created or collected by law enforcement agencies which documents the agency's response to a request for service including, but not limited to, responses to traffic accidents, or which describes actions taken by the agency on its own initiative shall be public government data:

- (a) date, time and place of the action;
- (b) agencies, units of agencies and individual agency personnel participating in the action unless the identities of agency personnel qualify for protection under subdivision 10;
- (c) any resistance encountered by the agency;
- (d) any pursuit engaged in by the agency;
- (e) whether any weapons were used by the agency or other individuals;
- (f) a brief factual reconstruction of events associated with the action;
- (g) names and addresses of witnesses to the agency action or the incident unless the identity of any witness qualifies for protection under subdivision 10;
- (h) names and addresses of any victims or casualties unless the identities of those individuals qualify for protection under subdivision 10;
- (i) the name and location of the health care facility to which victims or casualties were taken;
- (j) response or incident report number; ~~and~~
- (k) dates of birth of the parties involved in a traffic accident; and
- (l) whether the parties involved were wearing seat belts, and the blood alcohol content of each driver.

Sec. 15. Minnesota Statutes 1992, section 13.82, subdivision 6, is amended to read:

Subd. 6. [ACCESS TO DATA FOR CRIME VICTIMS.] On receipt of a written request, the prosecuting authority shall release investigative data collected by a law enforcement agency to the victim of a criminal act or alleged

criminal act or to the victim's legal representative upon written request unless the prosecuting authority reasonably believes:

- (a) That the release of that data will interfere with the investigation; or
- (b) That the request is prompted by a desire on the part of the requester to engage in unlawful activities.

Sec. 16. Minnesota Statutes 1992, 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. 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 (d).

Sec. 17. [13.861] [SECURITY SERVICE DATA.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "Security service" means an organization that provides security services to a state agency or political subdivision as either a part of the governmental entity or under contract to it. Security service does not include a law enforcement agency.

(b) "Security service data" means all data collected, created, or maintained by a security service for the purpose of providing security services.

Subd. 2. [CLASSIFICATION.] Security service data that is similar to the data described as request for service data and response or incident data in section 13.82, subdivisions 3 and 4, is public. If personnel of a security service make a citizen's arrest then any security service data that is similar to the data described as arrest data in section 13.82, subdivision 2, is public. If a security service participates in but does not make an arrest it shall, upon request, provide data that identifies the arresting law enforcement agency. All other security service data is security information pursuant to section 13.37.

Sec. 18. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 3a. [STATE AUDITOR DATA.] Data relating to an audit under chapter 6 are classified under section 6.715.

Sec. 19. Minnesota Statutes 1992, section 13.99, subdivision 24, is amended to read:

Subd. 24. [SOLID WASTE FACILITY RECORDS.] (a) Records of solid waste facilities received, inspected, or copied by a county pursuant to section 115A.882 are classified pursuant to section 115A.882, subdivision 3.

(b) Customer lists provided to counties or cities by solid waste collectors are classified under section 115A.93.

Sec. 20. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 92a. [GAMBLING ENFORCEMENT INVESTIGATIVE DATA.] Data provided to the director of the division of gambling enforcement by a governmental entity located outside Minnesota for use in an authorized investigation, audit, or background check are governed by section 299L.03, subdivision 11.

Sec. 21. Minnesota Statutes 1992, section 115A.93, is amended by adding a subdivision to read:

Subd. 5. [CUSTOMER DATA.] Customer lists provided to counties or cities by solid waste collectors are private data on individuals as defined in section 13.02, subdivision 12, with regard to data on individuals, or nonpublic data as defined in section 13.02, subdivision 9, with regard to data not on individuals.

Sec. 22. Minnesota Statutes 1992, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. Except as provided in paragraph (c), a consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) This subdivision does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) Notwithstanding paragraph (a), if a patient explicitly gives informed consent to the release of health records for the purposes and pursuant to the restrictions in clauses (1) and (2), the consent does not expire after one year for:

(1) the release of health records to a provider who is being advised or consulted with in connection with the current treatment of the patient;

(2) the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(i) the use or release of the records complies with sections 72A.49 to 72A.505;

(ii) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(iii) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(d) Until June 1, 1994, paragraph (a) does not prohibit the release of health records to qualified personnel solely for purposes of medical or scientific research, if the patient has not objected to a release for research purposes and the provider who releases the records makes a reasonable effort to determine that:

(i) the use or disclosure does not violate any limitations under which the record was collected;

(ii) the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(iii) the recipient has established and maintains adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(iv) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(e) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

(f) Upon the written request of a spouse, parent, child, or sibling of a patient being evaluated for or diagnosed with mental illness, a provider shall inquire of a patient whether the patient wishes to authorize a specific individual to receive information regarding the patient's current and proposed course of treatment. If the patient so authorizes, the provider shall communicate to the individual the patient's current and proposed course of treatment. Paragraph (a) applies to consents given under this paragraph.

Sec. 23. Minnesota Statutes 1992, section 144.335, is amended by adding a subdivision to read:

Subd. 3b. [INDEPENDENT MEDICAL EXAMINATION.] The provisions of this section which apply to a patient and a patient's health records also apply to the subject of an independent medical examination and the subject's health records. Notwithstanding subdivision 3a, a provider may release health records created as part of an independent medical examination to the third party who requested or paid for the examination.

Sec. 24. [144.6581] [DETERMINATION OF WHETHER DATA IDENTIFIES INDIVIDUALS.]

The commissioner of health may: (1) withhold access to health or epidemiologic data if the commissioner determines the data are data on an individual, as defined in section 13.02, subdivision 5; or (2) grant access to health or epidemiologic data, if the commissioner determines the data are summary data as defined in section 13.02, subdivision 19. In the exercise of this discretion, the commissioner shall consider whether the data requested, along or in combination, may constitute information from which an individual subject of data may be identified using epidemiologic methods. In making this determination, the commissioner shall consider disease incidence, associated risk factors for illness, and similar factors unique to the data by which it could be linked to a specific subject of the data. This discretion is limited to health or epidemiologic data maintained by the commissioner of health or a board of health, as defined in section 145A.02.

Sec. 25. Minnesota Statutes 1992, section 151.06, is amended by adding a subdivision to read:

Subd. 5. [CONFIDENTIALITY.] Upon the written request of a licensee or applicant, the board shall not release to any individual member of the public the home address or home telephone number of any licensed pharmacist or applicant without the express written permission of the licensee or applicant. The board is not prohibited from releasing a list of the names of all licensees, including addresses and telephone numbers, to other governmental units and private organizations that demonstrate a legitimate use for the information.

Sec. 26. Minnesota Statutes 1992, section 169.09, subdivision 7, is amended to read:

Subd. 7. [ACCIDENT REPORT TO COMMISSIONER.] The driver of a vehicle involved in an accident resulting in bodily injury to or death of any person or total property damage to an apparent extent of \$500 or more, shall forward a written report of the accident to the commissioner of public safety within ten days thereof. On the required report, the driver shall provide the commissioner with the name and policy number of the insurer providing vehicle liability coverage at the time of the accident. On determining that the original report of any driver of a vehicle involved in an accident of which report must be made as provided in this section is insufficient, the commissioner of public safety may require the driver to file supplementary reports.

Sec. 27. Minnesota Statutes 1992, section 169.09, subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL; FEE, PENALTY.] (a) All written reports and supplemental reports required under this section to be provided to the department of public safety shall be without prejudice to the individual so reporting and shall be for the confidential use of the department commissioner of public safety and

other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except that the department:

~~(1) the commissioner of public safety or any law enforcement department of any municipality or county in this state agency shall, upon written request of any person involved in an accident or upon written request of the representative of the person's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, the requester's legal counsel or a representative of the requester's insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.~~

~~Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Response or incident data may be released pursuant to section 13.82, subdivision 4.~~

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

~~Notwithstanding other provisions of this subdivision to the contrary, the report required under subdivision 8;~~

~~(2) the commissioner of public safety shall, upon written request, provide the driver filing a report under subdivision 7 with a copy of the report filed by the driver;~~

~~(3) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;~~

~~(4) the commissioner of public safety shall may give to the commissioner of transportation the name and address of a carrier subject to section 221.031 that is named in an accident report filed under subdivision 7 or 8. The commissioner of transportation may not release the name and address to any person. The commissioner shall use this information to enforce for use in enforcing accident report requirements under chapter 221. In addition, and~~

~~(5) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.~~

~~The department may charge authorized persons a \$5 fee for a copy of an accident report.~~

~~(b) Accident reports and data contained in the reports shall not be discoverable under any provision of law or rule of court. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the commissioner of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.~~

~~(c) Nothing in this subdivision prevents any person who has made a report pursuant to this section from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.~~

~~(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 4, or other statutes, is a misdemeanor.~~

(e) The commissioner of public safety may charge authorized persons a \$5 fee for a copy of an accident report.

(f) The commissioner and law enforcement agencies may charge commercial users who request access to accident report data a fee not to exceed 50 cents per report. "Commercial users" are nonmedia users who request access to data in more than five accident reports per month.

Sec. 28. Minnesota Statutes 1992, section 245A.04, subdivision 3, is amended to read:

Subd. 3. [STUDY OF THE APPLICANT.] (a) Before the commissioner issues a license, the commissioner shall conduct a study of the individuals specified in clauses (1) to (4) according to rules of the commissioner. The applicant, license holder, the bureau of criminal apprehension, and county agencies, after written notice to the individual who is the subject of the study, shall help with the study by giving the commissioner criminal conviction data and reports about abuse or neglect of adults in licensed programs substantiated under section 626.557 and the maltreatment of minors in licensed programs substantiated under section 626.556. The individuals to be studied shall include:

(1) the applicant;

(2) persons over the age of 13 living in the household where the licensed program will be provided;

(3) current employees or contractors of the applicant who will have direct contact with persons served by the program; and

(4) volunteers who have direct contact with persons served by the program to provide program services, if the contact is not directly supervised by the individuals listed in clause (1) or (3).

The juvenile courts shall also help with the study by giving the commissioner existing juvenile court records on individuals described in clause (2) relating to delinquency proceedings held within either the five years immediately preceding the application or the five years immediately preceding the individual's 18th birthday, whichever time period is longer. The commissioner shall destroy juvenile records obtained pursuant to this subdivision when the subject of the records reaches age 23.

For purposes of this subdivision, "direct contact" means providing face-to-face care, training, supervision, counseling, consultation, or medication assistance to persons served by a program. For purposes of this subdivision, "directly supervised" means an individual listed in clause (1) or (3) is within sight or hearing of a volunteer to the extent that the individual listed in clause (1) or (3) is capable at all times of intervening to protect the health and safety of the persons served by the program who have direct contact with the volunteer.

A study of an individual in clauses (1) to (4) shall be conducted on at least an annual basis. No applicant, license holder, or individual who is the subject of the study shall pay any fees required to conduct the study.

(b) The individual who is the subject of the study must provide the applicant or license holder with sufficient information to ensure an accurate study including the individual's first, middle, and last name; home address, city, county, and state of residence; zip code; sex; date of birth; and driver's license number. The applicant or license holder shall provide this information about an individual in paragraph (a), clauses (1) to (4), on forms prescribed by the commissioner. The commissioner may request additional information of the individual, which shall be optional for the individual to provide, such as the individual's social security number or race.

(c) Except for child foster care, adult foster care, and family day care homes, a study must include information from the county agency's record of substantiated abuse or neglect of adults in licensed programs, and the maltreatment of minors in licensed programs, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. For child foster care, adult foster care, and family day care homes, the study must include information from the county agency's record of substantiated abuse or neglect of adults, and the maltreatment of minors, information from juvenile courts as required in paragraph (a) for persons listed in paragraph (a), clause (2), and information from the bureau of criminal apprehension. The commissioner may also review arrest and investigative information from the bureau of criminal apprehension, a county attorney, county sheriff, county agency, local chief of police, other states, the courts, or a national criminal record repository if the commissioner has reasonable cause to believe the information is pertinent to the disqualification of an individual listed in paragraph (a), clauses (1) to (4).

(d) An applicant's or license holder's failure or refusal to cooperate with the commissioner is reasonable cause to deny an application or immediately suspend, suspend, or revoke a license. Failure or refusal of an individual to cooperate with the study is just cause for denying or terminating employment of the individual if the individual's failure or refusal to cooperate could cause the applicant's application to be denied or the license holder's license to be immediately suspended, suspended, or revoked.

(e) The commissioner shall not consider an application to be complete until all of the information required to be provided under this subdivision has been received.

(f) No person in paragraph (a), clause (1), (2), (3), or (4) who is disqualified as a result of this section may be retained by the agency in a position involving direct contact with persons served by the program.

(g) Termination of persons in paragraph (a), clause (1), (2), (3), or (4) made in good faith reliance on a notice of disqualification provided by the commissioner shall not subject the applicant or license holder to civil liability.

(h) The commissioner may establish records to fulfill the requirements of this section. ~~The information contained in the records is only available to the commissioner for the purpose authorized in this section.~~

(i) The commissioner may not disqualify an individual subject to a study under this section because that person has, or has had, a mental illness as defined in section 245.462, subdivision 20.

Sec. 29. Minnesota Statutes 1992, section 245A.04, subdivision 3a, is amended to read:

Subd. 3a. [NOTIFICATION TO SUBJECT OF STUDY RESULTS.] The commissioner shall notify the applicant or license holder and the individual who is the subject of the study, in writing, of the results of the study. When the study is completed, a notice that the study was undertaken and completed shall be maintained in the personnel files of the program.

The commissioner shall notify the individual studied if the information in the study indicates the individual is disqualified from direct contact with persons served by the program. The commissioner shall disclose the information to the individual studied. An applicant or license holder who is not the subject of the study shall be informed that the commissioner has found information that disqualifies the subject from direct contact with persons served by the program. ~~However, the applicant or license holder shall not be told what that information is unless the data practices act provides for release of the information and the individual studied authorizes the release of the information.~~

Sec. 30. Minnesota Statutes 1992, 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 the juvenile court in another jurisdiction to which the juvenile has moved, 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 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. ~~The legal~~ All court records ~~maintained in this file~~ 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. 31. Minnesota Statutes 1992, 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 ~~shall not be open to public inspection or their contents disclosed to the public except are private 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 (d). 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 as private data.~~

(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.

Sec. 32. Minnesota Statutes 1992, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE TO COMMISSIONER OF HUMAN SERVICES.] (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the social security numbers and names of participants in the telephone assistance plan operated under sections 237.69

to 237.711, with those of property tax refund filers, to ensure that eligibility continues for the telephone assistance plan.

Sec. 33. Minnesota Statutes 1992, section 270B.14, is amended by adding a subdivision to read:

Subd. 12. [DISCLOSURE TO OFFICE OF TOURISM.] The commissioner may disclose to the office of tourism in the department of trade and economic development, the name, address, standard industrial classification code, and telephone number of a travel or tourism related business that is authorized to collect sales and use tax. The data may be used only by the office of tourism for the purpose of contacting travel or tourism related businesses.

Sec. 34. Minnesota Statutes 1992, section 299L.03, is amended by adding a subdivision to read:

Subd. 11. [DATA CLASSIFICATION.] Data provided to the director, by a governmental entity located outside Minnesota for use in an authorized investigation, audit, or background check, has the same data access classification or restrictions on access, for the purposes of chapter 13, that it had in the entity providing it. If the classification or restriction on access in the entity providing the data is less restrictive than the Minnesota data classification, the Minnesota classification applies.

Data classified as not public by this section are only discoverable as follows:

(1) the data are subject to discovery in a legal proceeding; and

(2) the data are discoverable in a civil or administrative proceeding if the subject matter of the proceeding is a final agency decision adverse to the party seeking discovery of the data.

Sec. 35. Minnesota Statutes 1992, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] Except as provided in subdivisions 10b, 10d, 10g, and 11b, all records concerning individuals maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff. Reports maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners. Section 13.82, subdivisions 5, 5a, and 5b, apply to law enforcement data other than the reports. The welfare board shall make available to the investigating, petitioning, or prosecuting authority, including county medical examiners or county coroners, any records which contain information relating to a specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. In conducting investigations and assessments pursuant to this section, the notice required by section 13.04, subdivision 2, need not be provided to a minor under the age of ten who is the alleged victim of abuse or neglect. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation except as otherwise permitted by this subdivision. Any person conducting an investigation or assessment under this section who intentionally discloses the identity of a reporter prior to the completion of the investigation or assessment is guilty of a misdemeanor. After the assessment or investigation is completed, the name of the reporter shall be confidential. 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.

Sec. 36. Minnesota Statutes 1992, section 626.556, subdivision 11c, is amended to read:

Subd. 11c. [WELFARE, COURT SERVICES AGENCY, AND SCHOOL RECORDS MAINTAINED.] Notwithstanding sections 138.163 and 138.17, records maintained or records derived from reports of abuse by local welfare agencies, court services agencies, or schools under this section shall be destroyed as provided in paragraphs (a) to (d) by the responsible authority.

(a) If upon assessment or investigation there is no determination of maltreatment or the need for child protective services, the records may be maintained for a period of four years. After the individual alleged to have maltreated

a child is notified under subdivision 10f of the determinations at the conclusion of the assessment or investigation, upon that individual's request, records shall be destroyed within 30 days.

(b) All records relating to reports which, upon assessment or investigation, indicate either maltreatment or a need for child protective services shall be destroyed seven ten years after the date of the final entry in the case record.

(c) All records regarding a report of maltreatment, including any notification of intent to interview which was received by a school under subdivision 10, paragraph (d), shall be destroyed by the school when ordered to do so by the agency conducting the assessment or investigation. The agency shall order the destruction of the notification when other records relating to the report under investigation or assessment are destroyed under this subdivision.

(d) Private or confidential data released to a court services agency under subdivision 10h must be destroyed by the court services agency when ordered to do so by the local welfare agency that released the data. The local welfare agency shall order destruction of the data when other records relating to the assessment or investigation are destroyed under this subdivision.

Sec. 37. [HENNEPIN COUNTY FOSTER CARE REVIEW TEAM; DATA ACCESS.]

The foster care policy redesign commission and the foster care review team created by the Hennepin county board of commissioners to review the foster care system shall have access to not public data as defined in Minnesota Statutes, section 13.02, subdivision 8a, as provided in this section. The commission and the team shall have access to not public data on foster care cases. Access is limited to records created, collected, or maintained by any local social services agency that provided services to a child or a child's family during the five years immediately preceding any out-of-home placement of the child and continuing throughout the period of the placement until the child was returned to the custody of a parent, adopted, or otherwise was no longer the subject of a case plan developed by a county social service agency. A county social service agency shall provide the not public data described in this section to the foster care review team or the foster care policy redesign commissioner upon request.

Sec. 38. [REPEALER.]

Minnesota Statutes 1992, sections 13.644; and 13.82, subdivision 5b, are repealed.

Sec. 39. [EFFECTIVE DATE; APPLICATION.]

Sections 8, 25, 28, and 29 are effective the day following final enactment. Section 23 is effective the day following final enactment and applies to health records created before, on, or after that date. Nothing in section 23 creates a physician-patient relationship."

Delete the title and insert:

"A bill for an act relating to data practices; providing for the collection, classification, and dissemination of data; proposing classifications of data as not public; classifying certain licensing data, security service data, motor carrier operating data, retirement data and other forms of data; amending Minnesota Statutes 1992, sections 13.32, subdivisions 1 and 3; 13.41, subdivision 4; 13.43, subdivision 2; 13.46, subdivisions 1, 2, and 4; 13.643; 13.692; 13.72, by adding a subdivision; 13.792; 13.82, subdivisions 4, 6, and 10; 13.99, subdivision 24, and by adding subdivisions; 115A.93, by adding a subdivision; 144.335, subdivision 3a, and by adding a subdivision; 151.06, by adding a subdivision; 169.09, subdivisions 7 and 13; 245A.04, subdivisions 3 and 3a; 260.161, subdivisions 1 and 3; 270B.14, subdivision 1, and by adding a subdivision; 299L.03, by adding a subdivision; and 626.556, subdivisions 11 and 11c; proposing coding for new law in Minnesota Statutes, chapters 6; 13; and 144; repealing Minnesota Statutes 1992, sections 13.644; and 13.82, subdivision 5b."

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

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1247, A bill for an act relating to motor vehicles; increasing penalty for fraudulently allowing use or possession of certificate of title; establishing automobile theft prevention program and creating board; increasing penalty for falsely reporting crime; amending Minnesota Statutes 1992, sections 168A.30; and 609.505; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reported the same back with the following amendments:

Pages 1 and 2, delete section 1

Page 2, line 15, after "CREATED" insert "; MEMBERSHIP"

Page 2, line 23, after the period insert "The board is governed by section 15.0575 except that the terms of the members are two years."

Page 2, after line 25, insert:

"(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) audit at its own discretion the plans and programs that it has funded in whole or in part in order to evaluate the effectiveness of the plans and programs, and withdraw funding should the authority determine that a plan or program is ineffective or is no longer in need of further financial support from the fund."

Page 2, line 26, delete "(1)" and insert "(4)"

Page 2, line 33, delete "(2)" and insert "(5)"

Page 3, delete lines 24 to 32, and insert:

"Subd. 3. [SURCHARGE.] Each insurer engaged in the writing of policies of automobile insurance shall collect a surcharge, at the rate of 50 cents per vehicle for every six months of coverage, on each policy of automobile insurance providing comprehensive insurance coverage issued or renewed in this state. The surcharge may not be considered premium for any purpose, including the computation of premium tax or agents' commissions. The amount of the surcharge must be separately stated on either a billing or policy declaration sent to an insured. Insurers shall remit the revenue derived from this surcharge to the board for purposes of the automobile theft prevention program. For purposes of this subdivision, "policy of automobile insurance" has the meaning given it in section 65B.14, except that no vehicle with a gross vehicle weight in excess of 10,000 pounds is included within this definition."

Page 3, line 35, delete "fee" and insert "surcharge"

Page 4, delete section 3, and insert:

"Sec. 2. [INITIAL TERMS.]

Notwithstanding section 1, subdivision 1, in making the initial appointments to the board established by that subdivision the governor shall appoint four members to two-year terms and three members to one-year terms.

Sec. 3. [COMMENCEMENT OF SURCHARGE.]

Each insurer governed by section 1, subdivision 3, shall begin to collect and remit the surcharge required by that subdivision on January 1, 1994."

Page 4, delete line 12

Page 4, line 13, delete everything before "effective" and insert "Sections 1 to 3 are"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "of title;"

Page 1, line 5, delete everything after the semicolon

Page 1, delete line 6

Page 1, line 7, delete everything before "proposing"

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1407, A bill for an act relating to occupations and professions; board of architecture, engineering, land surveying, landscape architecture, and certified interior designer; establishing a procedure for issuance, denial, revocation, and suspension of licenses; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 326.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1992, section 326.04, is amended to read:

326.04 [BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, AND INTERIOR DESIGN.]

To carry out the provisions of sections 326.02 to 326.15 there is hereby created a board of architecture, engineering, land surveying, landscape architecture, and interior design (hereinafter called the board) consisting of 20 members, who shall be appointed by the governor. No more than ten members may be of one gender. Three members shall be licensed architects, five members shall be licensed engineers, one member shall be a licensed landscape architect, two members shall be licensed land surveyors, one member shall be a certified interior designer, and eight members shall be public members. Not more than one member of said board shall be from the same branch of the profession of engineering. The first certified interior designer member and seventh and eighth members shall be appointed as soon as possible and no later than 60 days after August 1, 1992, and shall serve for a term to end on January 1, 1994. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214."

Page 8, after line 5, insert:

"Sec. 3. [APPLICABILITY.]

Section 1 applies to appointments made after the effective date of that section. Section 1 does not require displacement of an incumbent member of the board until the end of the member's term."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 4, after the semicolon insert "modifying composition of board;"

Page 1, line 7, after the semicolon insert "amending Minnesota Statutes 1992, section 326.04;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1495, A bill for an act relating to child labor; changing penalty provisions of the child labor law; amending Minnesota Statutes 1992, section 181A.12.

Reported the same back with the following amendments:

Page 2, lines 26 to 29, strike the old language and delete the new language

Page 2, after line 33, insert:

"Subd. 3. [GROSS MISDEMEANOR.] An employer who engages in repeated violations of sections 181A.01 to 181A.12 is also guilty of a gross misdemeanor. An employer who engages in a single violation of sections 181A.01 to 181A.12 is guilty of a gross misdemeanor if the violation results in the death of the minor or substantial bodily harm to the minor. For purposes of this subdivision, "substantial bodily harm" has the meaning given in section 609.02, subdivision 7a."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing penalties;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1514, A bill for an act relating to civil actions; providing that the statute of limitations in section 541.051 governs materials incorporated into an improvement to real property; amending Minnesota Statutes 1992, section 336.2-725.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 336.2-725, is amended to read:

336.2-725 [STATUTE OF LIMITATIONS IN CONTRACTS FOR SALE.]

(1) An action for breach of any contract for sale must be commenced within four years after the cause of action has accrued. By the original agreement the parties may reduce the period of limitation to not less than one year but may not extend it.

(2) A cause of action accrues when the breach occurs, regardless of the aggrieved party's lack of knowledge of the breach. A breach of warranty occurs when tender of delivery is made, except that where a warranty explicitly extends to future performance of the goods and discovery of the breach must await the time of such performance the cause of action accrues when the breach is or should have been discovered.

(3) Where an action commenced within the time limited by subsection (1) is so terminated as to leave available a remedy by another action for the same breach such other action may be commenced after the expiration of the time limited and within six months after the termination of the first action unless the termination resulted from voluntary discontinuance or from dismissal for failure or neglect to prosecute.

(4) This section does not alter the law on tolling of the statute of limitations, nor does it apply to causes of action which have accrued before this chapter becomes effective.

The limitations in this section does do not apply to actions for the breach of any contract for sale of a grain storage structure or other goods that is are incorporated into an improvement to real property, except equipment and machinery. These actions are subject only to the statute of limitations set forth in section 541.051.

This section does not apply to claims against sellers of goods for damages to property caused by the goods where the property that is damaged is not the goods and the sale is not a sale between parties who are each merchants in goods of the kind.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment and applies to all claims commenced on or after that date. For causes of action arising before the effective date of section 1 that would have been permitted under Minnesota Statutes 1992, section 336.2-725, but barred by the limitation in Minnesota Statutes, section 541.051, the limitation under section 1 does not bar the claim if it is commenced before January 1, 1994."

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1658, A bill for an act relating to economic development; abolishing Minnesota Project Outreach Corporation and transferring its duties to Minnesota Technology, Inc.; amending Minnesota Statutes 1992, section 116O.091; repealing Minnesota Statutes 1992, section 116O.092.

Reported the same back with the following amendments:

Page 5, line 6, strike everything before "Minnesota"

Page 5, lines 7 and 8, strike the old language

Page 5, line 9, strike everything before "Minnesota"

Page 5, line 10, strike everything after "Inc.,"

Page 5, lines 11 to 13, strike the old language

Page 5, after line 18 insert:

"Sec. 2. [TRANSFER.]

All funds appropriated to Minnesota Project Outreach, and all property and records of Minnesota Project Outreach, are transferred to Minnesota Technology, Inc."

Page 5, line 19, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 3, after "its" insert "funds, property, records, and"

With the recommendation that when so amended the bill pass.

The report was adopted.

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 1720, A bill for an act relating to metropolitan government; requiring at least one member of metropolitan transit commission to be disabled user of transit system; amending Minnesota Statutes 1992, section 473.404, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 473.404, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The transit commission consists of five members appointed by the transit board. One member must be a resident of the city of Minneapolis, one must be a resident of the city of St. Paul, two must reside in the service area of the commission outside Minneapolis and St. Paul, and one ~~may~~ member must reside anywhere in the metropolitan area and be a user of transit services who is identified by the council on disability, pursuant to section 256.482, as an individual with a disability. The transit board shall consider nominations from the council on disability. At least one of the members from outside of Minneapolis and St. Paul must reside in the commission's full-peak and off-peak service area, as defined for tax purposes in section 473.446. Appointments are subject to the advice and consent of the senate.

Sec. 2. [EFFECTIVE.]

Section 1 is effective for the vacancy on the metropolitan transit commission that occurs in the term of the at-large member. Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

S. F. No. 361, A bill for an act relating to public safety; extending existence of Minnesota advisory council on fire protection systems; amending Minnesota Statutes 1992, section 299M.02, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Sec. 2. Minnesota Statutes 1992, section 299M.02, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council consists of the commissioner of public safety or the commissioner's designee, the commissioner of labor and industry or the commissioner's designee, and eight members appointed for a term of three years by the governor. No more than four of the eight members may be of one gender, unless there are no qualified persons of the underrepresented gender. Two members must be licensed fire protection contractors or full-time, managing employees actively engaged in a licensed fire protection contractor business. Two members must

be journeyman sprinkler fitters certified as competent under this chapter. One member of the council must be an active member of the Minnesota State Fire Chiefs Association. One member must be an active member of the Fire Marshals Association of Minnesota. One member must be a building official certified by the department of administration, who is professionally competent in fire protection system inspection. One member must be a member of the general public. The commissioners or their designees are nonvoting members."

Page 1, line 14, delete "2" and insert "3"

Page 1, line 15, after the period insert "Section 2 applies only to appointments made after the effective date of the section."

Amend the title as follows:

Page 1, line 3, after the semicolon insert "providing for gender balance on the council;"

Page 1, line 5, delete "subdivision" and insert "subdivisions" and after "1" insert "and 2"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

S. F. No. 409, A bill for an act relating to retirement; Minneapolis employees retirement fund; amending Minnesota Statutes 1992, sections 422A.05, subdivisions 1 and 2a; 422A.08, subdivision 5, and by adding a subdivision; and 422A.101, subdivision 1.

Reported the same back with the following amendments:

Page 5, after line 30, insert:

"Sec. 6. [DISCLOSURE OF CERTAIN PUBLIC PENSION-PLAN INVESTMENT INFORMATION.]

(a) The state board of investment on behalf of the public pension funds and programs for which it is the investment authority and any public pension plan specified in Minnesota Statutes, section 356.218, subdivision 2, not wholly invested through the state board of investment shall provide the disclosure information specified in paragraph (b).

(b) The required disclosure information is the following amounts:

(1) market value of investments at the end of the period;

(2) contributions received;

(3) other noninvestment plan revenue received;

(4) total investment return, including but not limited to:

(i) interest and dividend income;

(ii) realized capital gains; and

(iii) period change in unrealized capital gain;

(5) benefit payments made;

(6) portfolio management or investment advisor fees paid; and

(7) pension plan administrative salaries and other administrative expenses paid.

The required disclosure information also must include a written statement of the investment policy in effect for the period for which the other investment disclosure information items are provided, including any investment policy changes made during the period and the effective date of each policy change.

(c) The information required under paragraph (b) must be reported separately for each internal investment fund, investment account, or investment portfolio included in the pension fund. The information under paragraph (b) must be provided separately on a monthly basis for the fiscal year of the pension fund ending during calendar year 1992, on or before October 1, 1993, and for the fiscal year of the pension fund ending during calendar year 1993, on or before July 1, 1994.

The information provided for the fiscal year of the pension fund ending during calendar year 1992 also must be accompanied with quarterly aggregations of information amounts required under paragraph (b) for the previous ten pension fund fiscal years, the written investment policy statement in effect at the end of the 1983 fiscal year of the pension fund, and any changes in the investment policy statement, including the effective date of each change, occurring since the end of the 1983 fiscal year.

(d) The disclosure information under this section must be reported to the state auditor, who may prescribe a form or forms for this purpose. A failure to make the information disclosure required under this section on a complete and consistent basis and in a timely fashion subjects the chief administrative officer of the pension fund or of the state board of investment, whichever applies, to personal liability for the payment of a fine, in an amount set by the state auditor, but not to exceed \$100.

Sec. 7. [INVESTMENT DISCLOSURE REPORT.]

(a) Utilizing the information provided under section 6, the state auditor shall prepare a report to the 1994 legislature and a report to the 1995 legislature on the investment performance gain or loss in the most recent prior pension fund fiscal year resulting from various decision-making stages in the investment activities of the various public pension plans required to disclose information under section 6.

(b) The state auditor may contract with a qualified consultant or consulting firm to perform the analysis and prepare the report required under paragraph (a)."

Page 5, line 31, delete "6" and insert "8"

Page 5, line 32, delete "5" and insert "7"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring disclosure of certain public pension plan investment information;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

S. F. No. 700, A bill for an act relating to horse racing; permitting two class A licenses within the seven-county metropolitan area; permitting the state fair to apply for a pari-mutuel horse racing license; permitting distributions from the breeders' fund for Minnesota-bred horses racing in other racing jurisdictions; amending Minnesota Statutes 1992, sections 240.06, subdivisions 5 and 5a; 240.09, subdivision 1; and 240.18, subdivision 1.

Reported the same back with the following amendments:

Page 2, delete sections 3 and 4

Page 3, line 7, delete "5" and insert "3"

Page 3, line 8, delete "to 4" and insert "and 2"

Amend the title as follows:

Page 1, delete lines 4 to 6

Page 1, line 7, delete everything before "amending"

Page 1, line 8, delete "sections" and insert "section" and delete the semicolon and insert a period

Page 1, delete line 9

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 10, 357, 390, 483, 573, 726, 898, 931, 986, 1106, 1206, 1407, 1495, 1514, 1658 and 1720 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 361, 409, 700 and 1407 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Rodosovich moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1407 be given its third reading and be placed upon its final passage. The motion prevailed.

Rodosovich moved that the Rules of the House be so far suspended that S. F. No. 1407 be given its third reading and be placed upon its final passage. The motion prevailed.

Rodosovich moved to amend S. F. No. 1407, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. HIGHER EDUCATION APPROPRIATIONS

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this article. The listing of an amount under the figure "1994" or "1995" in this article indicates that the amount is appropriated to be available for the fiscal year ending June 30, 1994, or June 30, 1995, respectively. "The first year" is fiscal year 1994. "The second year" is fiscal year 1995. "The biennium" is fiscal years 1994 and 1995.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$1,004,623,000	\$1,042,532,000	\$2,047,155,000

SUMMARY BY AGENCY - ALL FUNDS

	1994	1995	TOTAL
Higher Education Coordinating Board	119,157,000	125,401,000	244,558,000
State Board of Technical Colleges	165,172,000	170,519,000	335,691,000
State Board for Community Colleges	97,170,000	104,248,000	201,418,000
State University Board	176,937,000	179,932,000	356,869,000
Board of Regents of the University of Minnesota	444,948,000	461,187,000	906,135,000
Mayo Medical Foundation	808,000	840,000	1,648,000
Higher Education Board	418,000	418,000	836,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
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Sec. 2. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. Total Appropriation	119,157,000	125,401,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Agency Administration

2,942,000	2,892,000
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This appropriation includes funding for .5 of a position to provide technical advice and other support for child care innovation at eligible institutions, and to review the annual plans submitted by the institutions under article 2, section 6.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

The higher education coordinating board shall examine the feasibility of: (1) reducing the minimum amount a student can borrow under the SELF program, and (2) allowing SELF recipients who return to school during their repayment phase to re-enter the in-school phase of payments. The board shall report its recommendations to the education committees by September 1, 1993.

Subd. 3. State Grants

98,799,000

105,092,000

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

This appropriation contains money for increasing living allowances for state grants to \$4,154 for the first year and \$4,279 for the second year.

This appropriation includes funding to begin postservice benefit accounts for the youthworks program. Prior to beginning funding, the higher education coordinating board shall design a plan to administer the postservice benefit accounts of the youthworks program. The plan shall include strategies to augment the appropriation by maximizing federal and other nonstate funds. The board shall report the plan to the education committees of the legislature by October 1, 1993. In the event that federal money becomes available for post-secondary initiatives involving community service, the board may use these funds for any state contribution required.

The higher education coordinating board shall meet with the nursing community in order to evaluate the possibility of consolidating all nursing grant programs administered by the state, and report its findings back to the legislature by February 1, 1994.

Subd. 4. Interstate Tuition Reciprocity

5,050,000

5,050,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 5. State Work Study

10,303,000

10,304,000

Increases in the appropriation for the state work-study program shall be used, to the extent possible, for campus work that is relevant to a student's academic program or that otherwise provides a meaningful academic experience, or for public service work in the community.

Subd. 6. Minitex Library Program

2,063,000

2,063,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Subd. 7. Income Contingent Loans

The higher education coordinating board shall administer an income contingent loan repayment program to assist graduates of Minnesota schools in medicine, dentistry, pharmacy, chiropractic medicine, public health, and veterinary medicine, and Minnesota residents graduating from optometry and osteopathy programs. Applicant data collected by the higher education coordinating board for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program under Minnesota Statutes, section 136A.162.

Subd. 8. Balances Forward

An unencumbered balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Subd. 9. Transfers

The higher education coordinating board may transfer unencumbered balances from the appropriations in this section to the state grant appropriation and the interstate tuition reciprocity appropriation.

Sec. 3. STATE BOARD OF TECHNICAL COLLEGES

Subdivision 1. Total Appropriation

165,172,000

170,519,000

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

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$226,101,000 the first year and \$234,462,000 the second year.

The state board of technical colleges is requested to continue its policy of assisting students who are refugees.

In contracting for customized training services, the technical colleges and community colleges shall ensure that a participating business compensates for as much of the cost of the services as possible, in the form of money or in-kind. Business compensation must provide for at least half of the systemwide costs of these services.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$1,498,000 the first year and \$1,514,000 the second year.

\$462,000 the first year and \$421,000 the second year are for debt service payments to school districts for technical college buildings financed with district bonds issued before January 1, 1979.

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

If the Towerview campus of Red Wing Technical College is sold, the board may spend up to \$500,000 of the proceeds from the sale for remodeling and improving the main Red Wing campus.

Subd. 4. State Council on Vocational Technical Education

This appropriation includes funding in each year to be allocated by the state board to the state council on vocational education.

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

Subdivision 1. Total Appropriation

97,170,000 104,248,000

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

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$131,120,000 the first year and \$140,982,000 the second year.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$22,291,000 the first year and \$22,709,000 the second year.

Subd. 4. Cambridge Center

\$134,000 each year is for instructional costs to provide administrative and instructional support at the Anoka-Ramsey Community College extension center in Cambridge. The legislature intends that Cambridge continue to be operated as an extension center and not be developed into an independent college.

Sec. 5. STATE UNIVERSITY BOARD

Subdivision 1. Total Appropriation

176,937,000 179,932,000

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

Subd. 2. Instructional Expenditures

The legislature estimates that instructional expenditures will be \$244,034,000 the first year and \$247,630,000 the second year.

Notwithstanding Minnesota Statutes, section 136.09, subdivision 3, during the biennium neither the state university board nor the state university campuses shall plan or develop doctoral level programs or degrees until after they have received the recommendation of the house and senate committees on education, finance, and ways and means.

This appropriation includes funding for the instructional and noninstructional costs at the Winona State University campus and

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

at the Rochester center associated with the upper division offerings in the 2+2 program. Winona State University, in cooperation with Rochester Community College and the University of Minnesota, shall develop and implement a plan to reduce the duplication and costs of administrative and student services at the Rochester center. All savings that result from implementing the plan may be retained by the three systems in proportion to the amount that each saved and must be used for instruction at the Rochester center.

The state university board shall study the feasibility of selected campuses changing from quarter to semester terms. The board shall report its findings and recommendations to the higher education finance divisions by September 1, 1993.

Subd. 3. Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$26,735,000 the first year and \$27,321,000 the second year.

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

Subdivision 1. Total Appropriation

444,948,000

461,187,000

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

Subd. 2. Operations and Maintenance

362,780,000

375,732,000

(a) Instructional Expenditures

The legislature estimates that instructional expenditures will be \$386,510,000 the first year and \$399,787,000 the second year.

(b) Noninstructional Expenditures

The legislature estimates that noninstructional expenditures will be \$114,965,000 the first year and \$119,112,000 the second year.

This appropriation includes money for improving the post-secondary planning efforts of high school students as provided in Laws 1987, chapter 401, section 32. The university, in cooperation with other post-secondary systems, shall consider innovative ways to improve post-secondary planning and forward any recommendations to the education committees by February 15, 1994.

Subd. 3. Special Appropriation

82,168,000

85,455,000

The amounts expended for each program in the four categories of special appropriations shall be separately identified in the 1996-1997 biennial budget document.

(a) Agriculture and Extension Service

43,556,000

45,298,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

This appropriation is for the Agricultural Experiment Station and Minnesota Extension Service.

Any salary increases granted by the university to personnel paid from the Minnesota Extension appropriation must not result in a reduction of the county portion of the salary payments.

(b) Health Sciences

16,760,000	17,430,000
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This appropriation is for Indigent Patients (County Papers), Rural Physicians Associates Program, Medical Research, Special Hospitals Service and Educational Offset, Veterinary Diagnostic Laboratory, Institute for Human Genetics, and the Biomedical Engineering Center.

(c) Institute of Technology

2,908,000	3,025,000
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This appropriation is for the Geological Survey, Underground Space Center, Talented Youth Mathematics Program, Microelectronics and Information Science Center, and the Productivity Center.

(d) System Specials

18,944,000	19,702,000
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This appropriation is for Fellowships for Minority and Disadvantaged Students, General Research, Intercollegiate Athletics, Student Loans Matching Money, Industrial Relations Education, Natural Resources Research Institute, Sea Grant College Program, Biological Process Technology Institute, Supercomputer Institute, Center for Urban and Regional Affairs, Museum of Natural History, and the Humphrey Exhibit.

Prior to selling its shares in the supercomputer center, the board of regents shall present its plan for the sale and for meeting its supercomputing needs to the higher education finance divisions. The plan must ensure that the university receives and maintains a reasonable value of the public investment in the center.

This appropriation includes money to improve the programs and resources available to women and to ensure that campuses are in compliance with Title IX of the Education Amendments of 1972 and Minnesota Statutes, section 126.21.

Of this appropriation, no less than the following amounts must be allocated to each campus:

Duluth	\$551,600	\$551,600
Morris	\$ 66,100	\$ 66,100
Crookston	\$ 65,000	\$ 65,000

APPROPRIATIONS Available for the Year Ending June 30	
1994	1995

Sec. 7. MAYO MEDICAL FOUNDATION

Subdivision 1. Total Appropriation	808,000	840,000
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School

504,000	493,000
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The state of Minnesota shall pay a capitation of \$9,882 in the first year and \$10,270 in the second year for each student who is a resident of Minnesota.

This appropriation provides capitation for 51 Minnesota residents in the first year and 48 in the second year at Mayo Medical School. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors, as identified by the higher education coordinating board.

Subd. 3. Family Practice and Graduate Residency Program

304,000	347,000
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The state of Minnesota shall pay a capitation of \$15,200 in the first year for a maximum of 20 students and \$15,780 in the second year for a maximum of 22 students.

Sec. 8. POST-SECONDARY SYSTEMS

In each year of the biennium, each post-secondary system shall spend no less on libraries or instructional equipment than it spent in the 1993 fiscal year.

The appropriation to each post-secondary system includes money for the intersystem quality initiative pilot projects, as provided in article 3, section 9.

Each public post-secondary governing board shall examine the fiscal and educational effects of establishing a minimum tuition level so that undergraduate students enrolled for fewer than six credits pay an amount equivalent to the rate for six credits. Each board shall report its recommendations to the higher education finance divisions by February 1, 1994.

The appropriation to each post-secondary system includes money for the intersystem library improvement initiative to fund acquisitions and resource development in all systems and the completion of the PALS system in the community colleges.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

For purposes of determining system budgets and appropriations for 1996-1997, the legislature intends to adopt new funding mechanisms in 1994.

The higher education advisory council shall examine costs and funding of students enrolled in post-secondary enrollment options courses offered by agreement between a college and a school district. The higher education advisory council shall submit recommendations to the higher education financial divisions on fair and fiscally prudent funding for these students by February 1, 1994.

Each campus with a men's varsity level hockey team and women's club level hockey shall analyze the campus responsibility for Title IX equity as it applies to this disparity and shall report its plan to ensure equity to the education committees by January 15, 1994.

Beginning in fiscal year 1996, funding for law enforcement education that is currently provided through the POST board shall be provided through general fund appropriations to be calculated at the same initial base as the previous POST funding, except that the base adjustment for the community colleges shall be \$290,000. The legislature intends that penalty surcharge dollars under Minnesota Statutes, section 626.861, subdivision 1, shall continue to be dedicated to the POST account for other lawful purposes.

Sec. 9. HIGHER EDUCATION BOARD

418,000

418,000

The legislature intends that the higher education board, to the extent possible, rely on the expertise of personnel in the existing post-secondary systems, and elsewhere in state government, rather than employ additional board staff.

By February 1, 1994, the higher education board shall present to the education committees a detailed plan for the merger of the three post-secondary systems. The plan must include at least the following: timelines for all major tasks, a proposed organizational structure at the state and campus levels, costs and savings of each action planned, and necessary statutory changes in laws governing the board and the three systems. The plan also must clearly describe mechanisms that will be used to promote and protect campus missions and autonomy.

ARTICLE 2

ACCESS AND AFFORDABILITY

Section 1. Minnesota Statutes 1992, section 135A.03, subdivision 7, is amended to read:

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

- (1) independent students who resided in the state for at least one calendar year prior to applying for admission;
- (2) dependent students whose parents or legal guardians reside in Minnesota at the time the student applies;

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

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

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

Sec. 2. Minnesota Statutes 1992, section 136A.101, subdivision 7, is amended to read:

Subd. 7. ~~Until June 30, 1993, "student" means a person who is enrolled at least half time in a program or course of study that applies to a degree, diploma, or certificate, except that for purposes of section 136A.132, student may include a person enrolled for at least three credits per quarter or semester, or the equivalent, but less than half time.~~

Beginning July 1, 1993, "Student" means a person who is enrolled for at least three credits per quarter or semester, or the equivalent, in a program or course of study that applies to a degree, diploma, or certificate. Credit equivalencies assigned by an institution that are applicable to federal Pell grant calculations shall be counted as part of a student's credit load.

Sec. 3. Minnesota Statutes 1992, section 136A.121, subdivision 6, is amended to read:

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

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

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

(b) For the purpose of paragraph (a), clause (2), "comparable public institutions" to both two- and four-year, private, residential, liberal arts, degree-granting colleges and universities must be the same.

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

Sec. 4. Minnesota Statutes 1992, section 136A.121, subdivision 9, is amended to read:

Subd. 9. [INITIAL AWARDS.] ~~An undergraduate student who has not previously received a grant and who meets the board's requirements is eligible to apply for and receive an initial a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for eight semesters or 12 quarters.~~

Sec. 5. [136A.122] [AKITA GRANTS.]

The higher education coordinating board may provide grants to Minnesota resident students participating in the Akita program. Grants must be awarded on the same basis as other state grants, except that the cost of attendance must be adjusted to incorporate the state university tuition level and the Akita fee level. An individual grant must not exceed the state grant maximum award for a student at a four-year private college.

Sec. 6. Minnesota Statutes 1992, section 136A.125, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE INSTITUTION.] A Minnesota public post-secondary institution or a private, baccalaureate degree granting college or university located in Minnesota is eligible to receive child care funds from the board and disburse them to eligible students.

To maintain its eligibility, an institution must file an annual plan with the higher education coordinating board setting forth innovative strategies the institution is using to maximize student child care opportunities, including strategies to supplement state funds with community resources.

Sec. 7. Minnesota Statutes 1992, section 136A.1701, subdivision 4, is amended to read:

Subd. 4. [TERMS AND CONDITIONS OF LOANS.] The board may loan money upon such terms and conditions as the board may prescribe. The principal amount of a loan to an undergraduate student for a single academic year may not exceed ~~\$4,000~~ \$4,500. The aggregate principal amount of all loans made under this section to an undergraduate student may not exceed ~~\$16,000~~ \$18,000. The principal amount of a loan to a graduate student for a single academic year shall not exceed ~~\$6,000~~ \$6,500. The aggregate principal amount of all loans made under this section to a student as a graduate student shall not exceed ~~\$25,000~~ \$27,000.

Sec. 8. Minnesota Statutes 1992, section 136A.1701, is amended by adding a subdivision to read:

Subd. 9a. The board shall develop an appeals process for recipients of loans made under this section who believe there is an unresolved error in the servicing of the loan. The board shall provide recipients with a description of the appeals process.

Sec. 9. Minnesota Statutes 1992, section 136A.233, is amended to read:

136A.233 [WORK-STUDY GRANTS.]

Subdivision 1. [ALLOCATION TO INSTITUTIONS.] The higher education coordinating board ~~may offer~~ shall allocate work-study ~~grants funds~~ to eligible post-secondary institutions according to the resident full-time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program. ~~The board shall seek to equalize work study job opportunities by also taking into account student employment needs at eligible institutions.~~ Each institution wishing to receive a ~~participate in the work-study grant shall~~ program must submit to the board, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution. ~~The amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to full-time equivalent enrollment but which that exceed the estimate of need by the institution or the actual need of the institution may be reallocated by the board to other institutions for which the estimate of need exceeds the amount of allocation according to enrollment. The institution must not receive less than it would have received under the allocation formula used before fiscal year 1988. No more than one half of any increase in appropriations, attributable to this section, above the level before fiscal year 1988 may be allocated on the basis of identified student employment needs at eligible institutions.~~

Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231 to ~~136A.234~~ 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll full time, as defined in section 136A.101, subdivision 7a, in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(d) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Subd. 3. [PAYMENTS.] Work-study payments shall be made to eligible students by post-secondary institutions as provided in this subdivision.

(a) Students shall be selected for participation in the program by the post-secondary institution on the basis of student financial need.

(b) No eligible student shall be employed under the state work-study program while not a full-time student; provided, with the approval of the institution, a full-time student who becomes a part-time student during an academic year may continue to be employed under the state work-study program for the remainder of the academic year.

(c) Students will be paid for hours actually worked and the maximum hourly rate of pay shall not exceed the maximum hourly rate of pay permitted under the federal college work-study program.

(d) Minimum pay rates will be determined by an applicable federal or state law.

(e) An eligible employer shall pay at least 30 percent of the student's compensation.

(f) Each post-secondary institution receiving money for state work-study grants shall make a reasonable effort to place work-study students in employment with eligible employers outside the institution. However, a public outside employer may not terminate, lay-off, or reduce the working hours of an employee for the purpose of hiring a work-study student, or replace an employee who is on layoff from the same or substantially the same job by hiring a work-study student.

(g) The percent of the institution's work-study allocation provided to graduate students shall not exceed the percent of graduate student enrollment at the participating institution.

Sec. 10. [FINANCIAL AID TASK FORCE.]

Subdivision 1. [PURPOSE.] A task force is established to study and make recommendations on Minnesota's system of financial aid, focusing particularly on the state grant program. The purpose of the task force is to evaluate state financial aid policy, examine alternative policies, and recommend changes within current funding levels to the legislature.

Subd. 2. [MEMBERSHIP.] The speaker of the house and the subcommittee on committees of the committee on rules and administration of the senate shall each appoint six members, including representatives of public and private post-secondary systems and campuses, at least one public member and at least two student members.

Subd. 3. [SUPPORT.] The higher education coordinating board shall provide technical and clerical support to the task force as determined by the task force. The task force, through the board, may contract for consulting services, but is not subject to the provisions of Minnesota Statutes, chapter 16B.

Subd. 4. [CONTENT OF STUDY.] The task force shall consider whether Minnesota's financial aid program, as it operates in conjunction with the federal Pell grant program, is meeting the state goal of removing economic barriers to education for economically disadvantaged citizens of the state. The task force shall further consider whether the state program needs to be made more progressive and, if so, whether this should be accomplished through adjustments to the shared responsibility policy or adoption of a new policy. The study additionally shall consider the advantages and disadvantages of linking the state grant program to federal policies and programs. The task force also shall consider effective ways to integrate grants, loans, work-study, and other aid to create aid packages for students and to deliver different types of aid to students with different needs. Finally, the task force shall consider efficient ways to deliver aid to students, including more rapid decentralization to the campus level.

Subd. 5. [REPORT.] The task force shall report its findings and recommendations to the education committees of the legislature by February 1, 1994. The task force shall expire on June 30, 1994.

Sec. 11. [FEE STATEMENT.]

Beginning in the 1993-1994 academic year, fee statements at all public post-secondary campuses shall indicate the state-paid portion of the cost of an average student's education in that system, by including the following statement: "Your tuition pays for .. % of the actual cost of your education. The state of Minnesota pays \$..... of the cost for you."

Sec. 12. [REPEALER.]

Minnesota Statutes 1992, sections 136A.121, subdivision 10; 136A.134; 136A.234; 136A.70; and Laws 1991, chapter 356, article 8, section 23, are repealed.

Sec. 13. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 3

EDUCATIONAL QUALITY

Section 1. Minnesota Statutes 1992, section 3.9741, is amended to read:

3.9741 [COST OF EXAMINATION, BILLING, PAYMENT.]

Subdivision 1. [METROPOLITAN COMMISSION.] Upon the audit of the financial accounts and affairs of a commission under section 473.413, 473.595, 473.604, or 473.703, the affected metropolitan commission is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the metropolitan commission either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund.

Subd. 2. [POST-SECONDARY EDUCATION SYSTEMS.] The legislative auditor may contract with the community college system, state university system, or the state board of technical colleges to conduct financial audits, in addition to audits conducted under section 3.972, subdivision 2. Fees for contracted audits shall be deposited in the general fund and are annually appropriated to the legislative auditor. The legislative auditor shall report on fees received as part of the biennial budget request.

Sec. 2. Minnesota Statutes 1992, section 16A.127, subdivision 8, is amended to read:

Subd. 8. [EXEMPTION.] (a) Except for the costs of the legislative auditor to conduct financial audits of federal funds, this section does not apply to the community college system, state universities, or the state board of technical colleges. Indirect cost receipts attributable to financial audits conducted by the legislative auditor of federal funds administered by these post-secondary education systems shall be deposited in the general fund.

(b) Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.

Sec. 3. Minnesota Statutes 1992, section 136A.1352, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The higher education coordinating board shall provide grants to students who are entering or enrolled in registered nurse or licensed practical nurse programs, who have no previous nursing training or education, and who either agree to practice in a designated rural area, as defined by the board, or are persons of color.

Sec. 4. Minnesota Statutes 1992, section 136A.1352, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] (a) To be eligible to receive a grant, a student must be:

(1) a resident of the state of Minnesota;

(2) enrolled in a Minnesota school, college, or program of nursing to complete an educational program that would lead to the student's first licensure as a licensed practical nurse or as a registered nurse;

(3)(a) willing to agree to serve at least three of the first five years following licensure in a designated rural area;
or

(b) a person of color including an Asian-Pacific-American, African-American, American Indian, or Hispanic-American (Latin, Chicano, or Puerto Rican); and

(4) able to meet the financial need criteria established in section 136A.121 and board rules.

(b) The grant must be awarded for one academic year, but is renewable for a maximum of six semesters or nine quarters of full-time study, or their equivalent, but cannot continue after receipt of the nursing degree or certificate.

Sec. 5. Minnesota Statutes 1992, section 136E.04, subdivision 3, is amended to read:

Subd. 3. [BUDGET.] The board shall submit to the governor and the legislature ~~the three budget request for its several different programs of study~~ requests: one each for the state universities, the community colleges, and the technical colleges.

Sec. 6. Minnesota Statutes 1992, section 137.022, subdivision 3, is amended to read:

Subd. 3. [ENDOWED CHAIRS CHAIR ACCOUNT.] (a) For purposes of this section, the permanent university fund has three accounts. The sources of the money in the endowed mineral research and scholarship accounts is set out in paragraph (b) and subdivision 4. All money in the fund that is not otherwise allocated is in the endowed chair account. The income from the ~~permanent university fund~~ endowed chair account must be used, and capital gains ~~of the fund allocated to that account~~ may be used, to provide endowment support for professorial chairs in academic disciplines. The endowment support for the chairs from the income and the capital gains must not total more than six percent per year of the 36-month trailing average market value of the endowed chair account of the fund, as computed quarterly or otherwise as directed by the regents. The endowment support from the income and the capital gains must not provide more than half the sum of the endowment support for all chairs endowed, with nonstate sources providing the remainder. The endowment support from the income and the capital gains may provide more than half the endowment support of an individual chair.

(b) If any portion of the annual appropriation of the income is not used for the ~~purpose~~ purposes specified in paragraph (a) or subdivision 4, that portion lapses and must be added to the principal of the three accounts of the permanent university fund in proportion to the market value of each account.

Sec. 7. Minnesota Statutes 1992, section 137.022, is amended by adding a subdivision to read:

Subd. 4. [MINERAL RESEARCH; SCHOLARSHIPS.] (a) All income accruing after July 1, 1991, to the part of the permanent university fund derived from mineral permits and royalties on mining must be allocated as provided in this subdivision.

(b)(1) Fifty percent of the accrual, to a total of \$25,000,000 in accruals must be credited to the mineral research account of the fund to be allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral and mineral-related research including mineral-related environmental research; and

(2) Fifty percent of the accrual until the \$25,000,000 accrual amount is reached under clause (1) and thereafter 100 percent of the accrual must be credited to the endowed scholarship account of the fund for distribution annually for scholastic achievement as provided by the board of regents to undergraduates enrolled at the University of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

(c) The annual distribution from the endowed scholarship account must be allocated to the various campuses of the University of Minnesota in proportion to the number of undergraduate resident students enrolled on each campus.

(d) The board of regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the dispersal of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

(e) Capital gains or losses of the permanent university fund must be credited to its three accounts in proportion to the market value of each account.

(f) The endowment support from the income and capital gains of the endowed mineral research and endowed scholarship accounts of the fund must not total more than six percent per year of the 36-month trailing average market value of the account from which the support is derived.

Sec. 8. [137.41] [INDIRECT COST RECOVERIES.]

Indirect cost recovery money received by the University of Minnesota must be used exclusively for the direct support of research or the financing of support activities directly contributing to the receipt of indirect cost recovery

money. It may be used for debt retirement for research-related buildings. It may not be used for teaching or service.

Sec. 9. [PLANS FOR ACHIEVING EDUCATIONAL EXCELLENCE.]

Subdivision 1. [PLAN.] Each public post-secondary system, with the active involvement of its campuses, shall develop a plan to progress toward achieving the statewide objectives for higher education adopted by the task force on post-secondary funding. These objectives include promoting democratic values, ensuring quality, fostering student success, maintaining access and enhancing the economy. The plans may be linked to other system or campus initiatives.

Subd. 2. [PERFORMANCE INDICATORS.] Each plan will specify indicators that will be used to measure progress toward the objectives. Each campus may choose to place its initial emphasis on some objectives rather than all. Indicators may vary by campus but each system must report on the retention rates and graduation rates of each of its campuses. The systems must work jointly to ensure that retention, graduation, and other common indicators are measured using the same methods to ensure comparability. Each plan shall specify the measurement methods for each indicator.

Subd. 3. [PILOTS.] The task force on post-secondary funding may designate up to two campuses in each system as pilots to test the statewide objectives and the use of different performance indicators. Pilots must be selected on the basis of recommendations of each chancellor, from proposals submitted by interested campuses. Pilots shall begin in the 1993-1994 academic year and continue into the following year. Campuses must internally reallocate funds to at least match state funding.

Subd. 4. [REPORTS.] Each system shall report its plan by February 1, 1994, to the education committees. These reports shall include information on the progress of its campus pilots.

Sec. 10. [CAREER PLANNING OR INFORMATION.]

Subdivision 1. [PLAN.] The state university board, the state board for community colleges, and the state board of technical colleges shall each develop plans to provide career information or counseling to all students enrolled in degree, diploma, or certificate programs no later than the beginning of their second year of enrollment. The board of regents is requested to develop a plan for the same purpose.

Subd. 2. [CAREER INFORMATION OR COUNSELING.] Each system shall determine the ways in which it will deliver career information or counseling to its students, but all systems must include information on types of careers associated with different fields of study as well as the opportunities and prospects for employment in the careers. The systems shall use labor market job forecasting information provided by the department of jobs and training and information on student placement collected by the system or campus, in addition to other relevant information.

Subd. 3. [REPORT.] Each post-secondary system shall report its plan and the estimated costs to the education committees of the legislature by January 15, 1994.

Sec. 11. [USES OF TUITION.]

In each year of the biennium, any revenue raised in the state university, community college, or technical college system, from tuition increases greater than three percent of the previous year's tuition level, must be used for improving the quality of education including, but not limited to, enhancements in libraries, instructional equipment, availability of classes, student services, facilities, and curriculum or teaching innovations. The University of Minnesota is requested to comply with this provision.

Sec. 12. [PERFORMANCE MEASURES.]

Subdivision 1. [TECHNICAL COLLEGES.] For budget considerations in 1995, the technical college system shall:

(1) report to the education committees on administrator/instructor ratios for each technical college;

(2) demonstrate a 60 percent minimum placement rate over two years; and

(3) demonstrate that savings from program closures are recaptured by the technical college closing the program, to the greatest extent possible, and report on how those savings are used.

Subd. 2. [COMMUNITY COLLEGES.] For budget considerations in 1995, the community college system shall:

(1) demonstrate the process used to evaluate occupational programs with less than 60 percent placement;

(2) demonstrate the process used to reduce duplicative nonhealth occupational programs, within a 35-mile radius, with student-teacher ratios below 15-1; and

(3) report on students transferring to four-year colleges and universities, including the percent transferring, the percent retained one year later, and the academic success of those students.

Subd. 3. [COMMUNITY COLLEGES AND TECHNICAL COLLEGES.] The community college and technical college systems shall jointly report to the education committees on their plans regarding duplicative programs at co-located campuses.

Subd. 4. [STATE UNIVERSITIES.] As part of its plan for educational excellence, and for budget considerations in 1995, the state university board shall report on its success in increasing:

(1) the number of graduating students of color;

(2) the number of freshmen who have completed core academic courses in high school; and

(3) the percentage of graduates who have completed a senior project or other capstone experience.

Sec. 13. [REPEALER.]

Minnesota Statutes 1992, section 136A.1352, subdivision 3, is repealed.

Sec. 14. [EFFECTIVE DATE.]

Section 9 is effective the day following final enactment. Sections 6 and 7 are effective retroactive to July 1, 1991, for accruals and allocations into the three accounts of the permanent university fund and July 1, 1993, for distributions from the endowed mineral research account and endowed scholarship accounts of the fund.

ARTICLE 4

STREAMLINING AND RESTRUCTURING

Section 1. Minnesota Statutes 1992, section 135A.06, subdivision 1, is amended to read:

Subdivision 1. [PLANNING REPORTS.] It is the intention of the legislature that the planning efforts of the public post-secondary education systems be summarized and reported to the legislature. It is the further intention that the system missions be differentiated from one another to best serve the needs of the citizens of Minnesota. To accomplish these goals, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of technical colleges shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. ~~It shall specify the mission and plans for two, five, and ten years. The assumptions used in developing the plans shall be included. The report shall also include plans for and progress toward achieving mission differentiation while maintaining the state's overall post-secondary objectives.~~

Sec. 2. Minnesota Statutes 1992, section 135A.061, is amended to read:

135A.061 [INTERSYSTEM COUNCIL.]

An intersystem council is established to improve communications among post-secondary systems on relevant policy issues. The council is composed of officers or other representatives of each public post-secondary governing board ~~and of the higher education coordinating board.~~ The council chair shall be rotated among the systems each year,

~~corresponding to the rotation of the chair of the higher education advisory council. The council shall determine its meeting times but shall meet at least twice each year. Members shall report on discussions and actions of the council to their respective governing boards. The council shall determine its agenda from issues that affect more than one system. These may include: transfer of credit, efficiency of campus and system operations, duplication of programs and courses, mission delineation, cooperative arrangements, academic quality initiatives, and the effects of a system's proposed plans on the other systems. The council shall notify the chairs of the education, appropriations, and finance committees of the legislature in advance of its meetings.~~

Sec. 3. Minnesota Statutes 1992, section 136A.04, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall:

(1) continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state;

(2) continuously engage in long-range planning for the needs of higher education and, if necessary, cooperatively engage in planning with neighboring states and agencies of the federal government;

(3) act as successor to any committee or commission previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(4) review, approve or disapprove, and identify priorities with respect to all proposals for new, additional, or changes in existing programs of instruction to be established in or offered by public post-secondary institutions and private post-secondary institutions. The board shall also periodically review existing programs. For public post-secondary institutions, the board shall approve or disapprove continuation or modification of existing programs. For private post-secondary institutions, the board shall recommend continuation or modification of existing programs.

Before a public post-secondary program can be offered at a site other than that for which it was approved originally, the program must be resubmitted for approval. When reviewing a program, the board shall consider whether it is unnecessary, a needless duplication, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;

~~(5) review, approve or disapprove, and identify priorities with respect to all proposals for maintain an inventory of new, additional, or changes in existing large-scale or permanent sites of instruction to be established in or offered by public post-secondary institutions. The board shall forward its decisions on sites to the chairs of the house appropriations and senate finance committees. Private post-secondary institutions must give reasonable notice to the board prior to making binding decisions to establish a site or center, and are requested to participate in this site approval process. When reviewing a site, the board shall consider whether it is unnecessary, a needless duplication, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission inventory;~~

(6) obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(7) coordinate the development and implementation of transfer agreements by the systems that ensure the transferability of credits between Minnesota post-secondary institutions, earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts; and

(8) prescribe policies, procedures, and rules necessary to administer the programs under its supervision.

Sec. 4. Minnesota Statutes 1992, section 136A.0411, is amended to read:

136A.0411 [COLLECTING FEES.]

The board may charge fees for seminars, conferences, workshops, services, and materials. The board may collect fees for registration and licensure of private institutions under sections 136A.61 to 136A.71 and chapter 141. The money is annually appropriated to the board.

Sec. 5. Minnesota Statutes 1992, section 136A.08, is amended to read:

136A.08 [RECIPROCAL AGREEMENTS RELATING TO NONRESIDENT TUITION WITH OTHER STATES OR PROVINCES.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, the terms "province" and "provincial" mean the Canadian province of Manitoba.

Subd. 2. [AUTHORIZATION.] The ~~Minnesota higher education coordinating board~~ advisory council may enter into agreements, on subjects that include remission of nonresident tuition for designated categories of students at public post-secondary institutions, with appropriate state or provincial agencies and public post-secondary institutions in other states or provinces. The agreements shall be for the purpose of the mutual improvement of educational advantages for residents of this state and other states or provinces with whom agreements are made. The higher education coordinating board shall administer any agreement entered into by the council.

Subd. 3. [WISCONSIN.] A higher education reciprocity agreement with the state of Wisconsin may include provision for the transfer of funds between Minnesota and Wisconsin provided that an income tax reciprocity agreement between Minnesota and Wisconsin is in effect for the period of time included under the higher education reciprocity agreement. If this provision is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the ~~board~~ council and a duly designated agency representing Wisconsin. The formula shall recognize differences in tuition rates between the two states and the number of students attending institutions in each state under the agreement. Any payments to Minnesota by Wisconsin shall be deposited by the board in the general fund of the state treasury. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually.

Subd. 4. [NORTH DAKOTA; SOUTH DAKOTA.] A reciprocity agreement with North Dakota may include provision for the transfer of funds between Minnesota and North Dakota. If provision for transfer of funds between the two states is included, the amount of funds to be transferred shall be determined according to a formula which is mutually acceptable to the ~~board~~ council and a duly designated agency representing North Dakota. In adopting a formula, the ~~board~~ council shall consider tuition rates in the two states and the number of students attending institutions in each state under the agreement. Any payment to Minnesota by North Dakota shall be deposited by the board in the general fund. The amount required for the payments shall be certified by the executive director of the higher education coordinating board to the commissioner of finance annually. All provisions in this subdivision pertaining to North Dakota shall also be applied to South Dakota, and all authority and conditions granted for higher education reciprocity with North Dakota are also granted for higher education reciprocity with South Dakota.

Subd. 5. [FINANCIAL AID.] The ~~board~~ council may enter into an agreement, with a state or province with which it has negotiated a reciprocity agreement for tuition, to permit students to receive student aid awards from the student's state or province of residence for attending an eligible institution in the other state or province.

Subd. 6. [APPROVAL.] An agreement made by the ~~board~~ council under this section is not valid as to a particular institution without the approval of that institution's state or provincial governing board. A valid agreement under this subdivision that incurs additional financial liability to the state, beyond enrollment funding adjustments, must be submitted to the chairs of the senate ~~finance and house appropriations committees~~ higher education finance divisions for review. The agreement remains valid unless it is disapproved in law.

Sec. 6. Minnesota Statutes 1992, section 136A.1353, subdivision 4, is amended to read:

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

Sec. 7. Minnesota Statutes 1992, section 136A.1354, subdivision 4, is amended to read:

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

Sec. 8. Minnesota Statutes 1992, section 136A.653, subdivision 1, is amended to read:

Subdivision 1. A school ~~which does not grant a degree and which~~ that is subject to licensing by the state board of education pursuant to under chapter 141, is exempt from the provisions of sections 136A.61 to 136A.71. The determination of the ~~commissioner of education board~~ as to whether a particular school is subject to regulation under chapter 141 is final for the purposes of this exemption.

Sec. 9. Minnesota Statutes 1992, section 136A.69, is amended to read:

136A.69 [FEES.]

The board may collect reasonable registration fees not to exceed ~~\$400~~ \$450 for an initial registration of each school and ~~\$250~~ \$350 for each annual renewal of an existing registration.

Sec. 10. Minnesota Statutes 1992, section 136A.87, is amended to read:

136A.87 ~~[ASPECTS OF THE PROGRAM PLANNING INFORMATION.]~~

Subdivision 1. ~~[ASSESSMENT INSTRUMENTS AND QUESTIONNAIRES.]~~ The program shall provide for ~~administration of education and career assessment instruments and questionnaires to residents in grades 8 through 12, and to adults. The board shall determine the instruments and questionnaires that are appropriate to serve the purposes of sections 136A.85 to 136A.88.~~

Subd. 2. ~~[HIGH SCHOOL ASSESSMENTS.]~~ The program shall provide for ~~administration of educational measurement instruments and questionnaires to high school students before their senior year. At least the following may be included:~~

- ~~(1) an aptitude assessment for students anticipating entry to collegiate programs;~~
- ~~(2) an inventory of interests, career directions, background information, and education plans; and~~
- ~~(3) a preliminary mathematics placement test to aid in future course selections, and, as determined appropriate by the board, preliminary placement tests in other subjects.~~

Subd. 3. ~~[PROVIDING INFORMATION.]~~ The board shall make available to all residents from 8th grade through adulthood information about planning and preparing for post-secondary opportunities. Information must be provided to all 8th grade students and their parents by January 1 of each year about the need to plan for their post-secondary education. The board may also provide information to high school students and their parents, to adults, and to out-of-school youth. The information provided may include the following:

- (1) the need to start planning early;
- (2) the availability of assistance in educational planning from educational institutions and other organizations;
- (3) suggestions for studying effectively during high school;

- (4) high school courses necessary to be adequately prepared for post-secondary education;
- (5) encouragement to involve parents actively in planning for all phases of education;
- (6) information about post-high school education and training opportunities existing in the state, their respective missions and expectations for students, their preparation requirements, admission requirements, and student placement;
- (7) ways to evaluate and select post-secondary institutions;
- (8) the process of transferring credits among Minnesota post-secondary institutions and systems;
- (9) the costs of post-secondary education and the availability of financial assistance in meeting these costs;
- (10) the interrelationship of assistance from student financial aid, public assistance, and job training programs; and
- (11) financial planning for education beyond high school.

Subd. 4. ~~[DATA BASE.] A data base of information from the program's assessments and services shall be maintained to:~~

~~(1) provide individual reports of results to the students, high schools in which students are enrolled, and, if authorized by the students, post secondary educational institutions; and~~

~~(2) provide annual statewide summary reports of results to high schools, post secondary institutions, the department of education, the chairs of the education, higher education, appropriations and finance committees of the legislature, and the governor.~~

Subd. 5. ~~[COORDINATION.] The board shall coordinate efforts and develop additional methods of providing information, guidance, and testing services to out-of-school youth and adults.~~

Sec. 11. Minnesota Statutes 1992, section 141.25, subdivision 8, is amended to read:

Subd. 8. [FEES AND TERMS OF LICENSE.] (a) Applications for initial license under sections 141.21 to 141.36 shall be accompanied by ~~\$560~~ \$650 as a nonrefundable application fee.

(b) All licenses shall expire ~~on December 31 of each year~~ one year from the date issued by the board. Each renewal application shall be accompanied by a nonrefundable renewal fee of ~~\$430~~ \$650.

(c) Application for renewal of license shall be made ~~on or before October 1 of each calendar year~~ at least 30 days before the expiration of the school's current license. Each renewal form shall be supplied by the board. It shall not be necessary for an applicant to supply all information required in the initial application at the time of renewal unless requested by the board.

Sec. 12. Minnesota Statutes 1992, section 141.26, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED.] A solicitor representing a school must obtain a solicitor's permit from the board before soliciting students to enroll in such school. Such permit shall expire ~~on December 31 one year~~ following the date of issuance. Application for renewal of permit shall be made ~~on or before November 15 of each calendar year~~ annually.

Sec. 13. Minnesota Statutes 1992, section 141.26, subdivision 5, is amended to read:

Subd. 5. [FEE.] The initial and renewal application for each permit shall be accompanied by a nonrefundable fee of ~~\$210~~ \$250.

Sec. 14. Laws 1990, chapter 591, article 3, section 10, as amended by Laws 1991, chapter 356, article 3, section 13, is amended to read:

Sec. 10. [CONDITIONS.]

(a) The state university board, the state board for community colleges, the state board of vocational technical education, and their respective campuses must not enter into new long-term lease arrangements, significantly increase

the course offerings at off-campus sites, enter any 2 + 2 arrangements, or significantly increase staffing levels for off-campus sites between the effective date of this section and the end of the ~~1992-1993~~ 1994-1995 academic year. A current long-term lease may be renewed if it expires during this period. The board of regents is requested to abide by these conditions until the end of the ~~1992-1993~~ 1994-1995 academic year.

(b) This section does not apply to actions of Metropolitan State University that are part of its plan to consolidate its sites in the seven-county metropolitan area. The state university board shall consult with the chairs of the house appropriations and senate finance committees in carrying out its plans. For purposes of this paragraph, "plan to consolidate" does not include entering into any 2 + 2 arrangements.

Sec. 15. Laws 1991, chapter 356, article 9, section 8, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENTS TO BOARD.] Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards and ~~six~~ seven members appointed by the governor, including a student member. The governor's appointees may also be members of the current governing boards. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the governor are not subject to section 3. The governor shall appoint the student member July 1, ~~1995~~ 1993. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Sec. 16. [TRANSFER.]

On July 1, 1993, the higher education coordinating board shall transfer to the higher education board, according to the procedures provided in Minnesota Statutes, section 15.039, the complement and funding associated with the quality and mission function, one unclassified professional position and associated funding in the policy and program planning division, and funding associated with the instructional technology grants.

Sec. 17. [SHARED STUDENT SERVICES.]

To improve the efficient delivery of services to students and to reduce unnecessary expenditures, each technical college and community college, located in the same or nearby communities, as provided in Laws 1983, chapter 258, section 64, subdivision 1, shall jointly develop a plan to consolidate, to the extent possible, administrative positions and the delivery of noninstructional and administrative services including, but not limited to, bookstores, food services, financial aid, registration and records, parking services, libraries, and counseling.

Each joint plan shall be submitted to the state board for community colleges and the state board of technical colleges by December 31, 1993. The state boards shall jointly submit an integrated plan to the education committees of the legislature by February 15, 1994, that includes proposals to redirect savings from shared services to instruction at the co-located campuses.

Sec. 18. [EMPLOYEE PROVISIONS.]

During the biennium, the legislature intends that any layoffs at post-secondary institutions be distributed equitably between management/supervisory personnel and line/support personnel. Where restructuring and retrenchment may involve a decrease in existing positions, institutions shall assist employees in finding suitable employment through such options as training and retraining opportunities. Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under Minnesota Statutes, chapter 179A.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136A.85; 136A.86; and 136A.88, are repealed.

Sec. 20. [EFFECTIVE DATE.]

Section 15 is effective the day following final enactment.

ARTICLE 5

TECHNICAL CHANGES

Section 1. Minnesota Statutes 1992, section 126.56, subdivision 5, is amended to read:

Subd. 5. [ADVISORY COMMITTEE.] An advisory committee shall assist the state board of education in approving eligible programs and shall assist the higher education coordinating board in planning, implementing, and evaluating the scholarship program. The committee shall consist of 11 members, to include the executive director of the higher education coordinating board or a representative, the commissioner of education or a representative, two secondary school administrators and two secondary teachers appointed by the commissioner of education, the executive director of the academic excellence foundation, a private college representative appointed by the president of the Minnesota private college council, a community college representative appointed by the community college chancellor, a state university representative appointed by the state university chancellor, and a University of Minnesota representative appointed by the president of the University of Minnesota. ~~The committee expires June 30, 1993.~~

Sec. 2. Minnesota Statutes 1992, section 136A.02, subdivision 5, is amended to read:

Subd. 5. [ADVISORY GROUPS.] The board may appoint advisory task forces to assist it in the study of higher education within the state or in the administration of federal programs. The task forces expire and the terms, compensation, and removal of members are as provided in section 15.059, ~~except that the task force established under section 135A.05 and the advisory councils established under subdivisions 6 and 7 expire June 30, 1993.~~

Sec. 3. Minnesota Statutes 1992, section 136A.02, subdivision 6, is amended to read:

Subd. 6. [HIGHER EDUCATION ADVISORY COUNCIL.] A higher education advisory council is established. The council is composed of the president of the University of Minnesota, the chancellor of the state universities, the chancellor of the community colleges, the chancellor of ~~vocational~~ the technical education colleges, the commissioner of education, the president of the private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters that the council deems necessary, (2) make appropriate recommendations, (3) review and comment upon proposals and other matters before the board, and (4) provide other assistance to the board. The board shall periodically inform the council of matters under consideration by the board. The board shall refer all proposals to the council before submitting recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The council shall report to the board at least quarterly. The council shall determine its meeting times, but it shall also meet within 30 days after a request by the executive director of the board. ~~The council expires June 30, 1993.~~

Sec. 4. Minnesota Statutes 1992, section 136A.02, subdivision 7, is amended to read:

Subd. 7. [STUDENT ADVISORY COUNCIL.] A student advisory council to the board is established. The members of the council shall include the chair of the University of Minnesota university student senate, the state chair of the Minnesota state university student association, the president of the Minnesota community college student association, the president of the Minnesota ~~vocational~~ technical college student association, the president of the Minnesota association of private college students, and a student who is enrolled in a private vocational school registered under this chapter, to be appointed by the Minnesota association of private post-secondary schools. A member may be represented by a designee.

The advisory council shall:

- (1) bring to the attention of the board any matter that the council believes needs the attention of the board;
- (2) make recommendations to the board as the council deems appropriate;
- (3) review and comment upon proposals and other matters before the board;
- (4) appoint student members to board advisory groups as provided in subdivision 5a;

(5) provide any reasonable assistance to the board; and

(6) select one of its members to serve as chair. The board shall inform the council of all matters under consideration by the board and shall refer all proposals to the council before the board acts or sends the proposals to the governor or the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The student advisory council shall report to the board quarterly and at other times that the council considers desirable. The council shall determine its meeting time, but the council shall also meet with the executive director of the board within 30 days after the director's request for a council meeting. The student advisory council shall meet quarterly with the higher education advisory council and the board executive committee. ~~The council expires June 30, 1993.~~

Sec. 5. Minnesota Statutes 1992, section 136C.15, is amended to read:

136C.15 [STUDENT ASSOCIATIONS.]

Every school board governing a technical college shall give recognition as an authorized extracurricular activity to a technical college student association affiliated with the Minnesota ~~vocational~~ technical college student association. The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the technical college which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The money in this fund shall be available for expenditure for recreational, social, welfare, charitable, and educational activities approved by the student association. The money in the fund is not public money.

Sec. 6. Minnesota Statutes 1992, section 136C.61, subdivision 7, is amended to read:

Subd. 7. [MEETINGS.] Notwithstanding any law to the contrary, the joint board may hold meetings at any location convenient to the member districts and the public, whether or not that meeting site is located within the boundaries of a member district. The joint board may also conduct meetings ~~via interactive television~~ by means of telecommunications if the board complies with section 471.705 in each location where board members are present. The joint board shall establish and maintain a schedule of the time and place of its meetings and shall give notice of regular and special meetings in the same manner as required for other public bodies.

Sec. 7. Laws 1991, chapter 356, article 6, section 4, as amended by Laws 1992, chapter 513, article 1, section 25, is amended to read:

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

Options presented to employees full-time law enforcement training center administrators whose positions might be eliminated by integrating peace officer education programs must include, but not be limited to, job and training opportunities necessary to qualify for another job within their current institution or a similar job in another institution. This provision shall expire on December 31, 1993."

Delete the title and insert:

"A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1992, sections 3.9741; 16A.127, subdivision 8; 126.56, subdivision 5; 135A.03, subdivision 7; 135A.06, subdivision 1; 135A.061; 136A.02, subdivisions 5, 6, and 7; 136A.04, subdivision 1; 136A.0411; 136A.08; 136A.101, subdivision 7; 136A.121, subdivisions 6 and 9; 136A.125, subdivision 3; 136A.1352, subdivisions 1 and 2; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.1701, subdivision 4, and by adding a subdivision;

136A.233; 136A.653, subdivision 1; 136A.69; 136A.87; 136C.15; 136C.61, subdivision 7; 136E.04, subdivision 3; 137.022, subdivision 3, and by adding a subdivision; 141.25, subdivision 8; 141.26, subdivisions 1 and 5; Laws 1990, chapter 591, article 3, section 10, as amended; Laws 1991, chapter 356, articles 6, section 4, as amended; and 9, section 8, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136A.121, subdivision 10; 136A.134; 136A.1352, subdivision 3; 136A.234; 136A.70; 136A.85; 136A.86; 136A.88; Laws 1991, chapter 356, article 8, section 23."

The motion prevailed and the amendment was adopted.

The Speaker called Bauerly to the Chair.

Rodosovich and Morrison moved to amend S. F. No. 1407, as amended, as follows:

Page 2, delete line 8 and insert:

"General	\$1,005,623,000	\$1,043,532,000	\$2,049,155,000"
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Page 2, delete line 20 and insert:

"445,948,000	462,187,000	908,135,000"
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Page 6, line 56, delete "444,948,000" and "461,187,000" and insert "445,948,000" and "462,187,000"

Page 7, line 2, delete "362,780,000" and "375,732,000" and insert "363,780,000" and "376,732,000"

Page 7, line 11, delete "114,965,000" and insert "115,965,000"

Page 7, line 12, delete "119,112,000" and insert "120,112,000"

Page 7, after line 12, insert:

"Up to \$1,000,000 in each year is to pay potential increases in employer paid insurance benefits for state-funded University of Minnesota employees."

The question was taken on the Rodosovich and Morrison amendment and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Bettermann and Rodosovich moved to amend S. F. No. 1407, as amended, as follows:

Page 16, line 12, delete "six" and insert "four"

Page 16, line 14, delete "at least one public member"

Page 16, line 15, delete "two" and insert "one" and delete "members"

Page 16, line 15, after the period, insert: "The governor shall appoint two public members and two students."

The motion prevailed and the amendment was adopted.

Orenstein, Rodosovich, Dorn, Dehler, Bertram, Morrison and McCollum moved to amend S. F. No. 1407, as amended, as follows:

Page 3, after line 48, insert:

"Private institutions are encouraged to reallocate institutional financial aid resources as appropriate to offset any negative impact on students from the adoption of the federal methodology and other changes."

The motion prevailed and the amendment was adopted.

S. F. No. 1407, as amended, was read for the third time.

MOTION FOR RECONSIDERATION

Stanisus moved that the action whereby S. F. No. 1407, as amended, was given its third reading be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Stanisus motion and the roll was called. There were 86 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abrams	Commers	Frerichs	Jaros	Leppik	Neary	Peterson
Anderson, R.	Cooper	Garcia	Jennings	Limmer	Nelson	Pugh
Asch	Dauner	Goodno	Johnson, A.	Lindner	Olson, K.	Rest
Beard	Davids	Gruenes	Johnson, V.	Lourey	Olson, M.	Rhodes
Bergson	Dawkins	Gutknecht	Kahn	Lynch	Onnen	Seagren
Bettermann	Dehler	Hasskamp	Klinzing	Macklin	Opatz	Sekhon
Bishop	Dempsey	Haukoos	Knickerbocker	Milbert	Osthoff	Smith
Blatz	Erhardt	Holsten	Koppendrayner	Molnau	Ozment	Solberg
Brown, C.	Evans	Hugoson	Krinkie	Mosel	Pauly	Sparby
Carlson	Farrell	Jacobs	Lasley	Munger	Pelowski	Stanisus

Steensma	Tomassoni	Turheim	Vickerman	Wejzman	Workman
Sviggum	Tompkins	Van Dellen	Waltman	Winter	
Swenson	Trimble	Vellenga	Weaver	Worke	

Those who voted in the negative were:

Anderson, I.	Delmont	Johnson, R.	Lieder	Orenstein	Rice	Welle
Battaglia	Dorn	Kalis	Luther	Orfield	Rodosovich	Wenzel
Bauerly	Greenfield	Kelley	Mariani	Ostrom	Rukavina	Wolf
Bertram	Greiling	Kelso	McCollum	Pawlenty	Sarna	
Carruthers	Hausman	Kinkel	McGuire	Perlt	Skoglund	
Clark	Huntley	Krueger	Olson, E.	Reding	Wagenius	

The motion prevailed.

LAY ON THE TABLE

Rodosovich moved to lay S. F. No. 1407, as amended, on the table. The motion prevailed and S. F. No. 1407, as amended, was laid on the table.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Krinkie; Johnson, V.; Stanius; Seagren and Worke introduced:

H. F. No. 1748, A bill for an act relating to state parks; free admission for civilian conservation corps members; amending Minnesota Statutes 1992, section 85.055, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Kalis, for the Committee on Capital Investment, introduced:

H. F. No. 1749, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing state bonding; appropriating money; amending Minnesota Statutes, section 16B.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124C; and 137.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Brown, C.; Cooper; Mosel; Kalis and Davids introduced:

H. A. No. 11, A proposal to study the valuation of agricultural land for property tax purposes.

The advisory was referred to the Committee on Taxes.

Clark, Skoglund, Hausman, Huntley and Mariani introduced:

H. A. No. 12, A proposal to study medical uses of marijuana and THC.

The advisory was referred to the Committee on Judiciary.

Sparby, Steensma, Koppendrayner, Wenzel and Girard introduced:

H. A. No. 13, A proposal to study agricultural credit.

The advisory was referred to the Committee on Agriculture.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 163, A bill for an act relating to campaign reform; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain "friends of" committees; requiring reports by certain solicitors of campaign contributions; limiting use of contributions carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public subsidy to match in-district contributions; clarifying filing requirements for candidate agreements and the duration of the agreements; requiring return of public subsidies under certain conditions; imposing contribution limits on candidates for local offices; prohibiting political contributions by certain nonprofit corporations and partnerships; requiring a report of candidates on whose behalf political contributions have been refunded by the state; defining certain terms; clarifying certain language; appropriating money; amending Minnesota Statutes 1992, sections 10A.01, subdivision 10c, and by adding a subdivision; 10A.04, by adding a subdivision; 10A.065, subdivision 1; 10A.14, subdivision 2; 10A.15, by adding subdivisions; 10A.19, subdivision 1; 10A.20, subdivision 3, and by adding a subdivision; 10A.25, by adding subdivisions; 10A.27, subdivisions 1, 2, 9, and by adding subdivisions; 10A.31, subdivisions 6, 8, and by adding a subdivision; 10A.322, subdivisions 1 and 2; 10A.324, subdivisions 1 and 3; 211B.15; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; 211A; and 211B.

PATRICK E. FLAHAVEN, Secretary of the Senate

Sparby moved that the House refuse to concur in the Senate amendments to H. F. No. 163, that the Speaker appoint a Conference Committee of 5 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.

Madam Speaker:

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

S. F. Nos. 334 and 1570.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 334, A bill for an act relating to traffic regulations; authorizing issuance of a citation to a driver and penalizing vehicle owner or lessee for failure to yield right-of-way to emergency vehicle; amending Minnesota Statutes 1992, section 169.20, by adding subdivisions.

The bill was read for the first time.

Pugh moved that S. F. No. 334 and H. F. No. 357, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1570, A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; providing for membership on the legislative commission on Minnesota resources; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.05, subdivision 1; 116P.10; 116P.11; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Solberg moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1570 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Solberg moved that the Rules of the House be so far suspended that S. F. No. 1570 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 1570 was read for the second time.

Battaglia moved to amend S. F. No. 1570, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

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

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this article, to be available for the fiscal years indicated for each purpose. The figures "1993," "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, 1993, June 30, 1994, or June 30, 1995, respectively.

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Sec. 2. POLLUTION CONTROL AGENCY

Subdivision 1. Total Appropriation	\$35,377,000	\$33,251,000
1994		1995
Approved Complement - 756		760
Summary by Fund		
General	10,062,000	7,471,000
Environmental	23,663,000	24,128,000
Metro Landfill Contingency	797,000	797,000
Special Revenue	855,000	855,000

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

Subd. 2. Water Pollution Control

	7,916,000	5,421,000
Summary by Fund		
General	5,871,000	3,376,000
Environmental	2,045,000	2,045,000

\$1,946,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

\$94,000 is appropriated for a grant to the city of Garrison for the engineering and planning costs on the proposed sewage treatment plant.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

\$500,000 the first year is appropriated for Minnesota's contribution to the Great Lakes Protection Fund. This is the final payment of a \$1,500,000 obligation.

General fund money appropriated for the nonpoint source pollution Minnesota River project must be matched by federal dollars.

Subd. 3. Air Pollution Control

	6,340,000	6,521,000
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Summary by Fund

Environmental	5,485,000	5,666,000
Special Revenue	855,000	855,000

Subd. 4. Groundwater and Solid Waste Pollution Control

	9,334,000	9,326,000
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Summary by Fund

General	606,000	606,000
Environmental	7,939,000	7,931,000

Metro Landfill Contingency	789,000	789,000
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All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 1995.

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

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

Subd. 5. Hazardous Waste Pollution Control

	4,827,000	4,781,000
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APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Summary by Fund

General	1,519,000	1,473,000
Environmental	3,308,000	3,308,000

Subd. 6. Regional Support

	52,000	52,000
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This appropriation is from the environmental fund.

Subd. 7. General Support

	6,908,000	7,150,000
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Summary by Fund

General	2,066,000	2,016,000
Environmental	4,834,000	5,126,000

Metro Landfill

Contingency	8,000	8,000
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The following amounts are appropriated for Phase I of an environmental computer compliance management system:

General	571,000	521,000
Environmental	1,309,000	1,599,000

From the environmental fund, \$381,000 the first year and \$420,000 the second year are appropriated from the agency's indirect cost account; \$350,000 the first year is appropriated from the balance in the hazardous waste fee account; \$200,000 the first year is appropriated from the balance in the low level radiation fee account; \$790,000 the second year is appropriated from the unexpended balance in the motor vehicle transfer fee account; and \$378,000 the first year and \$389,000 are appropriated proportionately from all salary accounts in the environmental fund.

The project must be coordinated to access department of natural resources computer information. The commissioner must report on the project to the house ways and means and senate finance committee by July 1, 1995.

Before purchasing hardware and software for the compliance management system, the pollution control agency shall develop a technology implementation plan and submit the plan to the information policy office for review and approval.

\$150,000 is appropriated in each of fiscal years 1994 and 1995 to the commissioner of the pollution control agency from the motor vehicle transfer account in the environmental fund for the purpose of making grants for development of management alternatives for shredder residue under article 2, section 29. The unencumbered balance remaining in the first year does not cancel but is available

APPROPRIATIONS
 Available for the Year
 Ending June 30
 1994 1995

for the second year and any amount of this appropriation not used to make grants under article 2, section 29 reverts to the motor vehicle transfer account on June 30, 1995.

\$300,000 is appropriated to the commissioner of the pollution control agency from the motor vehicle transfer account in the environmental fund for the purpose of studying management of shredder residue from motor vehicles, appliances, and other sources of recyclable steel and administering the grants authorized under article 2, section 29.

Notwithstanding any other law to the contrary, any outstanding obligations to include principal and interest that may be held in St. Louis county for grants and loans issued to the county for construction or operation of the Babbitt waste tire facility under Minnesota Statutes 1986, section 116M.07; Minnesota Statutes, section 115A.54, subdivision 2a; or 298.22; or Minnesota Rules, parts 8300.3881 to 8300.3090, shall be forgiven.

Sec. 3. OFFICE OF WASTE MANAGEMENT

Subdivision 1. Total Appropriation	20,012,000	20,014,000
	1994	1995
Approved Complement -	55	55
Summary by Fund		
General	19,022,000	19,024,000
Environmental	990,000	990,000

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

Subd. 2. Business Assistance		
	2,743,000	2,619,000
Summary by Fund		
General	1,753,000	1,629,000
Environmental	990,000	990,000
Subd. 3. Citizen Outreach		
	696,000	696,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Subd. 4. Local Government Assistance

15,437,000 15,556,000

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

Subd. 5. Research and Policy Development

324,000 324,000

Subd. 6. Administrative Assistance

812,000 819,000

Sec. 4. ZOOLOGICAL BOARD

Subdivision 1. Total Appropriation

5,048,000 5,051,000

1994 1995

Approved Complement - 218 218

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

Subd. 2. Biological Programs

755,000 651,000

Subd. 3. Enterprise Program

92,000 94,000

Subd. 4. Operations

4,201,000 4,306,000

Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation

150,900,000 150,213,000

1994 1995

Agency Approved -
Full-Time Equivalency 2,650 2,625

Summary by Fund

General	81,136,000	80,771,000
Game and Fish	51,312,000	51,791,000
Natural Resources	18,066,000	17,547,000
Permanent School	386,000	104,000

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

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Any unencumbered balances remaining in the first year from appropriations made in this section for organizational realignment do not cancel, but are available for the second year.

Of the total amount appropriated to the commissioner by this act, no more than \$107,000,000 the first year and \$109,500,000 the second year may be used for salary related expenses unless adjusted in accordance with the provisions of Minnesota Statutes, section 16A.123, subdivision 5.

Subd. 2. Mineral Resources Management

4,866,000

4,824,000

\$325,000 the first year and \$325,000 the second year are for iron ore cooperative research, of which \$250,000 the first year and \$250,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$468,000 the first year and \$469,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year. The commissioner is authorized one position in the unclassified service for minerals diversification.

The commissioner of natural resources, before adopting amendments to the mineland reclamation rules governing permits to mine for taconite and iron ore mining operations, shall study how to effectively implement the financial assurance requirements of Minnesota Statutes, section 93.49. The commissioner, by June 30, 1994, shall submit a report to the legislature containing:

- (1) an analysis of the types of financial assurance used for mineland reclamation, including the availability, strengths, and weaknesses of the different types;
- (2) an analysis of the feasibility of establishing financial assurance pools; and
- (3) recommendations for procedures to phase financial assurance requirements in over a period of years for ferrous mine operations.

The commissioner shall solicit and receive advice from the ferrous mining industry, environmental organizations, the state investment board, the Iron Range Resources and Rehabilitation Board, and the Minnesota pollution control agency.

\$30,000 the first year and \$45,000 the second year are for minerals cooperative environmental research, of which \$20,000 the first year and \$35,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

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\$20,000 is appropriated in 1994 for a project to be completed in cooperation with the Iron Range Resources and Rehabilitation Board and the department of trade and economic development utilizing available information on iron product production in Minnesota, steel production using the newest mini mill technology and steel market projections to produce a report on the feasibility of locating a steel mill in northern Minnesota. This report is to be completed by March 31, 1994.

Subd. 3. Water Resources Management

7,825,000	7,747,000
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Summary by Fund

General	7,724,000	7,643,000
Natural Resources	101,000	104,000

\$35,000 is appropriated in 1994 for flood damage repairs to the dike on the Root river in Hokah township, section 32.

\$60,000 is appropriated in 1994 for bank stabilization on the Middle River-Snake River Watershed. The money must be matched by nonstate funds.

Subd. 4. Forest Management

27,202,000	26,976,000
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Summary by Fund

General	26,546,000	26,297,000
Natural Resources	333,000	344,000
Game and Fish	323,000	335,000

\$735,000 the first year and \$735,000 the second year are for presuppression and suppression costs of emergency fire fighting. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund.

\$114,000 the first year and \$114,000 the second year from the general fund under Minnesota Statutes, section 89.04, are for grants to the board of water and soil resources for cost-sharing with landowners in the state forest improvement program.

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Subd. 5. Parks and Recreation Management

	22,134,000	22,924,000
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Summary by Fund

General	21,526,000	22,295,000
Natural Resources	608,000	629,000

\$608,000 the first year and \$629,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

\$2,238,000 the first year and \$2,238,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

\$50,000 is appropriated in 1995 for the Cuyuna Country State Recreational Area.

The commissioner of natural resources may not operate a work training program for unemployed and underemployed individuals during the biennium ending June 30, 1995, unless the terms and conditions of employment of such individuals have been negotiated with the exclusive bargaining representatives of employees pursuant to Minnesota Statutes, chapter 179A.

The commissioner shall study the management and operational costs of the state park system and evaluate alternative funding approaches for the system. Results of the study shall be reported to the legislature by July 1, 1994, and shall include but not be limited to a review of the size, type, and number of units within the system; alternative management strategies and organizational structures; revenue generating alternatives; potential stable funding sources and potential alternatives for reducing costs and improving self-sufficiency.

Subd. 6. Trails and Waterways

	11,044,000	10,736,000
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Summary by Fund

General	1,125,000	1,163,000
Game and Fish	841,000	869,000
Natural Resources	9,078,000	8,704,000

\$2,249,000 the first year and \$2,249,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

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

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Subd. 7. Fish and Wildlife Management

35,756,000	35,806,000
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Summary by Fund

General	2,552,000	2,454,000
Game and Fish	31,426,000	31,509,000
Natural Resources	1,778,000	1,843,000

\$874,000 in the first year and \$874,000 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

\$984,000 the first year and \$1,020,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year. The commissioner of natural resources shall submit to the legislature by January 15, 1994, a budget request to spend any excess receipts from the nongame checkoff.

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

\$1,310,000 the first year and \$1,310,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands, established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

\$44,000 is appropriated in 1994 for the construction of barrier reefs on the west traverse bay of the Lake of the Woods, for fish habitat improvement.

\$50,000 for the biennium is from the general fund for a cooperative project with the University of Minnesota to study the prevalence of Lyme's disease in deer. The study shall utilize the voluntary cooperation of licensed deer hunters. This appropriation is available in either year of the biennium.

\$8,000 is appropriated in 1994 for construction of an interpretive display in the Thief Lake WMA.

The commission shall report to the house environment and natural resource finance and the senate environment and natural resource committee on the activities and budgeting of the deer population management program by February 15, 1994.

The department of natural resources shall establish a task force to examine the feasibility of creating an urban trout fishing site in St. Paul. Potential sites shall include, but not be limited to, Swede Hollow, the historic Trout Brook, or a route from near downtown.

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to the department of natural resources metro fish hatchery. The task force shall include representatives of the city of St. Paul, the office of tourism, the Minnesota chapter of Trout Unlimited, the University of Minnesota, and other interested parties. A report shall be presented to the house and senate committees on environment and natural resources by February 15, 1994.

Subd. 8. Enforcement

	16,086,000	16,371,000
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Summary by Fund

General	3,040,000	3,041,000
Game and Fish	10,447,000	10,681,000
Natural Resources	2,599,000	2,649,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

The commissioner shall study the county sheriff's water patrol grant funding, including but not limited to the aid formula and county level activities, and make recommendations for any needed legislation. The commissioner shall report to the house environment and natural resources finance and senate finance committees by January 15, 1994.

Subd. 9. Operations Support

	25,987,000	24,829,000
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Summary by Fund

General	13,757,000	13,054,000
Game and Fish	8,275,000	8,397,000
Natural Resources	3,569,000	3,274,000
Permanent School	386,000	104,000

\$386,000 the first year and \$104,000 the second year are from the permanent school fund for land sale costs under Minnesota Statutes, section 92.67, subdivision 3. Of this appropriation \$88,000 the first year is from the permanent school fund suspense account. This amount shall be repaid to the suspense account from closing costs collected at the August 1993 lease sale. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

\$90,000 the first year and \$90,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$16,000 the first year and \$16,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement their portion of the comprehensive plan for the upper Mississippi.

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The commissioner of the department of natural resources shall have the authority to contract with and make grants to nonprofit agencies to carry out the purposes, plans, and programs of the office of youth programs, Minnesota conservation corps.

The department of natural resources shall complete a study of the payment in lieu of taxes program. Specifically, the department shall compare the amount of payments if based on an ad valorem system versus the current payments to counties. The study shall be sent to the house ways and means and the senate finance committees by January 15, 1994.

Before purchasing hardware and software, the department of natural resources shall submit a life cycle analysis for the local area network project to the information policy office for its review and approval. The department may develop, upgrade, or expand its own wide area network only after demonstrating to the information policy office that a separate network is more cost beneficial than using STARS. The department of natural resources shall submit a strategic information plan to the information policy office for its review and approval by July 1, 1994.

The department shall require field employees who are not included in the uniform program but who have frequent contact with the public to wear a specified shirt. The department shall provide an identifying patch and a nameplate to be worn on the shirt.

\$100,000 is appropriated in 1994 and \$100,000 in 1995 to the commissioner of natural resources for transfer to the environment quality board. The money is to be used for the coordination of the preparation of a strategic plan for Minnesota's environment based on sustainable human and economic development.

The department of natural resources, with the cooperation of other state agencies, shall identify state employees who are potentially eligible for approval as certified ecologists under guidelines of the Ecological Society of America. Employees shall be eligible for reimbursement in accordance with personnel regulations for expenses directly related to becoming certified ecologists.

Subd. 10. Deficiency Appropriations

\$240,000 is appropriated to the commissioner of the department of natural resources. Of this amount, \$120,000 is from the permanent school fund suspense account and is to be added to the appropriation in, and used for the purposes of Laws 1991, chapter 254, article 1, section 5, subdivision 9, and \$120,000 is to pay legal costs of litigation and settlement of disputes relating to the 1837 Treaty. The amounts appropriated are for the fiscal year ending June 30, 1993.

Sec. 6. BOARD OF WATER AND SOIL RESOURCES

12,224,000

12,226,000

1994

1995

Approved Complement - 50

50

APPROPRIATIONS
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\$5,353,000 the first year and \$5,353,000 the second year are for natural resources block grants to local governments. Of this amount, \$50,000 in each year is for a grant to the north shore management board.

\$1,599,000 the first year and \$1,599,000 the second year are for grants to soil and water conservation districts, for general purposes and for implementation of the conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$2,220,000 the first year and \$2,220,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

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

Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation		22,050,000	20,918,000
	1994		1995
Approved Complement -	539		539
Summary by Fund			
General	21,595,000		20,463,000
Environmental	272,000		272,000
Special Revenue	183,000		183,000

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

Subd. 2. Protection Service

	6,031,000		6,031,000
Summary by Fund			
General	5,759,000		5,759,000
Environmental	272,000		272,000

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1994

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\$272,000 the first year and \$272,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

Subd. 3. Promotion and Marketing

	10,451,000	9,451,000
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Summary by Fund

General	10,268,000	9,268,000
Special Revenue	183,000	183,000

\$8,500,000 the first year and \$8,500,000 the second year are for payments to producers of ethanol or wet alcohol which shall be paid pursuant to Minnesota Statutes, section 41A.09. From the first year amount, the commissioner shall first reimburse producers up to \$981,024 for eligible, unpaid claims in fiscal year 1993. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$1,000,000 is appropriated in 1994 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion.

\$183,000 for the first year and \$183,000 for the second year are from the commodities research and promotion account in the special revenue fund.

\$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

Subd. 4. Administration and Financial Service

	5,568,000	5,436,000
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\$389,000 the first year and \$389,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1994 or 1995.

APPROPRIATIONS
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1994 1995

\$80,000 the first year and \$80,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

\$70,000 the first year and \$70,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$45,000 the first year and \$45,000 the second year are for payment of claims relating to livestock damaged by endangered animal species, and agriculture crops damaged by elk. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$80,000 the first year and \$80,000 the second year are for the seaway port authority of Duluth.

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

Sec. 8. BOARD OF ANIMAL HEALTH

2,096,000 2,096,000

1994 1995

Approved Complement - 37 37

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

\$255,000 the first year and \$255,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation is available only as matched, dollar for dollar, by money from nonstate sources.

Sec. 9. MINNESOTA-WISCONSIN BOUNDARY
AREA COMMISSION

127,000 127,000

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

Sec. 10. CITIZENS COUNCIL ON VOYAGEUR'S
NATIONAL PARK

72,000 72,000

The council shall have an executive committee composed of the legislative members and the chair. The executive committee shall

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act on matters of personnel, out-of-state trips by members of the council, and nonroutine monetary issues.

The council shall submit to the house ways and means and the senate finance committee a report on its coordination with other organizations by January 1, 1994.

Sec. 11. SCIENCE MUSEUM OF MINNESOTA	1,123,000	1,108,000
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\$15,000 is appropriated for a project to study the creation of a freshwater aquarium on the Mississippi river in downtown St. Paul. The project will look at displaying and interpreting the marine life and surrounding cultures of the great river of the world. The science museum will work with groups including but not limited to the department of natural resources, Minnesota tourism office, University of Minnesota, city of St. Paul, the Minnesota geographical society, and other interested parties. A report must be submitted to the appropriate finance committees of the house and senate by February 1, 1994.

The Science Museum shall meet with other area institutions to research and report on the feasibility of creating a short-term inexpensive residency housing program for greater Minnesota students to visit metropolitan area cultural and educational institutions. Members of the task force shall include, but not be limited to: Science Museum, city of St. Paul, department of education, department of tourism, and other metropolitan area cultural institutions. The Science Museum shall report to the environmental committees in the house and senate by January 30, 1994.

Sec. 12. MINNESOTA ACADEMY OF SCIENCE	36,000	36,000
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Sec. 13. MINNESOTA HORTICULTURAL SOCIETY	72,000	72,000
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Sec. 14. MINNESOTA RESOURCES		
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Subdivision 1. Total Appropriation	41,274,000	
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Summary by Fund

Minnesota Future Resources Fund	14,662,000	
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Minnesota Environment and Natural Resources Trust Fund	24,600,000	
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Of this appropriation \$10,298,000 is for trust fund acceleration.

Oil Overcharge Money in the Special Revenue Fund	2,012,000	
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The appropriations in this section are available until June 30, 1995.

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In this section:

(a) "Future resources fund" means the Minnesota future resources fund referred to in Minnesota Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota environment and natural resources trust fund referred to in Minnesota Statutes, section 116P.02, subdivision 6.

(c) "Trust fund acceleration" means the Minnesota environment and natural resources trust fund to be expended only for capital investments in parks and trails referred to in Minnesota Statutes, section 116P.11, paragraph (b), clause (3).

(d) "Oil overcharge money" means the money referred to in Minnesota Statutes, section 4.071, subdivision 2.

Subd. 2. Legislative Commission on Minnesota Resources

695,000

\$425,000 of this appropriation is from the future resources fund and \$270,000 is from the trust fund pursuant to Minnesota Statutes, section 116P.09, subdivision 5.

For the biennium ending June 30, 1995, the commission shall monitor the programs in this section; assess the status of the state's natural resources; convene a state resource congress; establish priorities for, request, review, and recommend programs for the 1995-1997 biennium from the future resources fund, environment and natural resources trust fund, and oil overcharge money, and for support of the citizen advisory committee activities.

Subd. 3. Agriculture

(a) Biological Control of Plant and Animal Pests

880,000

This appropriation is from the oil overcharge money to the commissioner of administration for transfer to the commissioner of agriculture to develop, test, and implement biological control agents to reduce the use of petroleum-based chemicals. A grant request to supplement this appropriation must be submitted to the United States Department of Agriculture and the results reported to the legislative commission on Minnesota resources.

(b) Cover Crops in a Corn and Soybean Rotation

150,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota for the development of economic management strategies of cover crops for corn and soybean rotations to reduce soil erosion, nitrate leaching, and pesticide use.

(c) Increasing Utilization of Federal Cost Share Feedlot Funds

480,000

This appropriation is from the future resources fund to the commissioner of agriculture to provide technical assistance for the rehabilitation of priority feedlots with water quality concerns.

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(d) Demonstration of Production Scale Waste
Collection in Aquaculture

100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with Minnesota Aquafarms to evaluate operational efficiencies of a fish waste collection system and to evaluate the potential for the waste collection system to meet state water quality requirements.

(e) Reinvest in Minnesota - Conservation Reserve Easements

500,000

This appropriation is from the trust fund to the board of water and soil resources to accelerate the RIM program to acquire perpetual conservation easements on marginal agricultural lands. Up to \$100,000 may be used to implement conservation practices on the easements. None of this appropriation may be used for administrative costs.

(f) Alternative Aquaculture Methods

230,000

This appropriation is from the future resources fund to the commissioner of agriculture to develop and evaluate alternative methods of raising fish, focusing on water conservation through waste removal, and collection involving recirculating aquaculture systems. Grant requests to supplement this appropriation must be submitted to the United States Department of Agriculture and the national Sea Grant program and the results reported to the legislative commission on Minnesota resources.

(g) Minnesota Aquaculture Development Program

230,000

This appropriation is from the future resources fund to the commissioner of agriculture to conduct a grant program for the evaluation and development of environmentally sound aquaculture systems.

(h) Managing Agricultural Environments of North-Central
Minnesota Sandy Soils

480,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to develop improved management strategies for water, nitrogen, and herbicide use on sandy soils in north central Minnesota.

(i) Nutrient Availability From Land-Applied Manure

280,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to determine nutrient availability from manure/soil/crop systems to improve manure utilization by crops, reduce environmental impacts on water resources, and provide best management practices (BMPs) to guide manure management decisions.

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	1994	1995
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(j) Effective Manure Management in Conservation Tillage
Systems for Karst Areas

500,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to investigate factors that influence losses of contaminants to surface and groundwater. The emphasis will be on soil, crop residue, and manure management to maximize crop recovery of nitrogen and minimize losses to surface and groundwater.

(k) Nutrient Recycling Through Plants and Animals

260,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to improve techniques to predict nitrogen mineralization from manure and soil organic matter in west central Minnesota.

(l) Developing Soil Specific Nitrogen Management as
a Best Management Practice (BMP)

294,000

This appropriation is from the oil overcharge money to the commissioner of administration for transfer to the commissioner of agriculture for development of new soil specific, variable rate nitrogen applications that will increase operating efficiency and reduce applied nitrogen without reducing yield.

Subd. 4. Energy

(a) Photovoltaic Demonstration Project

230,000

This appropriation is from the oil overcharge money to the commissioner of administration for a grant to the St. Paul school district for purchase and installation of a photovoltaic demonstration system at the Battle Creek environmental magnet school.

(b) Operational Implications of Alternate Transit Bus Fuels

78,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the metropolitan transit commission to test alternate bus fuels to evaluate their potential for reduced fuel consumption and increased operational efficiency.

(c) The Bus, Bike, or Car Pool (B-BOP) Challenge

150,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the center for energy and urban environment to reduce energy use by the delivery of an employer-based program that cost effectively reduces the use of single occupant vehicles by commuters who pledge to B-BOP or telecommute regularly during the summer.

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(d) Tree and Grass Production for Ethanol 380,000

This appropriation is from the oil overcharge money to the commissioner of administration for a contract with the agricultural utilization research institute to implement a program to supply biomass feedstock derived from trees and grass to a national renewable energy laboratory (NREL), United States Department of Energy Engineering Development facility for converting biomass to ethanol and thermochemical fuels. This appropriation is contingent on a NREL agreement by January 1, 1994, to purchase biomass.

Subd. 5. Forestry

(a) Development of Tree Seed Orchard Complex 80,000

This appropriation is from the future resources fund to the commissioner of natural resources for production of genetically improved forest tree seed.

(b) Como Park Replanting Program 93,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the metropolitan council for a subgrant to the city of St. Paul to replant areas in Como Park that have lost trees due to disease, age, or other causes.

(c) Reforestation in Ramsey County Parks and Open Space 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Ramsey county to accelerate the reforestation program in Ramsey county regional and county parks to replace trees lost to storm damage, drought, and disease and begin establishment of new plantings. None of this appropriation is to be used for administration.

(d) Developing Quality Hardwood Forests 210,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the University of Minnesota to conduct research on the effects of different canopy gap sizes and site preparation methods on natural hardwood regeneration.

Subd. 6. General

(a) Minnesota County Biological Survey - Continuation 900,000

This appropriation is from the trust fund to the commissioner of natural resources to continue the Minnesota county biological survey of systematic collection (\$432,000) and management of data on the distribution of rare plants, animals and natural habitats (\$288,000) and to provide for distribution and integration of rare features information (\$180,000).

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(b) Minnesota's Forest-Bird Diversity Initiative - Continuation 500,000

This appropriation is from the trust fund to the commissioner of natural resources to monitor forest songbird populations and to utilize geographic information system tools to correlate forest bird populations with dynamics of the forest landscape.

(c) Description and Evaluation of Minnesota Old Growth Forests - Continuation 250,000

This appropriation is from the future resources fund to the commissioner of natural resources to accelerate the evaluation of old growth candidate stands (\$90,000), develop detailed descriptions of old growth forest types (\$110,000), and determine habitat relations of forest fungi in old growth forests (\$50,000) for completion of the implementation of the department of natural resources old growth guidelines.

(d) Mississippi Headwaters River Inquiry and Education Project 75,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Mississippi headwaters board to provide for the investigation of river corridor biology, hydrology, and cultural issues, training of local government officials, and public education on river protection strategies.

(e) Anadromous Fish Monitoring 137,000

This appropriation is from the future resources fund to the commissioner of natural resources for biologic monitoring to improve the management of the steelhead population on the north shore of Lake Superior.

(f) Land and Water Conservation Fund Administration 80,000

This appropriation is from the future resources fund to the commissioner of natural resources for administration of the federal land and water conservation program and other contract administration activities assigned to the commissioner in this section.

Subd. 7. Information/Education

(a) Quantify Pesticide and Fertilizer Runoff from Golf Courses 49,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with suburban Hennepin Regional Park district for a study of the quantity of pesticide and fertilizer runoff water from golf courses and an assessment of the impact of these contaminants on downstream waterbodies. This appropriation must be matched by \$49,000 of nonstate funds.

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(b) Developing Multi-Use Urban Green Space 220,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the Minneapolis park and recreation board to develop city tax forfeited lands into neighborhood gardens, orchards, alternative landscape demonstration areas, and tree nurseries.

(c) K-12 Prairie Wetland Field Study Program - Ecology Bus 270,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Heron Lake Environmental Learning Center, Inc., to purchase, equip, and operate an ecology bus to deliver an interdisciplinary K-12 school environmental education program in southwest Minnesota. This appropriation is contingent on the learning center employing a specialist to guide student and teacher participation in the ecology bus.

(d) The On-Line Museum: Computer and Interactive Video 260,000

This appropriation is from the trust fund to the commissioner of education for a contract with the science museum of Minnesota to create an interactive video data base of selected cultural and natural history collections as a prototype for a unique learning experience in environmental education for museum visitors and school children.

(e) Environmental Education Outreach Program 215,000

This appropriation is from the future resources fund to the commissioner of education for a contract with metropolitan waste control commission (MWCC) to develop a multidisciplinary environmental science and math curriculum for grades K-12 and team-taught by private sector volunteers, teachers, and MWCC volunteer staff. A grant request to supplement this appropriation must be submitted to the United States Environmental Protection Agency and the results reported to the legislative commission on Minnesota resources. This appropriation must be matched by an equal amount of nonstate funds.

(f) Summer Youth History Program 100,000

This appropriation is from the future resources fund to the Minnesota state historical society to provide summer employment for high school students of at least 50 percent minority or disadvantaged at historic sites.

(g) The Ecology of Minnesota - Book 51,000

This appropriation is from the future resources fund to the University of Minnesota for a grant to the university press to assist in the preparation and production of a book presenting a comprehensive overview of Minnesota's natural environment.

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(h) Green Street: An Urban Environmental Awareness Project 550,000

This appropriation is from the trust fund to the commissioner of education for a contract with the science museum of Minnesota to develop a comprehensive, coordinated urban environmental education project, which will be a core exhibit and outreach program focused on revealing the links between modern lifestyles and major environmental issues.

(i) Minnehaha Park Environmental Interpretive Center 337,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to adaptively reuse the Longfellow house in Minnehaha Park as an urban interpretive center.

(j) Nicollet Conservation Club Swan Lake Interpretive Room 18,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the Nicollet conservation club to equip a Swan Lake interpretive center at the Nicollet conservation club. Facilities will be open for use by local school groups and state agencies for interpretive programs and meetings at no charge. This appropriation must be matched by an equal amount of nonstate funds.

(k) Project City Camp: Experiential Urban Environmental Education 130,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Pillsbury Neighborhood Services, Inc., to implement Project City Camp, to help inner city poor and minority youth and adults understand the urban environment and its impact on human development.

(l) Granite Quarry Park and Interpretive Center Planning 50,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with Stearns county to study the features of the quarry sites and plan for the development of an interpretive and recreational regional park. This appropriation must be matched by \$50,000 of nonstate funds.

(m) Expanded Crosby Farm Park Nature Program 91,000

This appropriation is from the future resources fund to the commissioner of education for a contract with the city of St. Paul to accelerate the nature study program established at Crosby Farm Park utilizing the Como zoo, Como conservatory, and Crosby Farm Nature Park.

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(n) Multiple-Use Forest Management Learning Kit

15,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Deep Portage environmental learning center to develop a multiple use forest management learning kit. This appropriation must be matched by \$5,500 of nonstate funds.

(o) An Outdoor Classroom to Improve Rural Environmental Education

60,000

This appropriation is from the future resources fund to the commissioner of education for a contract with the Faribault County Environmental Learning Center, Inc., in cooperation with area 4-H, communities and schools, for an outdoor classroom project using native Minnesota vegetation, to train instructors, educate youth and community members, and evaluate changes in environmental awareness.

Subd. 8. Land

(a) Base Maps for 1990s - Continuation

710,000

This appropriation is from the trust fund to the commissioner of administration to provide the state share of a 50/50 match program with the United States Geological Survey to continue statewide coverage of orthophoto maps, update mapping for the state major urban areas, and plan for future cooperative mapping and air photos programs.

(b) Rural County Use of National Aerial Photography Program Flight

90,000

This appropriation is from the future resources fund to the commissioner of administration for a contract with Houston county to evaluate the quality of digital planimetric map products and the effectiveness of national aerial photography program products in meeting the needs of Houston county users and to assist other counties in the future use of the products. This project must comply with the data compatibility requirements set forth in subdivision 15.

(c) Recreational Resource Planning in the Metro Mississippi Corridor

175,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the University of Minnesota to investigate the potential for enhancing and enriching the recreational opportunities along the Mississippi river in the metropolitan corridors of the Mississippi National River and Recreation Area (MNRRA). This appropriation must be matched by \$25,000 of nonstate funds.

Subd. 9. Minerals

Mitigating Concrete Aggregate Problems in Minnesota

179,000

This appropriation is from the future resources fund to the commissioner of transportation for a contract with the University of

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Minnesota to study means of mitigating concrete aggregate problems in southern Minnesota.

Subd. 10. Recreation

The appropriations in items (a) to (l) are for trust fund acceleration.

(a) State Park Betterment

3,000,000

This appropriation is from the trust fund to the commissioner of natural resources to develop, improve, and rehabilitate state park facilities to meet growing user demand as well as prevent further deterioration of outstanding historically significant structures.

(b) Americans With Disabilities Act: Retrofitting Regional Parks

220,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council to make subgrants to regional park implementing agencies to retrofit existing facilities to meet federal Americans with Disabilities Act (ADA) requirements.

(c) Trail Linkages, Metropolitan Regional Network

2,327,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council to make subgrants to acquire and improve regional trails which link existing and planned regional, local, and state parks and trails.

(d) Initiate Gateway Segment of the Willard Munger State Trail into Downtown St. Paul

200,000

This appropriation is from the trust fund to the commissioner of natural resources for acquisition and development of the trail right-of-way of the gateway segment of the Willard Munger state trail into downtown St. Paul. This appropriation is for acquisition and development only and must be done in cooperation with the city of St. Paul.

(e) Birch Lake Regional Bikeway/Walkway

450,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council for a subgrant to Ramsey county which shall cooperate with the city of White Bear Lake to develop a bikeway/walkway linking trunk highway 96 regional bikeway with Tamarack nature center and business centers, and a trailside interpretive program. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(f) Cedar Lake Trail Development

610,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the

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metropolitan council for a subgrant to the Minneapolis park and recreation board to plan and construct Cedar Lake recreational and nonmotorized commuter trail from Highway 100 to downtown Minneapolis intersecting with the chain of lakes. This appropriation must be matched by \$200,000 of nonstate funds. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(g) State Trail Development

2,327,000

This appropriation is from the trust fund to the commissioner of natural resources to start development of the Paul Bunyan state trail, the development of an abandoned railroad grade located between Barnum and Carlton, and provide for the acquisition and development of a trail connection from Harmony to the Root river state trail.

(h) Shingle Creek Trail Improvement

130,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to develop the Shingle Creek trail connection between Minneapolis and Hennepin county regional trail.

(i) Lilydale/Harriet Island Regional Park Trail

246,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council for a contract with the city of St. Paul to plan and construct a pedestrian bicycle trail in the Lilydale/Harriet Island Regional Park.

(j) Como Park East Lakeshore Reclamation

163,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council for a subgrant to the city of St. Paul to provide site improvements for reclamation and restoration of severely eroded areas on east lakeshore in Como Park.

(k) Grain Belt Mississippi Riverfront Development

300,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board, which shall cooperate with the Minneapolis community development agency to create riverfront recreational park and marina facilities through acquisition and development of Mississippi riverfront property. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

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(l) Acquisition of Palace Restaurant Site on Mississippi River

325,000

This appropriation is from the trust fund to the commissioner of trade and economic development for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to acquire the Palace Restaurant property located on the east bank of the Mississippi for open space and recreational opportunities. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(m) Access to Lakes and Rivers - Continuation

1,000,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate access to lakes and rivers statewide. \$500,000 is for boat access to lakes and rivers and \$500,000 is for shoreline access and fishing piers statewide.

(n) Saint Louis River Land Acquisition

1,000,000

This appropriation is from the trust fund to the commissioner of natural resources to acquire and protect undeveloped lands known for their resource and recreation values located along the Saint Louis, Cloquet, and Whiteface rivers.

(o) Lake Minnetonka Water Access Acquisition

944,000

This appropriation is from the future resources fund to the commissioner of natural resources to acquire land for a water access site on Maxwell and Crystal Bays in Lake Minnetonka.

(p) Lake Superior Safe Harbors - Continuation

1,000,000

This appropriation is from the future resources fund to the commissioner of natural resources to acquire a site not to exceed 25 acres and construct a Lake Superior safe harbor site at Silver Bay in cooperation with the north shore management board. This appropriation is contingent on additional funding being requested from the IRRRB, the United States Army Corps of Engineers and other federal/local sources as described in the north shore harbors plan.

(q) Cooperative Trails Grant Program

800,000

This appropriation is from the future resources fund to the commissioner of natural resources for a grant program to assist in the acquisition and development of local connections to planned and existing state trails and other public recreation facilities.

(r) Agassiz Recreational Trails (ART)

650,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with Agassiz Recreational Trail Joint Powers Board to plan,

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purchase, and develop Agassiz recreational trails and improve up to five local parks.

(s) Mesabi Trail Acquisition, Planning and Development

700,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the St. Louis and Lake county regional rail authority to plan and begin acquiring and developing a 132-mile multipurpose trail linking the Mesabi iron range between Grand Rapids and Ely. This appropriation must be matched by \$350,000 cash from IRRRB or nonstate funds.

(t) Recreational Programming: Inclusiveness for Persons with Disabilities

160,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Vinland National Center to provide staff training and consultation, targeted outreach and resource education, to enhance the inclusiveness, accessibility, and utilization of existing recreational programs by persons with disabilities.

(u) Enhanced Recreational Opportunities for Southeast Asian Ethnic Communities

300,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide community education, develop bilingual communication exchanges, and cultural and sensitivity training with community members and natural resource professionals.

(v) Urban Community Gardening Program

110,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the Sustainable Resources center to provide technical assistance and information to neighborhood based groups, special populations, and municipalities for community gardening, including the rehabilitation of urban open space.

(w) National Register Grants Program

165,000

This appropriation is from the future resources fund to the Minnesota state historical society to assist in the preservation of outstanding historical properties such as Pickwick Mill (1854-58), Sibley County Courthouse (1879), Wendelin Grimm Farmstead (1876) and Tugboat Edna G (1896), and other emergency needs of properties of national or statewide historic significance.

(x) Historical Research and Planning for Traverse Des Sioux

68,000

This appropriation is from the future resources fund to the Minnesota state historical society to research and develop a master

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plan for Traverse des Sioux, a historic site owned by the Minnesota historical society and located in Nicollet county.

(y) Peninsula Point Two Rivers Historical Park 435,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the city of Anoka to develop Peninsula Point Two Rivers Historical Park located at the confluence of the Rum and Mississippi rivers.

Subd. 11. Water

(a) Minnesota River Implementation - Continuation 1,100,000

This appropriation is from the trust fund to the commissioner of the pollution control agency to accelerate the adoption of best management practices (BMPs) and to accelerate related state and local implementation activities for the Minnesota river basin.

(b) Local River Planning - Continuation 480,000

This appropriation is from the future resources fund to the commissioner of natural resources for contracts of up to two-thirds of the cost to counties or groups of counties acting pursuant to a joint powers agreement, to develop comprehensive plans for the management and protection of rivers in northern and central Minnesota. The commissioner of natural resources shall include in the work plan for review and approval by the legislative commission on Minnesota resources a proposed list of rivers and a planning process developed by the consensus of the affected counties. All plans must meet or exceed the requirements of state shoreland and floodplain laws. Up to \$100,000 is available for administration and technical assistance.

(c) Mercury Reduction in Fish - Continuation 200,000

This appropriation is from the trust fund to the commissioner of the pollution control agency for a contract with the University of Minnesota to complete pilot studies testing mercury reduction in fish for Minnesota waters. Grant requests to supplement this appropriation must be submitted to the United States Environmental Protection Agency and the results reported to the legislative commission on Minnesota resources.

(d) Stream Flow Protection 280,000

This appropriation is from the future resources fund to the commissioner of natural resources to collect stream habitat data (width, depth, velocity, substrate, water elevation) in up to 39 watersheds to develop community-based flows that protect stream resources. This project must comply with the data compatibility requirements set forth in subdivision 15.

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(e) The South Central Minnesota Groundwater Contamination
Susceptibility Project - Continuation

290,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Mankato state university to couple surface hydrology, subsurface geology, and hydrogeology for environmental analysis to assess present environmental conditions, establish benchmarks, and develop regional priorities for south central Minnesota. This project must comply with the data compatibility requirements set forth in subdivision 15.

(f) White Bear Lake Levels Feasibility Study

228,000

This appropriation is from the future resources fund to the commissioner of natural resources to install additional observation wells at White Bear Lake (\$50,000) to study lake and groundwater relationships, to conduct a feasibility study to address lake level issues (\$50,000), and to abandon or retrofit existing augmentation wells (\$128,000).

(g) County Geologic Atlases and Regional Hydrogeologic
Assessments - Continuation

850,000

\$425,000 is from the trust fund to the University of Minnesota, Minnesota geologic survey, and \$425,000 is from the trust fund to the commissioner of natural resources to expand production of county geologic atlases and regional hydrogeologic assessments. This project must comply with the data compatibility requirements set forth in subdivision 15.

(h) Septic System Replacement for Water Related Tourism
Businesses

500,000

This appropriation is from the future resources fund to the commissioner of trade and economic development to provide matching grants of up to \$10,000 to resorts and related tourism businesses located on lakes and rivers for replacement of failing or nonconforming septic systems.

(i) Optical Brighteners: Indicators of Sewage
Contamination of Groundwaters

157,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with Dakota county to study the correlation of optical brighteners present in domestic sewage from detergent use with nonagricultural nitrogen as interferences with atrazine detection.

Subd. 12. Waste

Compost and Wood Utilization Program

270,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract

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with the metropolitan council for a subgrant to the city of St. Paul to establish a system to compost and market the organic waste materials.

Subd. 13. Wildlife, Fisheries, Plants

(a) Reinvest in Minnesota - Critical Habitat Match, Scientific and Natural Area, Wildlife, and Prairie Acquisition

4,000,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program. \$2,600,000 is to protect and improve critical fish, wildlife, and native plant habitat through critical habitat match; \$1,000,000 is to acquire land for scientific and natural areas; \$300,000 is to acquire North American waterfowl management plan projects; and \$100,000 is to acquire prairie bank easements to protect native prairie on private lands.

(b) Reinvest in Minnesota - Wildlife Habitat Stewardship and Property Development

900,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program, to develop state land, to protect wildlife and native plant populations, restore native plant communities, and enhance wildlife habitat.

(c) Reinvest in Minnesota - Statewide Fisheries Habitat Development

687,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program through the development of trout, walleye, and smallmouth bass habitat in streams, removal of the Flandrau dam on the Cottonwood river to allow migration of fish, and the installation of aeration systems on winterkill-prone lakes.

(d) Establishment of Critical Winter Habitat Areas on Intensively Farmed Land

100,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Pheasants Forever, Inc., to acquire and establish areas of critical winter habitat for wildlife on farmland in Scott county. This appropriation must be matched by \$60,000 nonstate funds.

(e) Wild Turkey Hunting Safety/Education

39,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the wild turkey federation to develop a program to promote safety in the sport of wild turkey hunting, to minimize accidents, and improve hunter/landowner relationships.

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(f) Niemackl Watershed Restoration

500,000

This appropriation is from the future resources fund to the commissioner of natural resources for the restoration of the Niemackl watershed by improvement of water quality, flood reduction, fish and wildlife habitat, and recreation through citizen participation with federal, state, and local governments, and nongovernment agencies. \$200,000 is available to begin the project and the remaining \$300,000 is contingent on a match of \$300,000 of nonstate funds.

(g) Deer Critical Habitat Survey - Koochiching County

75,000

This appropriation is from the future resources fund to the commissioner of natural resources in cooperation with Koochiching county to conduct an intensive survey of deer winter cover in Koochiching county to identify critical habitat for deer for improved timber management and for deer population management. This appropriation must be matched by \$5,000 of nonstate funds.

(h) Reinvest in Minnesota - Fisheries Acquisition for Angler Access and Habitat Development

300,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program. \$50,000 is for trout stream easements; \$50,000 is for warm water stream easements; and \$200,000 is for aquatic management areas acquisition.

(i) Establishing Goose Nesting Sites in Northern Minnesota and Relocation of Giant Canada Goslings

21,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Geese International, Inc., to manufacture and place 160 permanent goose nesting sites in the Squaw Lake and Baudette areas and to purchase a four-wheel drive vehicle capable of towing a trailer for 400 goslings. This appropriation must be matched by \$31,890 from Geese International, Inc.

(j) Prairie Ecosystem Restoration in the Minneapolis Park System

60,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the Minneapolis park and recreation board to restore and rehabilitate the remnant, secondary, and introduced prairie tracts in the Minneapolis park system. This appropriation must be matched by \$60,000 from nonstate funds.

(k) Theodore Wirth Park Tamarack Bog Preservation Project

40,000

This appropriation is from the future resources fund to the commissioner of trade and economic development for a contract with the People for Minneapolis Parks fund in cooperation with the Minneapolis park and recreation board to restore the Theodore Wirth park tamarack bog, improve the access trail, construct a boardwalk, and develop and install self-guided interpretive signage.

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(l) Biological Control of Eurasian Water Milfoil and
Purple Loosestrife

400,000

This appropriation is from the trust fund to the commissioner of natural resources to research biological control for purple loosestrife and Eurasian water milfoil. The purple loosestrife research must be done in cooperation with the commissioner of agriculture. \$100,000 is for the propagation, release, and evaluation of insects for purple loosestrife control; \$50,000 is for the development of mycoherbicides to control purple loosestrife; \$200,000 is for evaluation of biocontrol agents for Eurasian water milfoil fungi and insects; and \$50,000 is to research the biology of Eurasian water milfoil. The \$250,000 for Eurasian water milfoil must be matched by \$200,000 of nonstate funds.

(m) Replacement of Eurasian Water Milfoil with Native
Minnesota Plants

40,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the White Bear Lake conservation district to research the replanting of areas treated for Eurasian water milfoil with native aquatic plants.

(n) Integrated Control of Purple Loosestrife

90,000

This appropriation is from the future resources fund to the commissioner of agriculture in cooperation with the commissioner of natural resources to accelerate evaluation of integrated biological control agents for purple loosestrife infestations in Houston, Hennepin, Wabasha, and Goodhue counties.

(o) Ecological Impacts of Releasing Genetically
Engineered Fishes

175,000

This appropriation is from the trust fund to the commissioner of agriculture in cooperation with the commissioner of natural resources for a contract with the University of Minnesota to assess impacts of the release of genetically engineered fish on Minnesota's game fish and aquatic ecosystems and formulate recommendations to reduce detrimental impacts through measurement of bioenergetic and behavioral traits.

Subd. 14. MFRF Contingent Account

If cancellations or increased revenue, or both, create an excess balance in the future resources fund, up to \$600,000 for the biennium is appropriated from the fund for acquisition or development of state land or other projects that are part of a natural resources acceleration activity, when deemed to be of an emergency or critical nature. This appropriation is also available for projects initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

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

Subd. 15. Data Compatibility Requirements

During the biennium ending June 30, 1995, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic data bases with the integration costs borne by the activity receiving funding under this section.

Subd. 16. Work Program

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

Subd. 17. Temporary Positions

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

Board of Water and Soil Resources - 1
Pollution Control Agency - 2
Department of Agriculture - 2
Department of Natural Resources - 46

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

Subd. 18. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1994, must be canceled.

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Subd. 19. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must comply with Minnesota Statutes, sections 16B.121 to 16B.125, requiring the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

Subd. 20. Carryforward

The appropriation in Laws 1991, chapter 254, article 1, section 14, subdivision 7, paragraph (e), Private Forest Management Oak Regeneration, is available until December 31, 1993.

Sec. 15. Minnesota Statutes 1992, section 116P.10, is amended to read:

116P.10 [ROYALTIES, COPYRIGHTS, PATENTS.]

This section applies to projects supported by the trust fund, the Minnesota future resources fund, and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund". The trust fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of the project's total funding provided by the trust fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the trust fund. overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund". The trust fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the trust fund equal to the percentage of the project's total funding provided by the trust fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the trust fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the trust fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the trust fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the trust fund.

Sec. 16. [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 act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 17. [EFFECTIVE DATE.]

Section 5, subdivision 10, is effective the day after final enactment.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] The commissioner of ~~revenue~~ agriculture, subject to an appropriation, shall make cash payments from the account to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

(a) For each gallon of ethanol produced on or before June 30, 2000, 20 cents per gallon.

(b) For each gallon produced of wet alcohol on or before June 30, 2000, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon. The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

~~(c) The total payments from the account to all producers during the period beginning July 1, 1991, and ending June 30, 1993 may not exceed \$8,550,000. This amount may be paid in either fiscal year of the biennium. Total payments from the account to any producer in each fiscal year may not exceed \$3,000,000.~~

~~(d) The total payments from the account to all producers may not exceed \$10,000,000 in any fiscal year during the period beginning July 1, 1993, and ending June 30, 2000. Total payments from the account to any producer in any fiscal year may not exceed \$3,000,000.~~

By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 2. Minnesota Statutes 1992, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. The governor shall appoint, except for the legislative members, a citizen's council on Voyageurs National Park, consisting of 17 members as follows:

Four residents of Koochiching county;

Four residents of St. Louis county;

Five residents of the state at large from outside Koochiching and St. Louis counties;

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

The governor shall designate one of the appointees to serve as chair and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent differing viewpoints and interest groups on the facilities included in and around the park. Legislator members shall serve for the term of the legislative office to which they were elected. The terms, compensation and removal of nonlegislator members, ~~and expiration of the council shall be as provided in section 15.059. Notwithstanding section 15.059, subdivision 5, the council shall continue to exist.~~

Sec. 3. [CUYUNA COUNTRY STATE RECREATION AREA.]

Subdivision 1. [85.013] [Subd. 5c.] [CUYUNA COUNTRY STATE RECREATION AREA.] Cuyuna country state recreation area is established in Crow Wing county.

Subd. 2. [ACQUISITION.] The commissioner of natural resources is authorized to acquire by gift or purchase the lands for Cuyuna country state recreation area. The commissioner must manage the area for multiple recreational use, including allowance of hunting, and provide for limited timber harvesting.

Subd. 3. [MINING.] The commissioner shall recognize the possibility that mining may be conducted in the future within the Cuyuna country state recreation area, and that use of portions of the surface estate and control of the flowage of water may be necessary for future mining operations.

Subd. 4. [ADVISORY COMMITTEE.] (a) A local area advisory committee is established to provide direction on the establishment, planning, development, and operation of the Cuyuna country state recreation area.

(b) Membership on the advisory committee shall include:

(1) a representative of the Cuyuna range mineland recreation area joint powers board;

(2) a representative of the Croft Mine historical park joint powers board;

(3) a designee of the Cuyuna range mineland reclamation committee who has worked as a miner in the local area;

(4) a representative of the Crow Wing county board;

(5) a state representative appointed by the speaker of the house of representatives;

(6) a state senator appointed by the senate committee on committees;

(7) a representative of the Brainerd regional office of the department of natural resources;

(8) a designee of the Iron Range resources and rehabilitation board;

(9) a designee of the local business community selected by the area chambers of commerce;

(10) a designee of the local environmental community selected by the Cuyuna country conservation club;

(11) a designee of a local education organization selected by the school board; and

(12) a designee of the local tourism community selected by the Cuyuna country tourism group.

(c) The advisory committee shall elect their own chair and meetings shall be at the call of the chair.

(d) The advisory committee shall serve as volunteers and accept no per diem.

Subd. 5. [MANAGEMENT PLAN.] The commissioner and local area advisory committee must cooperatively develop a comprehensive management plan that provides for multiple use recreation, protection of natural resources, allowance of hunting, snowmobiling, horse trails and forest management, interpretation of cultural and historic resources, land acquisition needs, fee structure, and road and facility development. The completed management plan shall serve as the master plan for purposes of Minnesota Statutes, section 86A.09.

Subd. 6. [BOUNDARIES.] The following described lands are located within the boundaries of Cuyuna country state recreation area:

That part of Crow Wing county, Minnesota, lying within:

Section 1, Township 46 North, Range 29 West.

EXCEPT that part of the Northwest Quarter lying west of the easterly right-of-way line of the Soo Line Railroad.

EXCEPT the South Half of the Southeast Quarter.

EXCEPT that part of the SE1/4 of the SW1/4 lying east of the easterly line of the Croft Mine Tract.

The Southeast Quarter of Section 2, Township 46 North, Range 29 West.

All of Sections 3 and 4, Township 46 North, Range 29 West.

EXCEPT Government Lot 2, Section 4, Township 46, Range 29.

That part of Section 5, Township 46 North, Range 29 West, lying southeasterly of the existing Township Road running through said Section 5.

Section 8, Township 46 North, Range 29 West.

EXCEPT the Southwest Quarter.

EXCEPT the South Half of the Northwest Quarter.

EXCEPT that part of the North Half of the Northwest Quarter, lying west of an existing Township Road thereof.

All of Section 9, Township 46 North, Range 29 West.

Section 10, Township 46 North, Range 29 West.

EXCEPT the East Half of the Southeast Quarter.

EXCEPT the SW1/4 of the SE1/4.

EXCEPT the SE1/4 of the SW1/4 thereof.

Section 11, Township 46 North, Range 29 West.

EXCEPT the South Half.

EXCEPT the South Half of the Northeast Quarter.

EXCEPT the SE1/4 of the NW1/4.

EXCEPT the North Half of the North Half of the Northwest Quarter.

EXCEPT that part of the NE1/4 of the NE1/4 lying southeasterly of the easterly right-of-way line of the railroad thereof.

That part of Section 16, Township 46 North, Range 29 West, lying northwest of Black Hoof Lake.

Section 19, Township 46 North, Range 29 West.

EXCEPT that part of the Southeast Quarter, lying southerly of the northerly right-of-way line of an existing Township Road.

That part of Section 34, Township 47 North, Range 29 West, bounded as follows:

On the North by the southerly right-of-way line of County State-Aid Highway No. 30.

On the West by the easterly right-of-way line of County State-Aid Highway No. 34.

On the East by the east line of said Section 34.

On the South by the south line of said Section 34.

That part of Section 33, Township 47 North, Range 29 West, lying southeasterly of the easterly right-of-way line of County State-Aid Highway No. 34.

Subject to easements of record for the following County Roads. An easement for C.S.A.H. No. 31 right-of-way purposes over, under and across the east line of said Section 1, also C.S.A.H. No. 30 easement for right-of-way purposes over, under and across the West Half of the Northwest Quarter and the Section line between said Sections 2 and 3, Township 46 North, Range 29 West and the Section line between Sections 34 and 35, Township 47 North, Range 29 West, also for County Road No. 128 right-of-way purposes over, under and across the Section line between said Sections 16 and 17 and between Sections 8 and 17, also C.S.A.H. No. 34 right-of-way purposes over, under and

across the Section line between said Sections 4 of Township 46 North, Range 29 West and Section 33 of Township 47 North, Range 29 West; subject to an easement of record for State Highway No. 6 right-of-way purposes over, under and across the East Half of the Southwest Quarter of said Section 1 and the Section line between said sections 1 and 2; subject to any other easements, reservations and restrictions of record; subject to an easement for City of Ironton Street right-of-way purposes over, under and across the SW1/4 of the NW1/4 in Section 11, Township 46 North, Range 29 West, according to the recorded plat thereof.

Subject to easements of record for the following state roads, all Trunk Highway 6 and Trunk Highway 210 rights-of-way, in fee or easement, in the described land are exempted.

Subd. 7. [FEE.] No fee may be charged by the commissioner for use of the Cuyuna country state recreation area before May 1, 1995.

Subd. 8. [ADOPT-A-RECREATION AREA.] The commissioner must utilize Minnesota Statutes, section 85.045, as much as possible in development and operation of the Cuyuna country state recreation area.

Sec. 4. Minnesota Statutes 1992, section 85.045, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] The purpose of the program is to encourage business and civic groups or individuals to assist, on a volunteer basis, in improving and maintaining state parks, state recreation areas, monuments, historic sites, and trails.

Sec. 5. Minnesota Statutes 1992, section 85.22, subdivision 2a, is amended to read:

Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the rental or sale of state park items and operation of Douglas Lodge shall be deposited in the state treasury and be credited to the state parks working capital account. Receipts and expenses from Douglas lodge shall be tracked separately within the account. Money in the account is annually appropriated for the purchase and payment of expenses attributable to items for resale or rental and operation of Douglas Lodge. Any excess receipts in this account are annually appropriated for state park management and interpretive programs.

Sec. 6. Minnesota Statutes 1992, section 86A.04, is amended to read:

86A.04 [COMPOSITION OF SYSTEM.]

The outdoor recreation system shall consist of all ~~natural~~ state parks; ~~recreational state parks~~ recreation areas; state trails established pursuant to sections 84.029, subdivision 2, and 85.015; state scientific and natural areas; state wilderness areas; state forests; state wildlife management areas; state water access sites, which include all lands and facilities established by the commissioner of natural resources or the commissioner of transportation to provide public access to water; state wild, scenic, and recreational rivers; state historic sites; and state rest areas, which include all facilities established by the commissioner of transportation for the safety, rest, comfort and use of the highway traveler, and shall include all existing facilities designated as rest areas and waysides by the commissioner of transportation. Each individual ~~natural~~ state park, ~~recreational state park~~ recreation area, and so forth is called a "unit."

Sec. 7. Minnesota Statutes 1992, section 86A.05, subdivision 2, is amended to read:

Subd. 2. [NATURAL STATE PARK; PURPOSE; RESOURCE AND SITE QUALIFICATIONS; ADMINISTRATION.]

(a) A ~~natural~~ state park shall be established to protect and perpetuate extensive areas of the state possessing those resources which illustrate and exemplify Minnesota's natural phenomena and to provide for the use, enjoyment, and understanding of such resources without impairment for the enjoyment and recreation of future generations.

(b) No unit shall be authorized as a ~~natural~~ state park unless its proposed location substantially satisfies the following criteria:

(1) Exemplifies the natural characteristics of the major landscape regions of the state, as shown by accepted classifications, in an essentially unspoiled or restored condition or in a condition that will permit restoration in the

foreseeable future; or contains essentially unspoiled natural resources of sufficient extent and importance to meaningfully contribute to the broad illustration of the state's natural phenomena; and

(2) Contains natural resources, sufficiently diverse and interesting to attract people from throughout the state; and

(3) Is sufficiently large to permit protection of the plant and animal life and other natural resources which give the park its qualities and provide for a broad range of opportunities for human enjoyment of these qualities.

(c) ~~Natural~~ State parks shall be administered by the commissioner of natural resources in a manner which is consistent with the purposes of this subdivision to preserve, perpetuate, and interpret natural features that existed in the area of the park prior to settlement and other significant natural, scenic, scientific, or historic features that are present. Management shall seek to maintain a balance among the plant and animal life of the park and to reestablish desirable plants and animals that were formerly indigenous to the park area but are now missing. Programs to interpret the natural features of the park shall be provided. Outdoor recreation activities to utilize the natural features of the park that can be accommodated without material disturbance of the natural features of the park or the introduction of undue artificiality into the natural scene may be permitted. Park use shall be primarily for aesthetic, cultural, and educational purposes, and shall not be designed to accommodate all forms or unlimited volumes of recreational use. Physical development shall be limited to those facilities necessary to complement the natural features and the values being preserved.

(d) State parks in existence as of July 1, 1993, shall remain as state parks.

Sec. 8. Minnesota Statutes 1992, section 86A.05, subdivision 3, is amended to read:

Subd. 3. [~~RECREATIONAL STATE PARK RECREATION AREA; PURPOSE; RESOURCE AND SITE QUALIFICATIONS; ADMINISTRATION.~~] (a) A ~~recreational state park~~ recreation area shall be established to provide a broad selection of outdoor recreation opportunities in a natural setting which may be used by large numbers of people.

(b) No unit shall be authorized as a ~~recreational state park~~ recreation area unless its proposed location substantially satisfies the following criteria:

(1) Contains natural or artificial resources which provide outstanding outdoor recreational opportunities that will attract visitors from beyond the local area;

(2) Contains resources which permit intensive recreational use by large numbers of people; and

(3) May be located in areas which have serious deficiencies in public outdoor recreation facilities, provided that ~~recreational state parks~~ recreation areas should not be provided in lieu of municipal, county, or regional facilities.

(c) ~~Recreational State parks~~ recreation areas shall be administered by the commissioner of natural resources in a manner which is consistent with the purposes of this subdivision primarily to provide as broad a selection of opportunities for outdoor recreation as is consistent with maintaining a pleasing natural environment. Scenic, historic, scientific, scarce, or disappearing resources within ~~recreational state parks~~ recreation areas shall be recommended for authorization as historic sites or designated scientific and natural areas pursuant to section 86A.08 to preserve and protect them. Physical development shall enhance and promote the use and enjoyment of the natural recreational resources of the area.

Sec. 9. Minnesota Statutes 1992, section 86A.08, subdivision 1, is amended to read:

Subdivision 1. [~~SECONDARY AUTHORIZATION; WHEN PERMITTED.~~] A unit of the outdoor recreation system may be authorized wholly or partially within the boundaries of another unit only when the authorization is consistent with the purposes and objectives of the respective units and only in the instances permitted below:

(a) The following units may be authorized wholly or partially within a ~~natural~~ state park: historic site, scientific and natural area, wilderness area, wild, scenic, and recreational river, trail, rest area, and water access site.

(b) The following units may be authorized wholly or partially within a ~~recreational state park~~ recreation area: historic site, scientific and natural area, wild, scenic, and recreational river, trail, rest area, and water access site.

(c) The following units may be authorized wholly or partially within a state forest: ~~natural~~ state park, ~~recreational~~ state park ~~recreation area~~, historic site, wildlife management area, scientific and natural area, wilderness area, wild, scenic, and recreational river, trail, rest area, and water access site.

(d) The following units may be authorized wholly or partially within a state historic site: wild, scenic, and recreational river, trail, rest area, and water access site.

(e) The following units may be authorized wholly or partially within a state wildlife management area: state water access site.

(f) The following units may be authorized wholly or partially within a state wild, scenic, or recreational river: ~~natural~~ state park, historic site, scientific and natural area, wilderness area, trail, rest area, and water access site.

(g) The following units may be authorized wholly or partially within a state rest area: historic site, trail, wild, scenic, and recreational river, and water access site.

Sec. 10. Minnesota Statutes 1992, section 88.79, subdivision 2, is amended to read:

Subd. 2. [CHARGE FOR SERVICE; RECEIPTS TO ~~GENERAL~~ SPECIAL REVENUE FUND.] The commissioner of natural resources may charge the owner receiving such services such sums as the commissioner shall determine to be fair and reasonable. The receipts from such services shall be credited to the ~~general~~ special revenue fund and are annually appropriated to the commissioner for the purposes specified in subdivision 1.

Sec. 11. Minnesota Statutes 1992, section 90.031, subdivision 4, is amended to read:

Subd. 4. The executive council may formulate and establish, from time to time, rules it deems advisable for the transaction of timber business of the state, including approval of the sale of timber on any tract in a lot exceeding ~~\$20,000~~ \$50,000 when the sale is in the best interests of the state, and may abrogate, modify, or suspend rules at its pleasure.

Sec. 12. Minnesota Statutes 1992, section 90.041, is amended by adding a subdivision to read:

Subd. 6. The commissioner may sell at public auction timber that has been damaged by fire, windstorm, flood, or other natural cause on notice that the commissioner considers reasonable when there is a high risk that the salvage value of the timber would be lost.

Sec. 13. Minnesota Statutes 1992, section 90.101, subdivision 1, is amended to read:

90.101 [TIMBER SOLD AT PUBLIC AUCTION, MAXIMUM LOTS OF ~~\$20,000~~ \$50,000.]

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$20,000~~ \$50,000 in appraised value and may determine the number of sections or fractional sections of land to be covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except (1) to the highest bidder at public auction, or (2) if unsold at public auction the commissioner may offer the timber for private sale for a period of no more than 90 days after the public auction to any person who pays the appraised value for the timber. The minimum price shall be the appraised value as fixed by the report of the state appraiser. All sales shall be held in the county in which the tract is located. In adjoining counties, sales may not be held less than two hours apart.

Sec. 14. Minnesota Statutes 1992, section 90.121, is amended to read:

90.121 [INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF ~~\$7,000~~ \$15,000.]

The commissioner may sell the timber on any tract of state land in lots not exceeding ~~\$7,000~~ \$15,000 in appraised value, in the same manner as timber sold at public auction under section 90.101, and related laws, subject to the following special exceptions and limitations:

(1) sales shall be at the forest office or other public facility most accessible to potential bidders or close to where the tract is located;

(2) the commissioner's list describing the tract, quantity of timber, and appraised price shall be compiled not less than 30 days before the date of sale and a copy of the list posted not less than 30 days before the date of the sale;

(3) notice of the sale shall be published once, not less than one week before the date of the sale;

(4) no bidder may be awarded more than 25 percent of the total tracts offered at the first round of bidding unless fewer than four tracts are offered, in which case not more than one tract shall be awarded to one bidder. Any tract not sold shall be available for a period of 90 days for purchase by persons eligible under this section at the appraised value;

(5) the bond or deposit required pursuant to section 90.161 or 90.173 shall be given or deposited before any cutting begins or not later than nine months after the date of sale, whichever is earlier;

(6) in lieu of the placing of the marks M I N on cut products as prescribed under section 90.151, subdivision 2, all landings of cut products shall be legibly marked with the name of the permit holder and the assigned permit number;

(7) no person may hold more than six permits issued under this section and no sale may be made to a person holding six permits which are still in effect or to a person having more than 20 employees;

(8) the permit may not exceed one year in duration;

(9) if the purchaser for good and sufficient reason is unable to cut the timber within the one year permit period, the commissioner may grant one extension for a period of up to one year from the date of expiration of the original permit without interest, and one additional extension of one year with interest at the rate in effect under section 549.09 at the time the extension is granted;

(10) if all cut timber, equipment, and buildings, are not removed at the end of any 120-day extension period which the commissioner may grant for removal, the commissioner may grant a second period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of a request by the permit holder for hardship reasons only.

The auction sale procedure set forth in this section constitutes an additional alternative timber sale procedure available to the commissioner and is not intended to replace other authority possessed by the commissioner to sell timber in lots of ~~\$7,000~~ \$15,000 or less.

Sec. 15. Minnesota Statutes 1992, section 90.201, is amended by adding a subdivision to read:

Subd. 4. When standing timber under a valid permit is damaged through fire, windstorm, flood, or other natural cause, the commissioner may reappraise the timber and modify the permit. The commissioner shall ensure that the reappraisal is in the best interest of the state and the trust.

Sec. 16. Minnesota Statutes 1992, section 92.46, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC CAMPGROUNDS.] (a) The director may designate suitable portions of the state lands withdrawn from sale and not reserved, as provided in section 92.45, as permanent state public campgrounds. The director may have the land surveyed and platted into lots of convenient size, and lease them for cottage and camp purposes under terms and conditions the director prescribes, subject to the provisions of this section.

(b) A lease may not be for a term more than 20 years. The lease may allow renewal, from time to time, for additional terms of no longer than 20 years each. The lease may be canceled by the commissioner 90 days after giving the person leasing the land written notice of violation of lease conditions. The lease rate shall be based on the appraised value of leased land as determined by the commissioner of natural resources and shall be adjusted by the commissioner at the fifth, tenth, and 15th anniversary of the lease, if the appraised value has increased or decreased. For leases that are renewed in 1991 and following years, the lease rate shall be five percent of the appraised value of the leased land. The appraised value shall be the value of the leased land without any private improvements and must be comparable to similar land without any improvements within the same county. The minimum appraised value that the commissioner assigns to the leased land must be substantially equal to the county assessor's estimated market value of similar land adjusted by the assessment/sales ratio as determined by the department of revenue.

(c) By July 1, 1986, the commissioner of natural resources shall adopt rules under chapter 14 to establish procedures for leasing land under this section. The rules shall be subject to review and approval by the commissioners of revenue and administration prior to the initial publication pursuant to chapter 14 and prior to their final adoption. The rules must address at least the following:

- (1) method of appraising the property; and
 - (2) an appeal procedure for both the appraised values and lease rates.
- (d) All money received from these leases must be credited to the fund to which the proceeds of the land belong.

Notwithstanding section 16A.125 or any other law to the contrary, 50 percent of the money received from the lease of permanent school fund lands leased pursuant to this subdivision shall be deposited into the permanent school trust fund. However, in fiscal years 1987, 1988, 1989, 1990, 1991, 1992, 1993, and 1994, up to 50 percent of the money received from the lease of permanent school fund lands that would otherwise be deposited into the permanent school fund is hereby appropriated to survey, appraise, and pay associated selling and leasing costs of permanent school fund lots as required in section 92.67, subdivision 3. The money appropriated may not be used to pay the cost of surveying lots not scheduled for sale. Any money designated for deposit in the permanent school fund that is not needed to survey, appraise, and pay associated selling and leasing costs of lots, as required in section 92.67, shall be deposited in the permanent school fund. The commissioner shall add to the appraised value of any lot offered for sale the costs of surveying, appraising, and selling the lot, and shall first deposit into the permanent school fund an amount equal to the costs of surveying, appraising, and selling any lot paid out of the permanent school fund. Any remaining money shall be deposited into any other contributing funds in proportion to the contribution from each fund. In no case may the commissioner add to the appraised value of any lot offered for sale an amount more than \$700 for the costs of surveying and appraising the lot.

Sec. 17. Minnesota Statutes 1992, section 94.165, is amended to read:

94.165 [LAND ACQUISITION ACCOUNT.]

There is created in the state treasury a land acquisition account. ~~Subject to appropriation by law,~~ Money in the account is ~~available~~ appropriated to the commissioner of natural resources for the acquisition of natural resource lands or interests in lands within the outdoor recreation system established in chapter 86A. The commissioner must file a report to the house ways and means and the senate finance committees by July 1 of each year indicating all purchases and sales from this account.

Sec. 18. [97A.028] [AGRICULTURAL CROP PROTECTION ASSISTANCE.]

Subdivision 1. [DEFINITION OF AGRICULTURAL CROPS.] For the purposes of this section, "agricultural crops" means annually seeded crops, legumes, fruit orchards, tree farms and nurseries, turf farms, and apiaries.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall establish a statewide program to provide technical assistance to persons for the protection of agricultural crops from destruction by wild animals. As part of the program, the commissioner shall develop and identify the latest and most effective abatement techniques; acquire appropriate demonstration supplies and materials required to meet specialized needs; train property owners, field staff, public land managers, extension agents, pest control operators, and others; provide technical manuals and brochures; and provide field personnel with supplies and materials for damage abatement demonstrations and short-term assistance and for the establishment of food or lure crops where appropriate.

Subd. 3. [EMERGENCY DETERRENT MATERIALS ASSISTANCE.] (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner and the commissioner that establishes a program for addressing the problem of destruction of agricultural crops by wild animals on the landowner's property.

(b) A person may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of agricultural crops by wild animals. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials, up to \$1,500 in value per individual or corporation, when the commissioner determines that:

- (1) immediate action is necessary to prevent significant damage from continuing; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. A landowner may not receive emergency deterrent materials assistance under this subdivision more than once. A landowner who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 19. Minnesota Statutes 1992, section 97A.441 is amended by adding a subdivision to read:

Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] (a) The commissioner may issue, without an additional fee, a license to take additional deer with firearms under section 97B.301, subdivision 4, to a person who is an owner or tenant and lives on at least ten acres of agricultural land, as defined in section 97B.001, in an area where the commissioner has made these licenses available. Landowners and tenants applying for a license under this subdivision must receive preference over other applicants for the licenses.

(b) Persons who obtain a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season.

Sec. 20. Minnesota Statutes 1992, section 115A.90, is amended by adding a subdivision to read:

Subd. 6a. [SHREDDER RESIDUE.] "Shredder residue" means the residue generated by shredding a motor vehicle, an appliance, or other source of recyclable steel after removing the reusable and recyclable materials.

Sec. 21. Minnesota Statutes 1992; section 115A.908, subdivision 2, is amended to read:

Subd. 2. [DEPOSIT OF REVENUE.] Revenue collected shall be credited to the motor vehicle transfer account in the environmental fund.

Sec. 22. Minnesota Statutes 1992, section 115A.908, subdivision 3, is amended to read:

Subd. 3. [REPEALER.] This section is repealed on December 31, 1994 1996.

Sec. 23. [115A.909] [SHREDDER RESIDUE; MANAGEMENT.]

The commissioner, in consultation with persons who are engaged in the business of shredding motor vehicles, appliances, and other sources of recyclable steel, shall study management of shredder residue. To the extent possible under state and federal law, the commissioner shall encourage reduction in the amount of residue generated, allow beneficial use of the residue, and minimize costs of management and disposal. The commissioner shall study all reasonably ascertainable alternatives for management of the residue, including use as cover material at solid waste disposal facilities, use in manufacture of refuse derived fuel, and any other resource recovery management technique.

Sec. 24. Minnesota Statutes 1992, section 115A.923, subdivision 1a, is amended to read:

Subd. 1a. [PAYMENT OF THE GREATER MINNESOTA LANDFILL CLEANUP FEE.] The operator of a disposal facility in greater Minnesota shall remit the fees collected under subdivision 1 to the county or sanitary district where the facility is located, except that the operator of a facility that is owned by a statutory or home rule city shall remit the fees to the city that owns the facility. After payment to the commissioner of revenue of the amount determined under section 116.07, subdivision 10, the county, city, or sanitary district may use the remainder of the revenue from the fees only for the purposes specified in section 115A.919.

Sec. 25. Minnesota Statutes 1992, section 116.07, is amended by adding a subdivision to read:

Subd. 10. [SOLID WASTE FEES.] (a) The commissioner shall determine, based on appropriations made by the legislature for the agency's solid waste activities, an appropriate surcharge to be collected equally per unit of solid waste accepted for disposal or processing at mixed municipal solid waste facilities, excluding recycling facilities.

(b) The commissioner shall notify the chairs of the environment and natural resources finance committees of the legislature and the director of the legislative commission on waste management of the amount of the surcharge when

it is determined or adjusted. Establishment of the amount of the surcharge is not subject to rulemaking requirements of chapter 14.

(c) The owner or operator of a mixed municipal solid waste processing facility, other than a recycling facility, shall collect the surcharge and remit it to the commissioner of revenue for deposit in the special revenue account referenced in subdivision 4d. At a processing facility, the surcharge does not apply to:

(1) waste that previously has been accepted at another processing facility; or

(2) waste residue from a recycling facility at which recyclable materials are separated or processed for the purposes of recycling if there is at least an 85 percent volume reduction in the solid waste processed at the recycling facility.

(c) A county, sanitary district, or city that is required to collect the greater Minnesota landfill cleanup fee imposed under section 115A.923 shall remit a portion of the revenue from the fee equal to the amount of the surcharge determined by the commissioner under paragraph (a) to the commissioner of revenue for deposit in the special revenue account referenced in subdivision 4d.

(d) The commissioner of revenue shall reduce the amount deposited in the metropolitan landfill contingency action trust fund under section 473.843, subdivision 2, by an amount equal to the amount of the surcharge determined by the commissioner under paragraph (a) and shall deposit that amount in the special revenue account referenced in subdivision 4d.

(e) Each owner, operator, county, city, and sanitary district required to remit fees under this section shall remit the amounts required to the commissioner of revenue on or before the 20th day of each month for waste accepted for processing or disposal during the previous month at facilities governed by the fee or surcharge requirements.

(f) To qualify for an exemption from the surcharge under paragraph (c), clause (2), waste residue must be brought separately to the processing facility required to collect the surcharge. The commissioner of revenue, after consultation with the chair of the metropolitan council, the director of the office of waste management, and the commissioner of the agency, shall establish procedures for determining whether waste residue from a recycling facility qualifies for the exemption from the surcharge, as well as for exemption from the fees imposed under sections 115A.923 and 473.843.

Sec. 26. Minnesota Statutes 1992, section 473.351, subdivision 2, is amended to read:

Subd. 2. [METROPOLITAN COUNCIL OBLIGATION.] Annually before August 1 the metropolitan council shall distribute grant money received from the commissioner of ~~trade and economic development~~ natural resources to fund the operation and maintenance expenditures of the implementing agencies for the operation and maintenance of regional park and open space systems. The metropolitan council shall annually report to the legislature the amount distributed to each implementing agency and its estimate of the percentage of operation and maintenance expenditures paid for with operation and maintenance money.

Sec. 27. Minnesota Statutes 1992, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited as follows:

(1) three-fourths of the proceeds must be deposited in the metropolitan landfill abatement account established in section 473.844; and

(2) ~~one-fourth~~ the remainder of the proceeds, after subtraction of the amount determined under section 116.07, subdivision 10, must be deposited in the metropolitan landfill contingency action trust fund established in section 473.845.

Sec. 28. [MODIFICATION OF TIMBER PERMITS.]

The commissioner may modify a timber permit covering standing timber that was damaged as a result of windstorms that occurred on September 16, 1992. This subdivision expires June 1, 1995.

Sec. 29. [SHREDDER RESIDUE; GRANTS.]

The commissioner of the pollution control agency may make a grant to a person engaged in the business of shredding and recycling motor vehicles, appliances, and other sources of recyclable steel for the purposes of studying the feasibility of alternative methods of managing shredder residue left over after the reusable and recyclable materials are removed. A person applying for a grant shall include in the application a list of the activities the person will undertake and reasonable estimates of the costs of those activities. The commissioner shall determine the amount of the grant, not to exceed \$300,000 or 50 percent of the total cost of the studies proposed in the grant application, whichever is less.

A person receiving a grant under this section may use the proceeds of the grant for the costs of:

(1) determining and testing methods of reducing the amount of shredder residue and the amount of hazardous constituents in the residue;

(2) periodic testing of shredder residue for hazardous constituents over a limited time period to be determined by the commissioner, but not less than six months;

(3) research and development of potential beneficial uses of the residue, including any preprocessing methods that may be applied to the residue to enable it to be beneficially used; and

(4) any necessary testing of alternative management technologies to determine the environmental and economic effects of the technologies.

Sec. 30. [LAKE SUPERIOR DIVER ACCESS.]

The \$20,000 appropriated by Laws 1991, chapter 254, article 1, section 14, subdivision 3(h), for diver access at Split Rock Lighthouse state park shall be used for diver access at other areas along the north shore of Lake Superior.

Sec. 31. [REPEALER.]

Minnesota Statutes 1992, section 41A.09, subdivision 1, is repealed.

Sec. 32. [EFFECTIVE DATES.]

Sections 11, 13, and 14 are effective August 1, 1993. Sections 12, 15, 28, and 30 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by various state departments; establishing a state recreation area; amending Minnesota Statutes 1992, sections 41A.09, subdivision 3; 84B.11, subdivision 1; 85.045, subdivision 2; 85.22, subdivision 2a; 86A.04; 86A.05, subdivisions 2 and 3; 86A.08, subdivision 1; 88.79, subdivision 2; 90.031, subdivision 4; 90.041, by adding a subdivision; 90.101, subdivision 1; 90.121; 90.201, by adding a subdivision; 92.46, subdivision 1; 94.165; 97A.441; 115A.90, by adding a subdivision; 115A.908, subdivisions 2 and 3; 115A.923, subdivision 1a; 116.07, by adding a subdivision; 116P.10; 473.351, subdivision 2; and 473.843, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97A; and 115A; repealing Minnesota Statutes 1992, section 41A.09, subdivision 1."

The motion prevailed and the amendment was adopted.

S. F. No. 1570, A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator

tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; providing for membership on the legislative commission on Minnesota resources; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.05, subdivision 1; 116P.10; 116P.11; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

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 124 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Haukoos Knickerbocker Krinkie

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

CONSENT CALENDAR

H. F. No. 854 was reported to the House.

Wejcman moved that H. F. No. 854 be continued on the Consent Calendar. The motion prevailed.

H. F. No. 974, A bill for an act relating to the capitol area architectural and planning board; clarifying certain duties and powers of the board; amending Minnesota Statutes 1992, section 15.50, subdivision 2, and by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1169, A bill for an act relating to metropolitan government; requiring the transit commission to obtain consent to use parkways; amending Minnesota Statutes 1992, section 473.411, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Commers	Greenfield	Johnson, R.	Limmer	Neary	Pelowski
Anderson, R.	Cooper	Greiling	Johnson, V.	Lindner	Nelson	Perlt
Asch	Dauner	Gruenes	Kahn	Lourey	Ness	Peterson
Battaglia	Dauids	Gutknecht	Kalis	Luther	Olson, E.	Pugh
Bauerly	Dawkins	Hasskamp	Kelley	Lynch	Olson, K.	Reding
Beard	Dehler	Haukoos	Kelso	Macklin	Olson, M.	Rest
Bergson	Delmont	Hausman	Kinkel	Mariani	Onnen	Rhodes
Bertram	Dempsey	Holsten	Klinzing	McCollum	Opatz	Rice
Bettermann	Dorn	Hugoson	Knickerbocker	McGuire	Orenstein	Rodosovich
Bishop	Erhardt	Huntley	Koppendraye	Milbert	Orfield	Rukavina
Blatz	Evans	Jacobs	Krinkie	Molnau	Osthoff	Sarna
Brown, C.	Farrell	Jaros	Krueger	Morrison	Ostrom	Seagren
Brown, K.	Frerichs	Jefferson	Lasley	Mosel	Ozment	Sekhon
Carlson	Garcia	Jennings	Leppik	Munger	Pauly	Simoneau
Clark	Goodno	Johnson, A.	Lieder	Murphy	Pawlenty	Skoglund

Smith	Sviggum	Trimble	Vickerman	Wejcman	Wolf
Solberg	Swenson	Tunheim	Wagenius	Welle	Worke
Stanius	Tomassoni	Van Dellen	Waltman	Wenzel	Workman
Steensma	Tompkins	Vellenga	Weaver	Winter	Spk. Long

Those who voted in the negative were:

Abrams Carruthers

The bill was passed and its title agreed to.

H. F. No. 1398, A bill for an act relating to traffic regulations; directing commissioner of transportation to study and report on traffic safety improvement measures in residential neighborhoods.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1442, A bill for an act relating to the city of Columbia Heights; exclusions from salary in computing police relief association retirement benefits; permitting a contribution with interest by a member for past service with the city; amending Laws 1977, chapter 374, section 8, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Anderson, R.	Battaglia	Beard	Bertram	Bishop	Brown, K.
Anderson, I.	Asch	Bauerly	Bergson	Bettermann	Blatz	Carlson

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

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. No. 1709.

The Speaker called Bauerly to the Chair.

H. F. No. 1709 was reported to the House.

Osthoff and McCollum moved to amend H. F. No. 1709, the first engrossment, as follows:

Page 14, after line 33, insert:

"Sec. 15. [161.1247] [METROPOLITAN AREA HIGHWAY PROJECTS.]

The commissioner of transportation may not (1) initiate land acquisition for highway capacity improvement projects on marked interstate highways 35W or 494, or (2) engage in design, engineering, or construction activity related to adding lane capacity on marked interstate highway 35W south of marked interstate highway 494."

Page 21, line 22, after "1" insert "to 14 and 16"

Page 21, line 22, after the period, insert "Section 15 is effective the day following final enactment."

Renumber the remaining sections

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

Pauly; Sviggum; Blatz; Pugh; Milbert; Lieder; Kelso; Olson, E., and Morrison moved to amend the Osthoff and McCollum amendment to H. F. No. 1709, the first engrossment, as follows:

Page 1, line 4 of the Osthoff and McCollum amendment, before "The" insert "(a)"

Page 1, after line 9 of the Osthoff and McCollum amendment, insert:

"(b) Paragraph (a) does not apply to land acquisition or design, engineering, or construction activity relating to a high occupancy vehicle lane on marked interstate highway 35W south of the 494 corridor."

The motion did not prevail and the amendment to the amendment was not adopted.

The question recurred on the Osthoff and McCollum amendment and the roll was called. There were 85 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Cooper	Huntley	Krueger	Nelson	Rukavina	Wagenius
Anderson, R.	Dauner	Jacobs	Lasley	Olson, K.	Sarna	Weaver
Asch	Dauids	Jaros	Lourey	Opatz	Sekhon	Wejcman
Battaglia	Dawkins	Jefferson	Luther	Orenstein	Simoneau	Wenzel
Bauerly	Delmont	Jennings	Lynch	Orfield	Skoglund	Winter
Beard	Evans	Johnson, A.	Mariani	Osthoff	Solberg	Worke
Bergson	Farrell	Johnson, R.	McCollum	Ozment	Sparby	Spk. Long
Bertram	Frerichs	Kahn	McGuire	Perlt	Steensma	
Brown, C.	Greenfield	Kalis	Milbert	Peterson	Swenson	
Brown, K.	Greiling	Kelley	Mosel	Pugh	Tomassoni	
Carlson	Hasskamp	Kinkel	Munger	Reding	Trimble	
Carruthers	Hausman	Klinzing	Murphy	Rest	Tunheim	
Clark	Holsten	Koppendrayer	Neary	Rhodes	Vellenga	

Those who voted in the negative were:

Abrams	Dorn	Hugoson	Limmer	Olson, M.	Seagren	Waltman
Bettermann	Erhardt	Johnson, V.	Lindner	Onnen	Smith	Welle
Bishop	Garcia	Kelso	Macklin	Ostrom	Stanius	Wolf
Blatz	Goodno	Knickerbocker	Molnau	Pauly	Sviggum	Workman
Commers	Gruenes	Krinkie	Morrison	Pawlenty	Tompkins	
Dehler	Gutknecht	Leppik	Ness	Pelowski	Van Dellen	
Dempsey	Haukoos	Lieder	Olson, E.	Rodosovich	Vickerman	

The motion prevailed and the amendment was adopted.

The Speaker called Bauerly to the Chair.

Sviggum moved to amend H. F. No. 1709, the first engrossment, as amended, as follows:

Page 21, after line 17, insert:

"Sec. 26. Minnesota Statutes 1992, section 473.408, is amended by adding a subdivision to read:

Subd. 2b. [FAREBOX RECOVERY.] The board shall approve regular route fares for the transit commission only if the fares proposed will ensure a farebox recovery rate of at least 35 percent of the commission's total annual operating costs for regular route transit service."

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 Sviggum amendment and the roll was called. There were 37 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Molnau	Pawlenty	Tompkins	Workman
Bettermann	Gruenes	Knickerbocker	Morrison	Seagren	Van Dellen	
Commers	Gutknecht	Koppendrayner	Ness	Smith	Vickerman	
Dauids	Haukoos	Krinkie	Olson, M.	Stanius	Waltman	
Dehler	Holsten	Limmer	Onnen	Sviggum	Wolf	
Erhardt	Hugoson	Lindner	Pauly	Swenson	Worke	

Those who voted in the negative were:

Anderson, I.	Clark	Hausman	Krueger	Murphy	Pugh	Trimble
Anderson, R.	Cooper	Huntley	Lasley	Neary	Reding	Tunheim
Asch	Dauner	Jacobs	Leppik	Nelson	Rhodes	Vellenga
Battaglia	Dawkins	Jaros	Lieder	Olson, E.	Rice	Wagenius
Bauerly	Delmont	Jefferson	Lourey	Olson, K.	Rodosovich	Weaver
Beard	Dempsey	Jennings	Luther	Opatz	Rukavina	Wejcman
Bergson	Dorn	Johnson, A.	Lynch	Orenstein	Sarna	Welle
Bertram	Evans	Johnson, R.	Macklin	Orfield	Sekhon	Wenzel
Bishop	Farrell	Kahn	Mariani	Osthoff	Simoneau	Winter
Blatz	Garcia	Kalis	McCollum	Ostrom	Skoglund	Spk. Long
Brown, C.	Goodno	Kelley	McGuire	Ozment	Solberg	
Brown, K.	Greenfield	Kelso	Milbert	Pelowski	Sparby	
Carlson	Greiling	Kinkel	Mosel	Perlt	Steensma	
Carruthers	Hasskamp	Klinzing	Munger	Peterson	Tomassoni	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Sviggum moved to amend H. F. No. 1709, the first engrossment, as amended, as follows:

Page 21, after line 17, insert:

"Sec. 26. Minnesota Statutes 1992, section 473.408, is amended by adding a subdivision to read:

Subd. 2b. [MINIMUM FAREBOX RECOVERY RATE.] The transit commission may not operate a regular route transit route if the farebox recovery rate for that route during the preceding year was less than five percent of the total annual operating cost of that route."

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 Sviggum amendment and the roll was called. There were 36 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Limmer	Olson, M.	Tompkins
Bettermann	Goodno	Johnson, V.	Lindner	Pauly	Van Dellen
Commers	Gruenes	Kelso	Molnau	Pawlenty	Vickerman
Dehler	Gutknecht	Knickerbocker	Morrison	Stanius	Waltman
Dempsey	Haukoos	Koppendrayner	Mosel	Sviggum	Worke
Erhardt	Holsten	Krinkie	Ness	Swenson	Workman

Those who voted in the negative were:

Anderson, I.	Clark	Huntley	Leppik	Olson, E.	Rice	Tunheim
Anderson, R.	Cooper	Jacobs	Lieder	Olson, K.	Rodosovich	Vellenga
Asch	Dauner	Jaros	Lourey	Onnen	Rukavina	Wagenius
Battaglia	Dauids	Jefferson	Luther	Opatz	Sarna	Weaver
Bauerly	Dawkins	Jennings	Lynch	Orenstein	Seagren	Wejzman
Beard	Delmont	Johnson, A.	Macklin	Osthoff	Sekhon	Wenzel
Bergson	Dorn	Johnson, R.	Mariani	Ostrom	Simoneau	Winter
Bertram	Evans	Kahn	McCollum	Pelowski	Skoglund	Wolf
Bishop	Farrell	Kalis	McGuire	Perlt	Smith	Spk. Long
Blatz	Garcia	Kelley	Milbert	Peterson	Solberg	
Brown, C.	Greenfield	Kinkel	Munger	Pugh	Sparby	
Brown, K.	Greiling	Klinzing	Murphy	Reding	Steensma	
Carlson	Hasskamp	Krueger	Neary	Rest	Tomassoni	
Carruthers	Hausman	Lasley	Nelson	Rhodes	Trimble	

The motion did not prevail and the amendment was not adopted.

Workman, Ozment, Kelso and Van Dellen moved to amend H. F. No. 1709, the first grossment, as amended, as follows:

Page 9, delete lines 25 to 27 and insert:

"The regional transit board may spend for Metro Mobility money appropriated by this section that is not allocated by the board to other activities."

A roll call was requested and properly seconded.

The question was taken on the Workman et al amendment and the roll was called. There were 58 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Hugoson	Leppik	Olson, M.	Smith	Weaver
Bettermann	Frerichs	Jacobs	Limmer	Onnen	Stanius	Wolf
Bishop	Goodno	Johnson, V.	Lindner	Ozment	Sviggum	Worke
Blatz	Greiling	Kelley	Lynch	Pauly	Swenson	Workman
Commers	Gruenes	Kelso	Macklin	Pawlenty	Tompkins	
Cooper	Gutknecht	Klinzing	Molnau	Rhodes	Van Dellen	
Dauids	Haukoos	Knickerbocker	Morrison	Seagren	Vellenga	
Dehler	Hausman	Koppendrayner	Mosel	Sekhon	Vickerman	
Dempsey	Holsten	Krinkie	Ness	Skoglund	Waltman	

Those who voted in the negative were:

Anderson, I.	Carruthers	Huntley	Lieder	Olson, E.	Reding	Trimble
Anderson, R.	Clark	Jaros	Lourey	Olson, K.	Rest	Tunheim
Asch	Dauner	Jefferson	Luther	Opatz	Rice	Wagenius
Battaglia	Dawkins	Jennings	Mariani	Orenstein	Rodosovich	Wejcman
Bauerly	Delmont	Johnson, A.	McCollum	Orfield	Rukavina	Wenzel
Beard	Dorn	Johnson, R.	McGuire	Osthoff	Sarna	Winter
Bergson	Evans	Kahn	Milbert	Ostrom	Simoneau	Spk. Long
Bertram	Farrell	Kalis	Munger	Pelowski	Solberg	
Brown, C.	Garcia	Kinkel	Murphy	Perlt	Sparby	
Brown, K.	Greenfield	Krueger	Neary	Peterson	Steensma	
Carlson	Hasskamp	Lasley	Nelson	Pugh	Tomassoni	

The motion did not prevail and the amendment was not adopted.

H. F. No. 1709, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

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 98 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Cooper	Jacobs	Lasley	Neary	Pugh	Steensma
Anderson, R.	Dauner	Jaros	Leppik	Nelson	Reding	Swenson
Asch	Dawkins	Jefferson	Lieder	Ness	Rest	Tomassoni
Battaglia	Delmont	Jennings	Limmer	Olson, E.	Rice	Trimble
Bauerly	Dempsey	Johnson, A.	Lindner	Olson, K.	Rodosovich	Tunheim
Beard	Dorn	Johnson, R.	Lourey	Opatz	Rukavina	Vellenga
Bergson	Evans	Johnson, V.	Luther	Orenstein	Sarna	Vickerman
Bertram	Farrell	Kahn	Mariani	Orfield	Sekhon	Wagenius
Bishop	Greenfield	Kalis	McCollum	Osthoff	Simoneau	Weaver
Brown, C.	Greiling	Kelley	McGuire	Ostrom	Skoglund	Wejcman
Brown, K.	Hasskamp	Kelso	Milbert	Ozment	Smith	Welle
Carlson	Hausman	Kinkel	Mosel	Pelowski	Solberg	Wenzel
Carruthers	Holsten	Klinzing	Munger	Perlt	Sparby	Winter
Clark	Huntley	Krueger	Murphy	Peterson	Stanis	Spk. Long

Those who voted in the negative were:

Abrams	Dehler	Gutknecht	Krinkie	Olson, M.	Seagren	Wolf
Bettermann	Erhardt	Haukoos	Lynch	Onnen	Svigum	Worke
Blatz	Garcia	Hugoson	Macklin	Pauly	Tompkins	Workman
Commers	Goodno	Knickerbocker	Molnau	Pawlenty	Van Dellen	
Dauids	Gruenes	Koppendrayer	Morrison	Rhodes	Waltman	

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

Cooper was excused for the remainder of today's session.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Osthoff from the Committee on Transportation and Transit to which was referred:

H. F. No. 148, A bill for an act relating to motor carriers; restricting authority of regular route common carriers of passengers to depart from their authorized routes; amending Minnesota Statutes 1992, section 221.051.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1992, section 168.1281, is amended by adding a subdivision to read:

Subd. 4. [NEW LICENSE PLATES.] The registrar may not issue new license plates under subdivision 1 after the effective date of this section."

Page 1, line 7, delete "Section 1" and insert "Sec. 2"

Page 1, line 9, strike "ABANDONMENT OR DISCONTINUANCE OF SERVICE" and insert "REGULAR ROUTE PASSENGER CARRIERS"

Page 1, line 10, before "No" insert "Subdivision 1. [ABANDONMENT OR DISCONTINUANCE OF SERVICE.]"

Page 1, after line 18, insert:

"Subd. 2. [INCIDENTAL CHARTER AUTHORITY.] Notwithstanding any other law, a regular route common carrier of passengers that was granted incidental charter operating authority by the board before August 1, 1993, may continue to exercise that authority.

Sec. 3. Minnesota Statutes 1992, section 221.091, is amended to read:

221.091 [LIMITATIONS; RELATIONSHIP TO LOCAL REGULATION.]

No provision in sections 221.011 to 221.291 and 221.84 ~~to 221.85~~ shall authorize the use by any carrier of any public highway in any city of the first class in violation of any charter provision or ordinance of such city in effect January 1, 1925, unless and except as such charter provisions or ordinance may be repealed after that date; nor shall sections 221.011 to 221.291 and 221.84 ~~to 221.85~~ be construed as in any manner taking from or curtailing the right of any city to reasonably regulate or control the routing, parking, speed or the safety of operation of a motor vehicle operated by any carrier under the terms of those sections, or the general police power of any such city over its highways; nor shall sections 221.011 to 221.291 and 221.84 ~~to 221.85~~ be construed as abrogating any provision of the charter of any such city requiring certain conditions to be complied with before such carrier can use the highways of such city and such rights and powers herein stated are hereby expressly reserved and granted to such city; but no such city shall prohibit or deny the use of the public highways within its territorial boundaries by any such carrier for transportation of passengers or property received within its boundaries to destinations beyond such boundaries, or for transportation of passengers or property from points beyond such boundaries to destinations within the same, or for transportation of passengers or property from points beyond such boundaries through such municipality to points beyond the boundaries of such municipality, where such operation is pursuant to a certificate of convenience and necessity issued by the commission or to a permit issued by the commissioner under section 221.84 ~~or 221.85~~.

Sec. 4. [REPEALER.]

Minnesota Statutes 1992, sections 168.011, subdivision 36; 168.1281; 221.011, subdivision 34; and 221.85, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Sections 3 and 4 are effective August 1, 1994."

Amend the title as follows:

Page 1, line 4, after the semicolon insert "authorizing the continued exercise of certain operating authority by such carriers; abolishing certain regulations related to personal transportation service providers; making technical correction;"

Page 1, line 5, delete "section" and insert "sections 168.1281, by adding a subdivision;" and after "221.051" insert "; and 221.091; repealing Minnesota Statutes 1992, sections 168.011, subdivision 36; 168.1281; 221.011, subdivision 34; and 221.85"

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:

H. F. No. 350, A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; other education programs; miscellaneous provisions; choice programs; libraries; state agencies; and realignment of responsibilities; making conforming changes; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621; 120.064, subdivisions 3 and 4; 120.0751, subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223, subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261, subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2; 124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69, subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.84, subdivision 3; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2; 128A.03, subdivision 2; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1, 2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 273.1398, by adding a subdivision; 275.48; 473F.02, by adding a subdivision; and 475.61, subdivision 3; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; repealing Minnesota Statutes 1992,

sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721, subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; 145.926; and Laws 1988, chapter 486, section 59.

Reported the same back with the following amendments:

Page 16, line 22, delete "(i)"

Page 16, line 26, delete the semicolon and insert "and later."

Page 16, delete lines 27 to 30

Page 17, line 34, delete "The formula allowance"

Page 17, delete lines 35 and 36

Page 22, line 29, delete "\$729,000,000" and insert "\$767,000,000"

Page 30, line 24, delete "This section supersedes any"

Page 30, line 25, delete "other law to the contrary."

Page 33, line 13, delete "\$46,000,000" and insert "\$41,000,000"

Page 34, delete section 35

Page 34, line 22, delete "\$1,939,112,000" and insert "\$1,929,556,000"

Page 34, line 23, delete "\$2,279,331,000" and insert "\$2,226,972,000"

Page 34, line 25, delete "\$1,681,561,000" and insert "\$1,672,005,000"

Page 34, line 27, delete "\$2,014,181,000" and insert "\$1,961,822,000"

Page 52, line 16, delete "career assessment" and insert "vocational evaluation"

Page 125, line 33, after "management" insert ". Health and safety revenue may also be used to test for the presence of radon"

Page 134, delete section 41, and insert:

"Sec. 41. [RADON TESTING; SCHOOL DISTRICTS.]

Subdivision 1. [VOLUNTARY PLAN.] The commissioners of health and education may jointly develop a plan to encourage school districts to accurately and efficiently test for the presence of radon in public school buildings serving students in kindergarten through grade 12. To the extent possible, the commissioners shall base the plan on the standards established by the United States Environmental Protection Agency.

Subd. 2. [RADON TESTING.] A school district may include radon testing as a part of its health and safety plan. If a school district receives authority to use health and safety revenue to conduct radon testing, the district shall conduct the testing according to the radon testing plan developed by the commissioners of health and education.

Subd. 3. [REPORTING.] A school district that has tested its school buildings for the presence of radon shall report the results of its tests to the department of health in a form and manner prescribed by the commissioner of health. A school district that has tested for the presence of radon shall also report the results of its testing at a school board meeting."

Page 136, line 18, delete "\$84,514,000" and insert "\$83,409,000"

Page 136, line 22, delete "\$73,695,000" and insert "\$72,590,000"

Page 136, line 27, delete "\$41,620,000" and insert "\$41,025,000"

Page 136, line 29, delete "\$36,295,000" and insert "\$30,176,000"

Page 136, line 31, delete "\$30,855,000" and insert "\$35,700,000"

Page 136, line 36, delete "\$28,299,000" and insert "\$26,939,000"

Page 137, line 4, delete "\$26,605,000" and insert "\$25,245,000"

Renumber the sections in sequence

Amend the title as follows:

Page 2, lines 32 and 33, delete "273.1398, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 384, A bill for an act relating to housing; changing program review requirements; increasing deferred loan limits; expanding the types of eligible users of the homesharing program; expanding the project eligibility of the housing trust fund; authorizing cities to sell single-family residential housing under the neighborhood land trust program; expanding the types of eligible service providers and changing the authorized payment structure of the rental assistance for family stabilization program; increasing the income limits for rental housing assistance; establishing the community rehabilitation fund account; consolidating the blighted residential property and capital reserve programs; authorizing tribal Indian housing demonstration projects; amending Minnesota Statutes 1992, sections 462A.05, subdivisions 14a and 24; 462A.07, subdivision 15; 462A.201, subdivision 2; 462A.202, subdivision 7; 462A.205, subdivisions 2, 3, 4, 5, 6, 7, and by adding subdivisions; 462A.21, subdivisions 4c, 8c, and by adding a subdivision; and 462C.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 462A; repealing Minnesota Statutes 1992, sections 462A.05, subdivision 37; and 462A.32.

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. 673, A bill for an act relating to agriculture; regulating activities relating to restricted species; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Page 2, after line 12, insert:

"Subd. 4. [COMMISSIONER'S DUTIES.] After issuing initial permits under subdivision 3, the commissioner must consult with and consider the recommendations of the commissioner of agriculture and the executive secretary of the board of animal health before May 1, 1994, on whether or not initial permits should be expanded or restricted, or whether any new permit requests should be granted."

Page 2, line 13, delete "4" and insert "5"

Page 2, line 19, delete "5" and insert "6"

Page 2, line 22, delete "6" and insert "7"

Page 2, delete lines 24 and 25

Page 3, line 10, before the period insert ", and shall be deposited in the game and fish fund"

Page 3, after line 10, insert:

"Sec. 2. [APPROPRIATION.]

\$6,000 is appropriated in fiscal year 1994 and fiscal year 1995 from the game and fish fund to the commissioner of natural resources for the purposes of section 1, subdivision 3."

Amend the title as follows:

Page 1, line 3, after the second 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.

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

H. F. No. 859, A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge significant contributions and sell incidental advertising; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision.

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. 1021, A bill for an act relating to state lands; exempting certain lakeshore lots from sale requirements; authorizing the commissioner of natural resources to acquire personal property; amending Minnesota Statutes 1992, section 92.67, by adding a subdivision.

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. 1060, A bill for an act relating to agriculture; making technical changes in eligibility for certain rural finance authority loan programs; authorizing an ethanol development program; appropriating money; amending Minnesota Statutes 1992, sections 41B.02, subdivisions 7, 12, 14, 15, and by adding subdivisions; 41B.03, subdivision 3; 41B.04, subdivision 9, and by adding a subdivision; and 41C.05, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 41B.

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. 1138, A bill for an act relating to agriculture; changing eligibility and participation requirements for certain rural finance authority programs; authorizing an application fee; amending Minnesota Statutes 1992, sections 41B.03, subdivision 1, and by adding a subdivision; 41B.039, subdivision 2; and 41B.042, subdivision 4.

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. 1746, A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; providing for the transfer of certain money in the state treasury; amending Minnesota Statutes 1992, sections 43A.02, subdivision 25; 43A.24, subdivision 2; 121.88, subdivision 9; 124.2713, subdivisions 5 and 6; 124C.46, subdivision 1; 169.1265, subdivision 1; 179.02, by adding a subdivision; 270B.14, by adding a subdivision; 271.07; 357.021, subdivisions 1a and 2; 357.022; 357.18, subdivision 3; 357.24; 484.74, subdivision 1; 484.76, subdivision 1; 508.82; 508A.82; 548.23; 548.30; 549.02; 593.48; 609.101, subdivision 4; 611.17; 611.20; 611.25, subdivision 3; 611.26, subdivision 3; 611.27, subdivisions 4 and 13; 611.271; 626.861, subdivision 4; and Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 121; 242; 244; 609; and 611; proposing coding for new law as Minnesota Statutes, chapter 491A.

Reported the same back with the following amendments:

Page 7, after line 3, insert:

"Sec. 7. Minnesota Statutes 1992, section 43A.02, subdivision 25, is amended to read:

Subd. 25. [JUDICIAL BRANCH.] "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts, including commissions, boards, and committees established by the supreme court, the board of law examiners, the law library, the office of the state public defender, district public defenders and their employees, all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484.68, court administrator or employee of the court and guardian ad litem program employees in the eighth judicial district, and other agencies placed in the judicial branch by law. Judicial branch does not include district administration or public defenders or their employees in the second and fourth judicial districts, court administrators or their staff under chapter 485, guardians ad litem, or other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

Sec. 8. Minnesota Statutes 1992, section 43A.24, subdivision 2, is amended to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the office of the district administrator that is not in the second or fourth judicial district; a court administrator or employee of the court administrator in the eighth judicial district, and a guardian ad litem program administrator in the eighth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program; and

(i) An employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance; and

(j) employees of the state public defender's office, and district public defenders and their employees other than in the second and fourth judicial districts, with eligibility determined by the state board of public defense, in consultation with the commissioner of employee relations."

Page 12, line 31, delete "TRANSACTION" and insert "TRANSITION"

Page 13, line 29, delete "after December 31, 1993"

Renumber the sections in article 2 in sequence

Pages 19 to 23, delete sections 8 and 9

Page 35, line 7, delete "criteria" and insert "criterion"

Renumber the sections in article 3 in sequence

Page 36, line 27, delete everything after "\$222,000" and insert "in each year is"

Page 36, line 28, delete everything before "for"

Page 47, delete lines 10 to 13

Page 47, line 14, delete "(e)" and insert "(d)"

Page 47, line 18, delete "(f)" and insert "(e)"

Amend the title as follows:

Page 1, line 3, after "for" insert "courts, the attorney general, public defense,"

Page 1, line 4, after the semicolon insert "appropriating money for youth community service and work-based learning programs;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 148, 350, 384, 859, 1021, 1060, 1138 and 1746 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Krueger, for the State Government Finance Division, introduced:

H. F. No. 1750, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative 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 duties of the department of administration agencies and functions; amending Minnesota Statutes 1992, sections 3.971, by adding a subdivision; 3A.02, by adding a subdivision; 13.02, by adding a subdivision; 13.05, subdivision 2; 13.06, subdivisions 1, 4, 5, 6, and 7; 13.07; 15.17, subdivision 1; 15.171; 15.172; 15.173; 15.174; 16A.011, subdivisions 5, 6, and 14; 16A.04, subdivision 1; 16A.055, subdivision 1; 16A.06, subdivision 4; 16A.065; 16A.10, subdivisions 1 and 2; 16A.105; 16A.11, subdivisions 1 and 3; 16A.128, as amended; 16A.129, by adding a subdivision; 16A.15, subdivisions 1, 5, and 6; 16A.17, subdivision 3; 16A.28; 16A.281; 16A.30; 16A.58; 16A.69, subdivision 2; 16A.72; 16B.04, subdivision 2; 16B.24, subdivision 9; 16B.40; 16B.41, as amended; 16B.43; 16B.44; 16B.92; 43A.045; 116.03, subdivision 3; 116J.617, subdivisions 2, 3, and by adding a subdivision; 240A.02, subdivision 1; 240A.03, by adding a subdivision; 270.063; 309.501; 349A.02, subdivision 1; 349A.03, subdivision 2; 352.96, subdivision 3; 354B.05; and 356.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 13; 15; 15B; 16A; 116J; and 116M; repealing Minnesota Statutes 1992, sections 3.3005; 13.02, subdivision 2; 16A.095, subdivision 3; 16A.123;

16A.1281; 16A.35; 16A.45, subdivisions 2 and 3; 16A.80; 16B.41, subdivisions 3 and 4; 290A.24; 309.502; and 349A.03, subdivision 3.

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

Greenfield; Anderson, R., and Simoneau, for the Committee on Health and Human Services, introduced:

H. F. No. 1751, A bill for an act relating to human services; organization and operation of state government; appropriating money for human services, the department of health, health-related boards, jobs and training, housing finance, veterans affairs and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 8.15; 16A.45, by adding a subdivision; 16B.06, subdivision 2a; 116.76, subdivision 14; 116.78, subdivisions 4 and 7; 116.79, subdivisions 1 and 4; 116.80, subdivisions 1 and 2; 116.81, subdivision 1; 116.82, subdivision 3; 116.83, subdivisions 1 and 3; 116L.03, subdivision 7; 144.122; 144.123, subdivision 1; 144.215, subdivision 3, and by adding a subdivision; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.8091, subdivision 1; 144.871, subdivisions 2, 6, 7a, 7b, 9, and by adding subdivisions; 144.872, subdivisions 2, 3, 4, and by adding a subdivision; 144.873; 144.874, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 144.876, by adding a subdivision; 144.878, subdivisions 2, 2a, and 5; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 145.883, subdivision 5; 145.925, by adding a subdivision; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.01, subdivision 2; 214.04, subdivision 1; 214.06, subdivision 1; 245.462, subdivisions 4 and 20; 245.484; 245.4871, subdivision 4; 245.4873, subdivision 2; 245.4882, subdivision 5; 245.73, subdivisions 2, 3, and by adding a subdivision; 245.765, subdivision 1; 245A.14, by adding a subdivision; 246.0135; 246.18, subdivision 4; 252.275, subdivisions 1 and 8; 252.40; 252.41, subdivisions 1 and 3; 252.43; 252.46; 252A.101, subdivision 7; 252A.111, subdivision 4; 254A.17, subdivisions 1 and 3; 254B.03, subdivision 1; 254B.06, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 1a, 2, 3, 7, and by adding subdivisions; 256.969, subdivisions 1, 8, and by adding a subdivision; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.03, by adding a subdivision; 256B.04, subdivision 16; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0625, subdivisions 3, 6a, 7, 11, 13, 13a, 14, 15, 17, 19a, 20, 28, 29, and by adding subdivisions; 256B.0627, subdivisions 1, 4, and 5; 256B.0628, subdivision 2; 256B.0911, subdivisions 2, 3, 4, 6, 7, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 9, 12, 13, and 14; 256B.0915, subdivisions 1, 3, and by adding subdivisions; 256B.0917, subdivisions 1, 2, 3, 4, 5, 11, and 12; 256B.093, subdivisions 1 and 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.431, subdivisions 2b, 13, 14, 15, 21, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1 and 2; 256B.49, by adding a subdivision; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 3g, 3i, 12, and by adding a subdivision; 256D.01, subdivision 1a; 256D.02, subdivision 5; 256D.03, subdivisions 3, 3, 4, and 8; 256D.04; 256D.05, by adding a subdivision; 256D.051, subdivision 1; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256H.03, subdivision 4; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.59, subdivision 3; 257.73, subdivision 1; 257.74, subdivision 1; 257.803, subdivision 1; 259.40, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9; 259.431, subdivision 5; 268.022, subdivisions 1 and 2; 268.361, subdivisions 6 and 7; 268.362; 268.363; 268.364, subdivisions 1, 3, and by adding a subdivision; 268.365, subdivision 2; 268.55; 268.914, subdivision 1; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 349.2125, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 462A.03, subdivision 15; 462A.057, subdivision 1; 462A.21, by adding subdivisions; 469.011, subdivision 4; 518.156, subdivision 1; 518.551, subdivision 5; 518.611, subdivisions 1, 2, 6, and by adding a subdivision; 518.613, subdivisions 2, 3, and 4; 518.64, subdivision 2; 525.539, subdivision 2; 525.551, subdivision 7; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 54, subdivision 1; and section 57, subdivisions 1 and 3; Laws 1992, chapter 513, article 7, section 131; and article 9, section 41; Laws 1993, chapter 20, sections 2, 5, 7, and by adding a section; proposing coding for new law in Minnesota Statutes, chapter 115C; 116; 144; 145; 197; 198; 214; 245; 252; 252B; 254A; 256; 256B; 256E; 256F; 257; 268; 462A; 514; proposing coding for new law as Minnesota Statutes, chapter 144C; repealing Minnesota Statutes 1992, sections 116.76, subdivision 7; 116.79, subdivision 3; 116.81, subdivision 2; 116.83, subdivision 2; 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; 148B.72; 214.141; 245.711; 245.712; 252.46, subdivisions 12, 13, and 14; 252.47; 252.478, subdivisions 1, 2, and 3; 256.969, subdivision 20; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 268.365, subdivision 1; 268.914, subdivision 2; 268.977; 268.978, subdivision 3;

273.1398, subdivisions 5a and 5c; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; and Laws 1991, chapter 208, section 2; Minnesota Rules, parts 4622.0100; 4622.0300; 4622.0400; 4622.0600; 4622.0700, subparts 10 and 12; 4622.0900; 4622.1000; 4622.1050; 4622.1100; 4622.1150; and 4622.1200.

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:

Madam Speaker:

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

H. F. No. 469, A bill for an act relating to drivers' licenses; providing that physical requirements to obtain school bus endorsement for driver's license are satisfied by possession of medical examiner's certificate required for commercial vehicle drivers; amending Minnesota Statutes 1992, section 171.321, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 507, A bill for an act relating to patient and resident rights; providing patients and residents with the option to disclose their presence in a facility; amending Minnesota Statutes 1992, sections 144.651, subdivisions 2, 21, and 26; and 253B.03, subdivisions 3 and 4.

H. F. No. 520, A bill for an act relating to retirement; authorizing a second chance Medicare coverage referendum for certain public pension plan members.

H. F. No. 1296, A bill for an act relating to Pine county; permitting the county board to extend certain temporary land use controls.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1074, A bill for an act relating to elections; requiring publication and posting of notice of filing dates by county auditors; amending Minnesota Statutes 1992, section 204B.33.

H. F. No. 1089, A bill for an act relating to elections; setting the date by which Hennepin county park reserve district redistricting must take place; amending Minnesota Statutes 1992, section 383B.68, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. No. 1503.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1503, A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; 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; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2; and 611.20, subdivision 3.

The bill was read for the first time.

Murphy moved that S. F. No. 1503 and H. F. No. 1746, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

SPECIAL ORDERS

Anderson, I., moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Farrell moved that the name of Skoglund be added as an author on H. F. No. 1042. The motion prevailed.

Kahn moved that H. F. No. 10, now on Technical General Orders, be re-referred to the Committee on Ways and Means. The motion prevailed.

TAKEN FROM THE TABLE

Rodosovich moved that S. F. No. 1407, as amended, which was laid on the table earlier today be taken from the table. The motion prevailed and S. F. No. 1407 was taken from the table.

S. F. No. 1407 was reported to the House.

Stanius and Jaros moved to amend S. F. No. 1407, as amended, as follows:

Page 2, delete line 12, and insert:

"119,575,000

125,819,000

245,394,000"

Page 2, delete lines 23 and 24

- (8) correctional guards unit;
- (9) state university instructional unit;
- (10) community college instructional unit;
- (11) ~~technical college instructional unit;~~
- (12) state university administrative unit;
- (13) (12) professional engineering unit;
- (14) (13) health treatment unit;
- (15) (14) general professional unit;
- (16) (15) professional state residential instructional unit; and
- (17) (16) supervisory employees unit.

Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to August 1, 1984, as required by law or as provided in subdivision 4.

Sec. 4. [REPEALER.]

Subdivision 1. [CHAPTER 136E.] Minnesota Statutes 1992, sections 136E.01; 136E.02; 136E.03; 136E.04; and 136E.05, are repealed.

Subd. 2. [TRANSITIONAL PROVISIONS.] Laws 1991, chapter 356, article 9, sections 8, 9, 10, 11, 12, 13, and 14, are repealed.

Sec. 5. [EFFECTIVE DATE.]

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

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

Adjust the totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Stanius and Jaros amendment and the roll was called. There were 108 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Clark	Dempsey	Greenfield	Holsten	Johnson, A.
Anderson, I.	Bergson	Commers	Evans	Greiling	Hugoson	Johnson, R.
Anderson, R.	Bettérmann	Dauner	Farrell	Gruenes	Huntley	Johnson, V.
Asch	Brown, K.	Davids	Frerichs	Gutknecht	Jaros	Kalis
Battaglia	Carlson	Dawkins	Garcia	Hasskamp	Jefferson	Klinzing
Bauerly	Carruthers	Delmont	Goodno	Hausman	Jennings	Knickerbocker

Koppendrayer	Mahon	Nelson	Pauly	Sarna	Swenson	Welle
Krinkie	Mariani	Ness	Pawlenty	Seagren	Tomassoni	Wenzel
Krueger	McGuire	Olson, K.	Perlt	Sekhon	Tompkins	Winter
Lasley	Milbert	Olson, M.	Peterson	Skoglund	Trimble	Wolf
Leppik	Molnau	Onnen	Pugh	Smith	Tunheim	Worke
Limmer	Morrison	Opatz	Reding	Solberg	Van Dellen	Workman
Lindner	Mosel	Orfield	Rest	Sparby	Vickerman	
Lourey	Munger	Osthoff	Rhodes	Stanius	Wagenius	
Luther	Murphy	Ostrom	Rice	Steensma	Waltman	
Macklin	Neary	Ozment	Rukavina	Sviggum	Wejzman	

Those who voted in the negative were:

Bertram	Dehler	Jacobs	Kinkel	Olson, E.	Simoneau
Bishop	Dorn	Kahn	Lieder	Orenstein	Vellenga
Blatz	Erhardt	Kelley	Lynch	Pelowski	Weaver
Brown, C.	Haukoos	Kelso	McCollum	Rodosovich	Spk. Long

The motion prevailed and the amendment was adopted.

S. F. No. 1407, A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating an instructional telecommunications network; providing for grants from the higher education coordinating board for regional linkages, regional coordination, courseware development and usage, and faculty training; authorizing the state board of community colleges to use higher education facilities authority revenue bonds to construct student residences; creating three accounts in the permanent university fund and making allocations from the accounts; providing tuition exemptions at technical colleges for Southwest Asia veterans; prescribing changes in eligibility and in duties and responsibilities for certain financial assistance programs; establishing grant programs to promote recruitment and retention initiatives by nurses training and teacher education programs directed toward persons of color; establishing grant programs for nursing students and students in teacher education programs who are persons of color; establishing an education to employment transitions system; amending Minnesota Statutes 1992, sections 136A.101, subdivisions 1 and 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; 136A.233, subdivisions 2 and 3; 136C.13, subdivision 4; 136C.61, subdivision 7; and 137.022, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; proposing coding for new law as Minnesota Statutes, chapter 126B; repealing Minnesota Statutes 1992, sections 136A.121, subdivision 17; and 136A.134.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Goodno	Johnson, R.	Limmer	Murphy	Perlt
Anderson, I.	Clark	Greenfield	Johnson, V.	Lindner	Neary	Peterson
Anderson, R.	Commers	Greiling	Kahn	Lourey	Nelson	Pugh
Asch	Dauner	Gruenes	Kalis	Luther	Ness	Reding
Battaglia	Davids	Gutknecht	Kelley	Lynch	Olson, E.	Rest
Bauerly	Dawkins	Hasskamp	Kelso	Macklin	Olson, K.	Rhodes
Beard	Dehler	Hausman	Kinkel	Mahon	Ornen	Rice
Bergson	Delmont	Holsten	Klinzing	Mariani	Opatz	Rodosovich
Bertram	Dempsey	Hugoson	Knickerbocker	McCollum	Orenstein	Rukavina
Bettermann	Dorn	Huntley	Koppendrayer	McGuire	Orfield	Sarna
Bishop	Erhardt	Jacobs	Krinkie	Milbert	Osthoff	Seagren
Blatz	Evans	Jaros	Krueger	Molnau	Ozment	Sekhon
Brown, C.	Farrell	Jefferson	Lasley	Morrison	Pauly	Simoneau
Brown, K.	Frerichs	Jennings	Leppik	Mosel	Pawlenty	Skoglund
Carlson	Garcia	Johnson, A.	Lieder	Munger	Pelowski	Smith

Solberg	Swenson	Tunheim	Wagenius	Welle	Worke
Sparby	Tomassoni	Van Dellen	Waltman	Wenzel	Workman
Stanius	Tompkins	Vellenga	Weaver	Winter	Spk. Long
Steensma	Trimble	Vickerman	Wejcman	Wolf	

Those who voted in the negative were:

Haukoos Olson, M. Ostrom Sviggum

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 163:

Sparby, Lasley, Ostrom, Pawlenty and Long.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 1:30 p.m., Thursday, April 22, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:30 p.m., Thursday, April 22, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

FORTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 22, 1993

The House of Representatives convened at 1:30 p.m. and was called to order by Dee Long, Speaker of the House.

Prayer was offered by Father Stephen Ulrick, Church of St. Hubert, Chanhassen, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Girard, Hasskamp and Sarna were excused.

Krinkie was excused until 2:50 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Luther 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. 334 and H. F. No. 357, 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. 334 be substituted for H. F. No. 357 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1503 and H. F. No. 1746, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Murphy moved that the rules be so far suspended that S. F. No. 1503 be substituted for H. F. No. 1746 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 21, 1993

The Honorable Dee Long
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Long:

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

H. F. No. 111, relating to highways; designating the B. E. Grottum memorial highway in Jackson county and the Wally Nelson highway.

H. F. No. 552, relating to real estate; modifying provisions for voluntary foreclosure of mortgages; modifying criminal liability for defeating security on realty.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Dee Long
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1993 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1993	Date Filed 1993
186		34	3:40 p.m. April 21	April 21
903		35	3:50 p.m. April 21	April 21
789		36	3:48 p.m. April 21	April 21
605		37	3:46 p.m. April 21	April 21
198		38	3:42 p.m. April 21	April 21
	111	39	3:52 p.m. April 21	April 21
	552	40	3:56 p.m. April 21	April 21

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

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

H. F. No. 1025, A bill for an act relating to occupations and professions; regulating athletic trainers; establishing an advisory council; providing for registration; requiring fees; providing for rulemaking; imposing penalties; appropriating money; amending Minnesota Statutes 1992, section 116J.70, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the following amendments:

Page 6, line 12, delete "seven" and insert "eight"

Page 6, line 17, delete "and"

Page 6, line 20, before the period insert "; and

(4) one member who is a doctor of chiropractic licensed by the state and has experience with athletic training and sports injuries"

Page 7, after line 1, insert:

"(7) advise the board regarding evaluation and treatment protocols;"

Page 7, line 2, delete "(7)" and insert "(8)"

Page 7, line 4, delete "(8)" and insert "(9)"

Page 7, line 31, delete "licensed medical physician" and insert "person licensed in this state to practice medicine as defined in section 147.081, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05, and whose license is in good standing"

Page 8, line 5, after "physician" insert "or other treating provider"

Page 8, line 15, delete "licensed medical"

Page 8, line 16, delete "physician" and insert "person licensed in this state to practice medicine as defined in section 147.081, the practice of chiropractic as defined in section 148.01, the practice of podiatry as defined in section 153.01, or the practice of dentistry as defined in section 150A.05, and whose license is in good standing and in accordance with established evaluation and treatment protocols"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1412, A bill for an act relating to children; coordinating county social services and school district services for children; expanding the target groups of children that must be served by community social service programs; requiring minimum expenditures by counties on social services for children and a separate children's plan; requiring the county board to collaborate with local school boards and community health boards in developing the children's social service plan; appropriating money; amending Minnesota Statutes 1992, sections 124A.29, subdivision 1; 256E.03, subdivision 2, and by adding a subdivision; 256E.08, subdivisions 1 and 5; and 256E.09; proposing coding for new law in Minnesota Statutes, chapter 124A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT, AND VIOLENCE PREVENTION PARENTAL INVOLVEMENT PROGRAMS.] ~~(a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$15 times the number of actual pupil units shall be reserved and may be used only to provide staff time for in-service education for violence prevention programs under section 126.77, subdivision 2, or staff development programs, including outcome-based education, under section 126.70, subdivisions 1 and 2a. The school board shall determine the staff development activities to provide, the manner in which they will be provided, and the extent to which other local funds may be used to supplement staff development activities.~~

~~(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 126.69. A district may use up to \$1 of the \$5 times the number of actual pupil units for promoting parental involvement in the PER process.~~

Sec. 2. [124A.32] [COLLABORATION AID.]

Subdivision 1. [PURPOSE.] The purpose of this section is to provide an incentive for school districts, local social services and health providers, and other community-based groups to work together to transform fragmented, crisis-oriented delivery systems focused on remediation services into flexible, comprehensive, well coordinated and family-oriented delivery systems focused on prevention services.

Subd. 2. [ELIGIBILITY.] To receive collaboration aid under this section, the school district must:

(1) be actively participating in accordance with section 256E.09, subdivision 3a, in discussions and planning of the community social services act plan and the community health services plan with the appropriate county official, community education official, and community-based service groups as defined in section 256E.03, subdivision 1a;

(2) enter into a written agreement with the county board or boards where the school district is located. The agreement must describe the roles of the county and school district in providing prevention, and early intervention and outreach services for children and families which have been developed collaboratively between the county and school districts. A group of counties and school districts may develop a joint collaborative plan under this section. The county shall also include these collaborative activities in the plan developed under section 256E.08. When approved by the county and the school district, the plan developed under section 256E.08 satisfies the requirements of this section for the biennial period covered in the plan; and

(3) match the collaboration aid locally at 50 percent with funds provided by a county, city, school district, community education program, or private donors.

Subd. 3. [AID AMOUNT.] Each year, collaboration aid for an eligible district equals \$10 times the district's actual pupil units for that year.

Subd. 4. [AID USES.] Aid received under subdivision 2 may be used for parental involvement programs, career teacher programs, coordination of volunteer services, and programs designed to encourage community involvement. Aid received under subdivision 2 shall be used primarily to serve children between the ages of 14 and 18 who are at least one year behind in obtaining credits for graduating from high school, and children eligible for services under chapter 1 of Public Law 101-305, but is not restricted to such uses.

Before expending collaboration aid, the school district shall develop a list of objectively measurable outcomes to be achieved by the expenditure. The school district shall annually submit the list to the county board in which it is located and to the department of education and report to the department of education and county in which it is located on actual performance of its programs in comparison to the defined outcomes.

Subd. 5. [EVALUATION REPORT.] The commissioner of education shall report to the education committees of the legislature and the legislative committee on children, youth and their families annually by February 15 on the extent to which school districts that receive aid under this section achieved their listed outcomes.

Sec. 3. Minnesota Statutes 1992, section 145A.10, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY HEALTH PLAN.] The community health board must prepare and submit to the commissioner a written plan at times prescribed by the commissioner under section 145A.12, subdivision 3, but no more often than every two years. The community health plan must provide for the assessment of community health status and the integration, development, and provision of community health services that meet the priority needs of the community health service area. The plan must be consistent with the standards and procedures established under section 145A.12, subdivision 3, and must at least include documentation of the following:

- (1) a review and assessment of the implementation of the preceding community health plan;
- (2) the process used to assess community health status and encourage full community participation in the development of the proposed community health plan;
- (3) an identification of personal health services, institutional health services, health-related environmental programs and services, and related human services in the community;
- (4) an assessment of community health status, a statement of goals and objectives according to priority, and the reasons for the priority order;
- (5) a description of and rationale for the method the community health board plans to use to address each identified community health goal and objective and how each program category defined in section 145A.02 and any agreements entered into under section 145A.07 will be implemented to achieve these goals and objectives;
- (6) a description of the ways in which planned community health services defined in section 145A.02 will be coordinated with services and resources identified in clause (2);
- (7) the projected annual budgets for expenditure of the subsidy and local match provided for in section 145A.13 and for other sources of funding for the program categories defined in section 145A.02 including a description of the ways this funding is coordinated with funding from other local, state, and federal sources; and
- (8) assurances that community health services will comply with applicable state and federal laws; and
- (9) collaborative efforts with each local school district in the county.

Sec. 4. Minnesota Statutes 1992, section 256E.03, is amended by adding a subdivision to read:

Subd. 1a. [COMMUNITY-BASED SERVICE GROUPS.] Community-based service groups include, but are not limited to, nonprofit corporations, sectarian organizations and voluntary associations which (1) regularly provide services to the populations specified in section 124A.32, subdivision 4 or 256E.03, subdivision 2; and (2) include on their governing boards, citizens of the towns or cities where the services are provided.

Sec. 5. Minnesota Statutes 1992, section 256E.03, is amended by adding a subdivision to read:

Subd. 8. [LOCAL SCHOOL DISTRICTS.] "Local school district" means any school district that lies in whole or in part within the county.

Sec. 6. Minnesota Statutes 1992, section 256E.08, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITIES.] The county board of each county shall be responsible for administration, planning and funding of community social services. Each county board shall singly or in combination with other county boards as provided in section 256E.09 prepare a social services plan and shall update the plan biennially. The county board shall collaborate with the community health boards and with local school districts, as required in sections 145A.10, subdivision 5, and 256E.09, subdivision 3a, in preparing the biennial plan. Upon final approval of the plan by the county board or boards, the plan shall be submitted to the commissioner. The county board shall distribute money available pursuant to sections 256E.06 and 256E.07 for community social services.

The authority and responsibilities of county boards for social services for groups of persons identified in section 256E.03, subdivision 2, shall include contracting for or directly providing:

(1) information about the symptoms and characteristics of specific problems of the identified groups to increase understanding and acceptance by the general public, to help alleviate fears of seeking help, and to enable access to appropriate assistance;

(2) an assessment of the needs of each person applying for assistance which estimates the nature and extent of the problem to be addressed and identifies the means available to meet the person's needs. These diagnostic and evaluation activities shall evaluate the functioning of each person with regard to an illness or disability, screen for placement, and determine the need for services;

(3) protection aimed at alleviating urgent needs of each person by determining urgent need, shielding persons in hazardous conditions when they are unable to care for themselves, and providing urgently needed assistance;

(4) supportive and rehabilitative activities that assist each person to function at the highest level of independence possible for the person, preferably without removing the person from home. These activities include coordinating with local public rehabilitation agencies, local education agencies, and other agencies, both to increase the client's level of functioning and to maintain current levels of functioning;

(5) a means of facilitating access of physically handicapped or impaired persons to activities appropriate to their needs; and

(6) administrative activities to coordinate and facilitate the effective use of formal and informal helping systems to best address client needs and goals. This includes assisting the client in making informed decisions about opportunities and services, assuring timely access to needed assistance, providing opportunities and encouragement for self-help activities, and coordinating all services to meet the client's needs and goals. County case management shall be responsible for determining appropriate care and activities.

A county board may delegate to a county welfare board established under chapter 393 authority to provide or approve contracts for the purchase of the kinds of community social services that were provided or contracted for by the county welfare boards before the enactment of Laws 1979, chapter 324. The county board must determine how citizens will participate in the planning process, give final approval to the community social services plan, and distribute community social services money.

Sec. 7. Minnesota Statutes 1992, section 256E.09, subdivision 2, is amended to read:

Subd. 2. [CITIZEN PARTICIPATION.] The county board shall provide opportunities for participation by citizens in the county, including families with children enrolled in local school districts and representatives of users of services, in the development of the biennial plan and in the allocation of money for community social services. At least 60 days prior to publication of the proposed plan the county board shall publish the methods proposed to achieve citizen participation in the planning process. The county board in connection with collaboration efforts under subdivision 3a shall also provide opportunities for community-based service groups and citizens to participate in providing services.

Sec. 8. Minnesota Statutes 1992, section 256E.09, is amended by adding a subdivision to read:

Subd. 3a. [COLLABORATION WITH LOCAL SCHOOL DISTRICTS.] In preparing the plan required by this section the county board shall collaborate with all of the local school districts in the county to ensure that services will be available for children identified under section 256E.03, subdivision 2. When submitting the plan to the commissioner, the county board shall attach a written agreement entered into with each local school district in the county, under section 124A.32, describing collaborative efforts with school districts.

Sec. 9. [APPROPRIATION.]

\$..... in fiscal year 1994 and \$..... in fiscal year 1995 is appropriated from the general fund to the commissioner of education for section 2.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to children; coordinating county social services and school district services for children; expanding the target groups of children that must be served by community social service programs; requiring minimum expenditures by counties on social services for children and a separate children's plan; requiring the county board to collaborate with local school boards and community health boards in developing the children's social service plan; appropriating money; amending Minnesota Statutes 1992, sections 124A.29, subdivision 1; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; and 256E.09, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 124A."

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1585, A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws; clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; appropriating money; amending Minnesota Statutes 1992, sections 13.87, subdivision 2; 16B.08, subdivision 7; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.021, subdivision 3; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346; 169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, and 5; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.811; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 471.633; 473.386, by adding a subdivision; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 3, 6, 7, 9, and 14; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivision 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivision 1a, and by adding subdivisions; 609.686; 609.71; 609.713, subdivision 1; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding a subdivision; 609.79, subdivision 1; 609.795, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 609.902, subdivision 4; 611A.031; 611A.0315; 611A.04, by adding a subdivision; 611A.06, subdivision 1; 624.712, subdivision 5; 624.713; 624.7131, subdivision 10; 624.7132, subdivisions 4 and 8; 624.714, subdivision 1; 626.05, subdivision 2; 626.13; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 174; 242; 244; 401; 609; and 624; repealing Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.229; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; and 609.795, subdivision 2.

Reported the same back with the following amendments:

Page 3, after line 28, insert:

"Sec. 2. Minnesota Statutes 1992, section 127.03, subdivision 3, is amended to read:

Subd. 3. [IMMUNITY FROM CIVIL LIABILITY.] It is a defense to a civil action for damages against a teacher school official, as defined in section 609.2231, subdivision 5, to prove that the force used by the teacher school official was reasonable, was in the exercise of lawful authority, and was necessary under the circumstances to restrain the pupil or to prevent bodily harm to another.

Sec. 3. [152.0263] [ENHANCED PENALTY.]

A person who possesses a firearm:

(1) in a conveyance device used or intended for use to commit or facilitate the commission of a felony offense involving a controlled substance;

(2) on or in close proximity to a person from whom a felony amount of controlled substance is seized; or

(3) on the premises where a controlled substance is seized and in close proximity to the controlled substance, if possession or sale of the controlled substance would be a felony under chapter 152;

shall, upon conviction for an offense described in sections 152.021 to 152.025, be sentenced to twice the presumptive sentence otherwise provided for the offense under the sentencing guidelines."

Pages 4 to 7, delete section 3

Page 9, line 27, before the period, insert "or section 624.7181"

Page 12, line 11, after "toward" insert "a person," and after "vehicle" insert a comma

Page 13, delete section 11

Page 13, after line 35, insert:

"Sec. 12. Minnesota Statutes 1992, section 609.67, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION DEFINITIONS.] (a) "Machine gun" means any firearm designed to discharge, or capable of discharging automatically more than once by a single function of the trigger, or modified with any device enabling the firearm to be fired at the rate of a machine gun.

(b) "Shotgun" means a weapon designed, redesigned, made or remade which is intended to be fired from the shoulder and uses the energy of the explosive in a fixed shotgun shell to fire through a smooth bore either a number of ball shot or a single projectile for each single pull of the trigger.

(c) "Short-barreled shotgun" means a shotgun having one or more barrels less than 18 inches in length and any weapon made from a shotgun if such weapon as modified has an overall length less than 26 inches.

Sec. 13. Minnesota Statutes 1992, section 609.67, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Except as otherwise provided herein, whoever owns, possesses, or operates a machine gun, any device enabling a firearm to be fired at the rate of a machine gun, or a short-barreled shotgun 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."

Page 14, after line 12, insert:

"Sec. 15. Minnesota Statutes 1992, section 624.711, is amended to read:

624.711 [DECLARATION OF POLICY.]

It is not the intent of the legislature to regulate shotguns, rifles and other longguns of the type commonly used for hunting and not defined as pistols or military assault weapons, or to place costs of administration upon those citizens who wish to possess or carry pistols or military assault weapons lawfully, or to confiscate or otherwise restrict the use of pistols or military assault weapons by law-abiding citizens."

Page 14, after line 30, insert:

"Sec. 17. Minnesota Statutes 1992, section 624.712, subdivision 6, is amended to read:

Subd. 6. "Transfer" means a sale, gift, loan, assignment or other delivery to another, whether or not for consideration, of a pistol or military assault weapon or the frame or receiver of a pistol or military assault weapon.

Sec. 18. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 7. "Military assault weapon" means:

(1) any of the following firearms:

(i) Avtomat Kalashnikov (AK-47) semiautomatic rifle type;

(ii) Beretta AR-70 and BM-59 semiautomatic rifle types;

(iii) Colt AR-15 semiautomatic rifle type;

(iv) Daewoo Max-1 and Max-2 semiautomatic rifle types;

(v) Famas MAS semiautomatic rifle type;

(vi) Fabrique Nationale FN-LAR and FN-FNC semiautomatic rifle types;

(vii) Galil semiautomatic rifle type;

(viii) Heckler & Koch HK-91, HK-93, and HK-94 semiautomatic rifle types;

(ix) Ingram MAC-10 and MAC-11 semiautomatic pistol and carbine types;

(x) Intratec TEC-9 semiautomatic pistol type;

(xi) Sigarms SIG 550SP and SIG 551SP semiautomatic rifle types;

(xii) SKS with detachable magazine semiautomatic rifle type;

(xiii) Steyr AUG semiautomatic rifle type;

(xiv) Street Sweeper and Striker-12 revolving-cylinder shotgun types;

(xv) USAS-12 semiautomatic shotgun type;

(xvi) Uzi semiautomatic pistol and carbine types; or

(xvii) Valmet M76 and M78 semiautomatic rifle types;

(2) any firearm that is another model made by the same manufacturer as one of the firearms listed in clause (1), and has the same action design as one of the listed firearms, and is a redesigned, renamed, or renumbered version of one of the firearms listed in clause (1), or has a slight modification or enhancement, including but not limited to a folding or retractable stock; adjustable sight; case deflector for left-handed shooters; shorter barrel; wooden, plastic, or metal stock; larger clip size; different caliber; or a bayonet mount; and

(3) any firearm that has been manufactured or sold by another company under a licensing agreement with a manufacturer of one of the firearms listed in clause (1) entered into after the effective date of this act to manufacture or sell firearms that are identical or nearly identical to those listed in clause (1), or described in clause (2), regardless of the company of production or country of origin.

The weapons listed in clause (1), except those listed in items (iii), (ix), (x), (xiv), and (xv), are the weapons the importation of which was barred by the Bureau of Alcohol, Tobacco, and Firearms of the United States Department of the Treasury in July 1989.

Except as otherwise specifically provided in paragraph (d), a firearm is not a "military assault weapon" if it is generally recognized as particularly suitable for or readily adaptable to sporting purposes under United States Code, title 18, section 925, paragraph (d)(3), or any regulations adopted pursuant to that law."

Page 14, line 33, after "PISTOLS" insert "OR MILITARY ASSAULT WEAPONS"

Page 14, line 35, after "pistol" insert "or military assault weapon"

Page 15, lines 1 and 10, after "pistol" insert "or military assault weapon"

Page 17, lines 3, 5, 9, and 15, after "pistol" insert "or military assault weapon"

Page 17, lines 20, 25, and 30, after "pistol" insert "or military assault weapon"

Page 18, line 2, after "pistol" insert "or military assault weapon"

Page 18, after line 3, insert:

"Sec. 20. Minnesota Statutes 1992, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a ~~pistol~~ 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 by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or military assault weapon.

The statement shall be signed 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 1992, section 624.7131, subdivision 4, is amended to read:

Subd. 4. [GROUNDS FOR DISQUALIFICATION.] A determination by the chief of police or sheriff that the applicant is prohibited by section 624.713 from possessing a pistol or military assault weapon shall be the only basis for refusal to grant a transferee permit."

Page 18, line 7, after "pistol" insert "or military assault weapon"

Pages 18 and 19, delete sections 16 and 17 and insert:

"Sec. 23. Minnesota Statutes 1992, section 624.7132, is amended to read:

624.7132 [REPORT OF TRANSFER.]

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or military 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 by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or military assault weapon; and

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

The report shall be signed 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.

Subd. 2. [INVESTIGATION.] Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota crime information system.

Subd. 3. [NOTIFICATION.] The chief of police or sheriff shall notify the transferor and proposed transferee in writing as soon as possible if the chief or sheriff determines that the proposed transferee is prohibited by section 624.713 from possessing a pistol or military assault weapon. The notification to the transferee shall specify the grounds for the disqualification of the proposed transferee and shall set forth in detail the transferee's right of appeal under subdivision 13.

Subd. 4. [DELIVERY.] Except as otherwise provided in subdivision 7 or 8, no person shall deliver a pistol or military assault weapon to a proposed transferee until seven days after the date of the agreement to transfer as stated on the report delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period.

No person shall deliver a pistol or military assault weapon to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol or military assault weapon.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, the pistol or military assault weapon may be delivered to the transferee.

Subd. 5. [GROUNDS FOR DISQUALIFICATION.] A determination by the chief of police or sheriff that the proposed transferee is prohibited by section 624.713 from possessing a pistol or military assault weapon shall be the sole basis for a notification of disqualification under this section.

Subd. 6. [TRANSFEREE PERMIT.] If a chief of police or sheriff determines that a transferee is not a person prohibited by section 624.713 from possessing a pistol or military assault weapon, the transferee may, within 30 days after the determination, apply to that chief of police or sheriff for a transferee permit, and the permit shall be issued.

Subd. 7. [IMMEDIATE TRANSFERS.] The chief of police or sheriff may waive all or a portion of the seven day waiting period for a transfer.

Subd. 8. [REPORT NOT REQUIRED.] (1) If the proposed transferee presents a valid transferee permit issued under section ~~624.714, subdivision 9~~ 624.7131 or a valid permit to carry issued under section 624.714, or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1, who presents a valid peace officer photo identification and badge, the transferor need not file a transfer report.

(2) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol or military assault weapon may be made under subdivision 4.

Subd. 9. [NUMBER OF PISTOLS OR MILITARY ASSAULT WEAPONS.] Any number of pistols or military assault weapons may be the subject of a single transfer agreement and report to the chief of police or sheriff. Nothing in this section or section 624.7131 shall be construed to limit or restrict the number of pistols or military assault weapons a person may acquire.

Subd. 10. [RESTRICTION ON RECORDS.] If, after a determination that the transferee is not a person prohibited by section 624.713 from possessing a pistol or military assault weapon, a transferee requests that no record be maintained of the fact of who is the transferee of a pistol or military assault weapon, the chief of police or sheriff shall sign the transfer report and return it to the transferee as soon as possible. Thereafter, no government employee or agency shall maintain a record of the transfer that identifies the transferee, and the transferee shall retain the report of transfer.

Subd. 11. [FORMS; COST.] Chiefs of police and sheriffs shall make transfer report forms available throughout the community. There shall be no charge for forms, reports, investigations, notifications, waivers or any other act performed or materials provided by a government employee or agency in connection with a pistol transfer.

Subd. 12. [EXCLUSIONS.] 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 military 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 military assault weapon by reason of employment and is the holder of a valid permit to carry a pistol or military assault weapon.

Subd. 13. [APPEAL.] A person aggrieved by the determination of a chief of police or sheriff that the person is prohibited by section 624.713 from possessing a pistol or military assault weapon may appeal the determination as provided in this subdivision. In Hennepin and Ramsey counties the municipal court shall have jurisdiction of proceedings under this subdivision. In the remaining counties of the state, the county court shall have jurisdiction of proceedings under this subdivision.

On review pursuant to this subdivision, the court shall be limited to a determination of whether the proposed transferee is a person prohibited from possessing a pistol or military assault weapon by section 624.713.

Subd. 14. [TRANSFER TO UNKNOWN PARTY.] (a) No person shall transfer a pistol or military assault weapon to another who is not personally known to the transferor unless the proposed transferee presents evidence of identity to the transferor. A person who transfers a pistol or military assault weapon in violation of this clause is guilty of a misdemeanor.

(b) No person who is not personally known to the transferor shall become a transferee of a pistol or military assault weapon unless the person presents evidence of identity to the transferor. A person who becomes a transferee of a pistol or military assault weapon in violation of this clause is guilty of a misdemeanor.

Subd. 15. [PENALTIES.] A person who does any of the following is guilty of a gross misdemeanor:

- (a) Transfers a pistol or military assault weapon in violation of subdivisions 1 to 13;
- (b) Transfers a pistol or military assault weapon to a person who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;
- (c) Knowingly becomes a transferee in violation of subdivisions 1 to 13; or
- (d) Makes a false statement in order to become a transferee of a pistol or military assault weapon knowing or having reason to know the statement is false.

Subd. 16. [LOCAL REGULATION.] This section shall be construed to supersede municipal or county regulation of the transfer of pistols."

Page 19, lines 16 and 20, after "pistol" insert "or military assault weapon"

Page 19, after line 25, insert:

"Sec. 25. Minnesota Statutes 1992, section 624.714, subdivision 5, is amended to read:

Subd. 5. [GRANTING OF PERMITS.] No permit to carry shall be granted to a person unless the applicant:

- (a) Is not a person prohibited by section 624.713 from possessing a pistol or military assault weapon;
- (b) Provides a firearms safety certificate recognized by the department of natural resources, evidence of successful completion of a test of ability to use a firearm supervised by the chief of police or sheriff or other satisfactory proof of ability to use a pistol or military assault weapon safely; and
- (c) Has an occupation or personal safety hazard requiring a permit to carry.

Sec. 26. Minnesota Statutes 1992, section 624.714, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO GRANT PERMITS.] Failure of the chief police officer or the county sheriff to deny the application or issue a permit to carry a pistol or military assault weapon within 21 days of the date of application shall be deemed to be a grant thereof. The local police authority shall provide an applicant with written notification of a denial and the specific reason for the denial. The permits and their renewal shall be granted free of charge. The permit shall specify the activities for which it shall be valid.

Sec. 27. Minnesota Statutes 1992, section 624.714, subdivision 7, is amended to read:

Subd. 7. [RENEWAL.] Permits to carry a pistol or military assault weapon issued pursuant to this section shall expire after one year and shall thereafter be renewed in the same manner and subject to the same provisions by which the original permit was obtained, except that all renewed permits must comply with the standards adopted by the commissioner of public safety under section 624.7161.

Sec. 28. Minnesota Statutes 1992, section 624.714, subdivision 8, is amended to read:

Subd. 8. [PERMIT TO CARRY VOIDED.] The permit to carry shall be void at the time that the holder becomes prohibited from possessing a pistol or military assault weapon under section 624.713, in which event the holder shall return the permit within five days to the application authority. Failure of the holder to return the permit within the five days is a gross misdemeanor unless the court finds that the circumstances or the physical or mental condition of the permit holder prevented the holder from complying with the return requirement.

Sec. 29. Minnesota Statutes 1992, section 624.714, subdivision 9, is amended to read:

Subd. 9. [CARRYING PISTOLS OR MILITARY ASSAULT WEAPONS ABOUT ONE'S PREMISES OR FOR PURPOSES OF REPAIR, TARGET PRACTICE.] A permit to carry is not required of a person:

(a) To keep or carry about the person's place of business, dwelling house, premises or on land possessed by the person a pistol or military assault weapon;

(b) To carry a pistol or military assault weapon from a place of purchase to the person's dwelling house or place of business, or from the person's dwelling house or place of business to or from a place where repairing is done, to have the pistol or military assault weapon repaired;

(c) To carry a pistol or military assault weapon between the person's dwelling house and place of business;

(d) To carry a pistol or military assault weapon in the woods or fields or upon the waters of this state for the purpose of hunting or of target shooting in a safe area; or

(e) To transport a pistol or military assault weapon in a motor vehicle, snowmobile or boat if the pistol or military assault weapon is unloaded, contained in a closed and fastened case, gunbox, or securely tied package.

Sec. 30. Minnesota Statutes 1992, section 624.714, subdivision 11, is amended to read:

Subd. 11. [NO LIMIT ON NUMBER OF PISTOLS OR MILITARY ASSAULT WEAPONS.] A person shall not be restricted as to the number of pistols or military assault weapons the person may carry."

Pages 19 and 20, delete section 19

Page 20, after line 7, insert:

"Sec. 31. [624.7181]. [FIREARMS IN PUBLIC PLACES OR IN DWELLINGS CONTAINING CONTROLLED SUBSTANCES.]

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

(a) "Carry" does not include:

(1) the carrying of a firearm to or from a place where firearms are repaired, bought, sold, traded, or displayed, or where hunting, target shooting, or other lawful activity involving firearms occurs;

(2) the carrying of a firearm by a person who has a permit under section 624.714; or

(3) the transporting of a firearm in compliance with section 97B.045 or 624.714.

(b) "Controlled substances" has the meaning given it in section 152.01, subdivision 4, but does not include a substance that the actor possesses lawfully; and

(c) "Public place" means property owned, leased, or controlled by a governmental unit and private property that is regularly open to or made available for use by the public; but does not include a person's dwelling house, premises, or other private property not regularly open to or made available for use by the public; or the woods, fields, or waters of this state where the person is present lawfully for the purpose of hunting or target shooting.

Subd. 2. [GROSS MISDEMEANOR.] Whoever carries a firearm on or about the person in a public place is guilty of a gross misdemeanor.

Subd. 3. [EXCEPTIONS.] Subdivision 2 does not apply to the carrying of firearms by officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States, or by 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 official duties."

Page 20, line 9, delete "19" and insert "31"

Page 21, after line 9, insert:

"Sec. 3. Minnesota Statutes 1992, section 518B.01, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means: (i) physical harm, bodily injury, assault, or the infliction of fear of imminent physical harm, bodily injury or assault, between family or household members; or (ii) terroristic threats, within the meaning of section 609.713, subdivision 1, or criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, or 609.345, committed against a minor family or household member by an adult a family or household member.

(b) "Family or household members" means spouses, former spouses, parents and children, persons related by blood, and persons who are presently residing together or who have resided together in the past, and persons who have a child in common regardless of whether they have been married or have lived together at any time. "Family or household member" also includes a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time. Issuance of an order for protection on this ground does not affect a determination of paternity under sections 257.51 to 257.74."

Page 28, delete lines 25 to 30, and insert:

"(1) marching, standing, or patrolling by one or more persons directed solely at a particular residential building; or"

Page 32, after line 11, insert:

"Sec. 17. Minnesota Statutes 1992, section 609.748, is amended by adding a subdivision to read:

Subd. 9. [EFFECT ON LOCAL ORDINANCES.] Nothing in this section shall supersede or preclude the continuation or adoption of any local ordinance which applies to a broader scope of targeted residential picketing conduct than that described in subdivision 1."

Page 33, line 9, after "a" insert "juror or a"

Page 43, line 15, delete "supreme court" and insert "county attorneys association, in conjunction with the attorney general's office,"

Page 43, line 20, delete "supreme court" and insert "county attorneys association"

Page 43, line 30, delete "23 and 25 to 28" and insert "25 and 27 to 30"

Page 43, line 31, delete "24" and insert "26"

Page 52, delete section 17

Page 56, delete section 7

Page 56, line 17, delete "7" and insert "6"

Page 56, line 30, after the period insert "If the chief officer undertakes the investigation, the officer shall promptly notify the state fire marshal of the investigation and, after the investigation is completed, shall forward a copy of the investigative report to the state fire marshal."

Page 57, delete section 2

Page 57, lines 17 and 18, reinstate the stricken language

Page 62, line 22, delete "2, 3, and 6 to 12" and insert "2 and 5 to 11"

Page 62, after line 25, insert:

"Section 1. [169.042] [TOWING; NOTICE TO VICTIM OF VEHICLE THEFT; FEES PROHIBITED.]

Subdivision 1. [NOTIFICATION.] A law enforcement agency shall make a reasonable and good-faith effort to notify the victim of a reported vehicle theft within 48 hours after the agency recovers the vehicle. The notice must specify when the agency expects to release the vehicle to the owner and how the owner may pick up the vehicle.

Subd. 2. [VIOLATION DISMISSAL.] A traffic violation citation given to the owner of the vehicle as a result of the vehicle theft must be dismissed if the owner presents, by mail or in person, a police report or other verification that the vehicle was stolen at the time of the violation."

Page 64, after line 21, insert:

"Sec. 4. [260.013] [SCOPE OF VICTIM RIGHTS.]

The rights granted to victims of crime in sections 611A.01 to 611A.06 are applicable to adult criminal cases, juvenile delinquency proceedings, juvenile traffic proceedings involving driving under the influence of alcohol or drugs, and proceedings involving any other act committed by a juvenile that would be a crime as defined in section 609.02, if committed by an adult.

Sec. 5. Minnesota Statutes 1992, section 260.193, subdivision 8, is amended to read:

Subd. 8. If the juvenile court finds that the child is a juvenile major highway or water traffic offender, it may make any one or more of the following dispositions of the case:

- (a) Reprimand the child and counsel with the child and the parents;
- (b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;
- (c) Require the child to attend a driver improvement school if one is available within the county;
- (d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;
- (e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until the child reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned, and the commissioner of public safety is authorized to return the license;
- (f) Place the child under the supervision of a probation officer in the child's own home under conditions prescribed by the court including reasonable rules relating to operation and use of motor vehicles or boats directed to the correction of the child's driving habits;
- (g) If the child is found to have violated a state or local law or ordinance and the violation resulted in damage to the person or property of another, the court may order the child to make reasonable restitution for the damage;
- (h) Require the child to pay a fine of up to \$700. The court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

~~(h)~~ (i) If the court finds that the child committed an offense described in section 169.121, the court shall order that a chemical use assessment be conducted and a report submitted to the court in the manner prescribed in section 169.126. If the assessment concludes that the child meets the level of care criteria for placement under rules adopted under section 254A.03, subdivision 3, the report must recommend a level of care for the child. The court may require that level of care in its disposition order. In addition, the court may require any child ordered to undergo an assessment to pay a chemical dependency assessment charge of \$75. The court shall forward the assessment charge to the commissioner of finance to be credited to the general fund. The state shall reimburse counties for the total cost of the assessment in the manner provided in section 169.126, subdivision 4c."

Page 67, after line 9, insert:

"Sec. 8. [611A.015] [SCOPE OF VICTIM RIGHTS.]

The rights afforded to crime victims in sections 611A.01 to 611A.06 are applicable to adult criminal cases, juvenile delinquency proceedings, juvenile traffic proceedings involving driving under the influence of alcohol or drugs, and proceedings involving any other act committed by a juvenile that would be a crime as defined in section 609.02, if committed by an adult.

Sec. 9. Minnesota Statutes 1992, section 611A.02, subdivision 2, is amended to read:

Subd. 2. [VICTIMS' RIGHTS.] (a) ~~The commissioner of public safety, in consultation with The crime victim and witness advisory council, must shall~~ develop two model notices of the rights of crime victims. ~~The notice must include a form for the preparation of a preliminary written victim impact summary. A preliminary victim impact summary is a concise statement of the immediate and expected damage to the victim as a result of the crime. A victim desiring to file a preliminary victim impact summary must file the summary with the investigating officer no more than five days after the victim receives the notice from a peace officer. If a preliminary victim impact statement is filed with the investigating officer, it must be sent to the prosecutor with other investigative materials. If a prosecutor has received a preliminary victim impact summary, the prosecutor must present the summary to the court. This subdivision does not relieve a probation officer of the notice requirements imposed by section 611A.037, subdivision 2.~~

(b) ~~The initial notice of the rights of crime victims must be distributed by a peace officer to each victim, as defined in section 611A.01, when the peace officer takes a formal statement from the victim. A peace officer is not obligated to distribute the notice if a victim does not make a formal statement at the time of initial contact with the victim. The notice must inform a victim of:~~

~~(1) the victim's right to request restitution under section 611A.04~~ apply for reparations to cover losses, not including property losses, resulting from a violent crime and the telephone number to call to request an application;

~~(2) the victim's right to be notified of any plea negotiations under section 611A.03~~ request that the law enforcement agency withhold public access to data revealing the victim's identity under section 13.82, subdivision 10, paragraph (d);

~~(3) the victim's right to be present at sentencing, and to object orally or in writing to a proposed agreement or disposition; and~~ additional rights of domestic abuse victims as described in section 629.341;

~~(4) the victim's right to be notified of the final disposition of the case.~~ information on the nearest crime victim assistance program or resource; and

~~(5) the victim's rights, if an offender is charged, to be informed of and participate in the prosecution process, including the right to request restitution.~~

(c) A supplemental notice of the rights of crime victims must be distributed by the city or county attorney's office to each victim, within a reasonable time after the offender is charged or petitioned. This notice must inform a victim of all the rights of crime victims under this chapter.

Sec. 10. Minnesota Statutes 1992, 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. 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. 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 ~~and must also be provided to the offender at least three business days before the sentencing or dispositional hearing. If the victim's~~

~~noncooperation prevents the court or its designee from obtaining competent evidence regarding restitution, the court is not obligated to consider information regarding restitution in 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 continued if the affidavit or other competent evidence 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.

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

(1) the offender is on probation or 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.

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.

Sec. 11. Minnesota Statutes 1992, section 611A.04, subdivision 1a, is amended to read:

Subd. 1a. [CRIME BOARD REQUEST.] The crime victims reparations board may request restitution on behalf of a victim by filing a copy of a ~~claim for reparations submitted under sections 611A.52 to 611A.67, along with orders of the board, if any, which detail any amounts paid by the board to the victim.~~ The board may file the claim payment order with the court administrator or with the person or agency the court has designated to obtain information relating to restitution. In either event, the board shall submit the claim payment order not less than three business days before the sentencing or dispositional hearing. ~~If the board submits the claim directly to the court administrator, it shall also provide a copy to the offender.~~ The court administrator shall provide copies of the payment order 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 continued if the payment order is not received in time. The filing of a claim payment order for reparations with the court administrator shall also serve as a request for restitution by the victim. The restitution requested by the board may be considered to be both on its own behalf and on behalf of the victim. If the board has not paid reparations to the victim, restitution may be made directly to the victim. If the board has paid reparations to the victim, the court shall order restitution payments to be made directly to the board.

Sec. 12. Minnesota Statutes 1992, section 611A.04, subdivision 3, is amended to read:

Subd. 3. [EFFECT OF ORDER FOR RESTITUTION.] An order of restitution may be enforced by any person named in the order to receive the restitution in the same manner as a judgment in a civil action. Filing fees for docketing an order of restitution as a civil judgment are waived for any victim named in the restitution order. An order of restitution shall be docketed as a civil judgment by the court administrator of the district court in the county in which the order of restitution was entered. A juvenile court is not required to appoint a guardian ad litem for a juvenile offender before docketing a restitution order. Interest shall accrue on the unpaid balance of the judgment as provided in section 549.09. A decision for or against restitution in any criminal or juvenile proceeding is not a bar to any civil action by the victim or by the state pursuant to section 611A.61 against the offender. The offender shall be given credit, in any order for judgment in favor of a victim in a civil action, for any restitution paid to the victim for the same injuries for which the judgment is awarded."

Page 67, after line 35, insert:

"Sec. 14. Minnesota Statutes 1992, 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 ~~from one correctional facility to another when the correctional program involves less security~~ to a minimum security setting, 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 release, transfer, or change in security status. For a victim of a felony crime against the person for which the offender was sentenced to a term of imprisonment of more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, transfer, or change ~~in~~ to minimum security status.

Sec. 15. Minnesota Statutes 1992, section 611A.52, subdivision 5, is amended to read:

Subd. 5. [COLLATERAL SOURCE.] "Collateral source" means a source of benefits or advantages for economic loss otherwise repairable under sections 611A.51 to 611A.67 which the victim or claimant has received, or which is readily available to the victim, from:

(1) the offender;

(2) the government of the United States or any agency thereof, a state or any of its political subdivisions, or an instrumentality of two or more states, unless the law providing for the benefits or advantages makes them excess or secondary to benefits under sections 611A.51 to 611A.67;

(3) social security, medicare, and medicaid;

(4) state required temporary nonoccupational disability insurance;

(5) workers' compensation;

(6) wage continuation programs of any employer;

(7) proceeds of a contract of insurance payable to the victim for economic loss sustained because of the crime;

(8) a contract providing prepaid hospital and other health care services, or benefits for disability; ~~or~~

(9) any private source as a voluntary donation or gift; or

(10) proceeds of a lawsuit brought as a result of the crime.

The term does not include a life insurance contract.

Sec. 16. Minnesota Statutes 1992, 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 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 less 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. 17. Minnesota Statutes 1992, section 611A.52, subdivision 9, is amended to read:

Subd. 9. [INJURY.] "Injury" means actual bodily harm including pregnancy and ~~mental or nervous shock~~ emotional trauma.

Sec. 18. Minnesota Statutes 1992, section 611A.57, subdivision 2, is amended to read:

Subd. 2. The board ~~member to whom the claim is assigned~~ staff shall examine the papers filed in support of the claim and cause an investigation to be conducted into the validity of ~~the a~~ a claim to the extent that an investigation is necessary.

Sec. 19. Minnesota Statutes 1992, section 611A.57, subdivision 3, is amended to read:

Subd. 3. [CLAIM DECISION.] The board ~~member to whom a claim is assigned~~ executive director may decide the claim in favor of a claimant in the amount claimed on the basis of the papers filed in support of it and the report of the investigation of such claim. If unable to decide the claim upon the basis of the papers and any report of investigation, the board ~~member~~ executive director shall discuss the matter with other members of the board present at a board meeting. After discussion ~~the board~~ shall vote on whether to grant or deny the claim or whether further investigation is necessary. A decision granting or denying the claim shall then be issued by the executive director ~~or the board member to whom the claim was assigned.~~

Sec. 20. Minnesota Statutes 1992, section 611A.57, subdivision 5, is amended to read:

Subd. 5. [RECONSIDERATION.] The claimant may, within 30 days after receiving the decision of the board, apply for reconsideration before the entire board. Upon request for reconsideration, the board shall reexamine all information filed by the claimant, including any new information the claimant provides, and all information obtained by investigation. The board may also conduct additional examination into the validity of the claim. Upon reconsideration, the board may affirm, modify, or reverse ~~its the~~ prior ruling. A claimant denied reparations upon reconsideration is entitled to a contested case hearing within the meaning of chapter 14.

Sec. 21. Minnesota Statutes 1992, section 611A.66, is amended to read:

611A.66 [LAW ENFORCEMENT AGENCIES; DUTY TO INFORM VICTIMS OF RIGHT TO FILE CLAIM.]

~~All law enforcement agencies investigating crimes shall provide forms to each person who may be eligible to file a claim pursuant to sections 611A.51 to 611A.67 and to inform them of their rights hereunder. All law enforcement agencies shall obtain from the board and maintain a supply of all forms necessary for the preparation and presentation of claims victims with notice of their right to apply for reparations with the telephone number to call to request an application form.~~

Law enforcement agencies shall assist the board in performing its duties under sections 611A.51 to 611A.67. Law enforcement agencies within ten days after receiving a request from the board shall supply the board with requested reports, notwithstanding any provisions to the contrary in chapter 13, and including reports otherwise maintained as confidential or not open to inspection under section 260.161. All data released to the board retains the data classification that it had in the possession of the law enforcement agency.

Sec. 22. Minnesota Statutes 1992, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] (a) If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse or physical abuse, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and or the child may be transported to, and the interview conducted at, a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings."

Page 68, delete section 7

Page 68, after line 23, insert:

"Sec. 24. [REPEALER.]

Minnesota Statutes 1992, section 611A.57, subdivision 1, is repealed."

Page 68, line 25, delete "6" and insert "23"

Page 68, after line 28, insert:

"Section 1. Minnesota Statutes 1992, section 8.16, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The attorney general, or any deputy, assistant, or special assistant attorney general whom the attorney general authorizes in writing, has the authority in any county of the state 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, self-service storage facilities, warehousing companies, 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. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation."

Page 70, line 17, delete the first comma and insert "and" and delete ", and the"

Page 70, delete line 18

Page 70, line 19, delete "licensee"

Page 74, after line 26, insert:

"Sec. 13. [473.407] [METROPOLITAN TRANSIT COMMISSION POLICE.]

Subdivision 1. [AUTHORIZATION.] The 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 metropolitan transit commission property, equipment, employees, and passengers.

Subd. 2. [LIMITATIONS.] The initial processing of a person arrested by the transit commission police for an offense within the agency's jurisdiction is the responsibility of the metropolitan transit commission police unless otherwise directed by the law enforcement agency with primary jurisdiction. A subsequent investigation is the responsibility of the law enforcement agency of the jurisdiction in which the crime was committed. The transit commission police are not authorized to apply for a search warrant as prescribed in section 626.05.

Subd. 3. [POLICIES.] Before the metropolitan transit commission begins to operate its law enforcement agency within a city or county with an existing law enforcement agency, the metropolitan transit commission police shall develop, in conjunction with the law enforcement agencies, written policies that describe how the issues of joint jurisdiction will be resolved. The policies must also address the operation of emergency vehicles by transit commission police responding to commission emergencies. These policies must be filed with the board of peace officer standards and training by August 1, 1993. Revisions of any of these policies must be filed with the board within ten days of the effective date of the revision. The metropolitan transit commission shall train all of its peace officers regarding the application of these policies.

Subd. 4. [CHIEF LAW ENFORCEMENT OFFICER.] The commission shall appoint a peace officer employed full time to be the chief law enforcement officer and to be responsible for the management of the law enforcement agency. The person shall possess the necessary police and management experience and have the title of chief of metropolitan transit commission police services. All other police management and supervisory personnel must be employed full time by the commission. Supervisory personnel must be on duty and available any time transit commission police are on duty. The commission may not hire part-time peace officers as defined in section 626.84, subdivision 1, paragraph (f), except that the commission may appoint peace officers to work on a part-time basis not to exceed 30 full-time equivalents.

Subd. 5. [EMERGENCIES.] (a) The commission shall ensure that all emergency vehicles used by transit commission police are equipped with radios capable of receiving and transmitting on the same frequencies utilized by the law enforcement agencies that have primary jurisdiction.

(b) When the transit commission police receive an emergency call they shall notify the public safety agency with primary jurisdiction and coordinate the appropriate response.

(c) Transit commission police officers shall notify the primary jurisdictions of their response to any emergency.

Subd. 6. [COMPLIANCE.] Except as otherwise provided in this section, the transit commission police shall comply with all statutes and administrative rules relating to the operation and management of a law enforcement agency."

Page 79, line 11, delete "of good cause"

Page 79, line 12, after "jurisdiction" insert "that there is a need to continue the investigation and that the investigation would be harmed by service of the inventory at this time"

Page 79, line 13, before the period insert "for an additional 90-day period"

Page 79, after line 28, insert:

"Sec. 22. [INSTRUCTION TO REVISOR.]

The revisor shall substitute the reference "473.407" for the reference "629.40, subdivision 5" in Minnesota Statutes, section 352.01, subdivision 2b, clause (34)."

Page 79, after line 31, insert:

"Minnesota Statutes 1992, section 629.40, subdivision 5, is repealed.

Sec. 24. [APPLICATION.]

Sections 473.407 and the repeal of section 629.40, subdivision 5, apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 79, line 33, delete "3 to 6" and insert "4 to 7"

Page 83, after line 36, insert:

"Sec. 5. Minnesota Statutes 1992, section 244.05, is amended by adding a subdivision to read:

Subd. 8. [CONDITIONAL MEDICAL RELEASE.] The commissioner may order that an offender be placed on conditional medical release prior to the offender's scheduled supervised release date or target release date if the offender suffers from a grave illness or chronic medical condition and the release poses no threat to the public. In making the decision to release an offender on this status, the commissioner must consider the offender's age and medical condition; the health care needs of the offender; the offender's custody classification and level of risk of violence; the appropriate level of community supervision; and alternative placements that may be available for the offender. Conditional medical release may be rescinded without hearing by the commissioner if the offender's medical condition improves to the extent that the continuation of the conditional medical release is no longer necessary or that its continuation presents a more serious risk to the public."

Page 85, delete section 8

Page 90, line 12, delete "January" and insert "July"

Page 90, line 15, after the period, insert "If the county attorney's county participates in the community corrections act as part of a group of counties under section 401.02, the county attorney may establish a pretrial diversion program in conjunction with other county attorneys in that group of counties."

Pages 94 and 95, delete section 16

Pages 97 and 98, delete section 21

Page 98, delete line 15

Page 98, line 16, delete everything before "Section" and delete "17" and insert "16"

Page 103, line 10, after "subdivision" insert "; except that the bureau of criminal apprehension may not charge a fee to a state or district public defender, to an attorney working for a public defense corporation under section 611.216, or to a prosecuting attorney to inspect or copy criminal history data classified as public under this subdivision and created, collected, or maintained by the bureau of criminal apprehension"

Page 106, after line 7, insert:

"Sec. 8. Minnesota Statutes 1992, section 480.0591, subdivision 6, is amended to read:

Subd. 6. [PRESENT LAWS EFFECTIVE UNTIL MODIFIED; RIGHTS RESERVED.] Present statutes relating to evidence shall be effective until modified or superseded by court rule. If a rule of evidence is promulgated which is in conflict with a statute, the statute shall thereafter be of no force and effect. The supreme court, however, shall not have the power to promulgate rules of evidence which conflict, modify, or supersede the following statutes:

- (a) statutes which relate to the competency of witnesses to testify, found in sections 595.02 to 595.025;
- (b) statutes which establish the prima facie evidence as proof of a fact;
- (c) statutes which establish a presumption or a burden of proof;
- (d) statutes which relate to the admissibility of statistical probability evidence based on genetic or blood test results, found in sections 634.25 to 634.30;
- (e) statutes which relate to the privacy of communications; and
- (e) (f) statutes which relate to the admissibility of certain documents.

The legislature may enact, modify, or repeal any statute or modify or repeal any rule of evidence promulgated under this section.

Sec. 9. [593.505] [DISCLOSURE OF JUROR INFORMATION PROHIBITED.]

In addition to determinations made by the court under rule 814 of the rules of general practice, the court shall prohibit disclosure of the names of qualified prospective jurors drawn, or the contents of juror qualification questionnaires completed by prospective jurors, if:

(1) the court determines that public access to the identities of jurors will jeopardize the defendant's right to a fair trial by impairing the ability to draw a qualified jury; or

(2) a juror specifically requests not to be publicly identified and the court determines that public access to such information would threaten the personal safety or property of the juror.

Access to juror information may be denied permanently under this section."

Page 113, line 5, after "intentionally" insert "or recklessly"

Page 113, after line 24, insert:

"(c) [ENDANGERMENT BY FIREARM ACCESS.] A person who intentionally or recklessly causes a child under 16 years of age to be placed in a situation likely to substantially harm the child's physical health or cause the child's death as a result of the child's access to a loaded firearm is guilty of child endangerment."

Page 114, after line 14, insert:

"Sec. 22. Minnesota Statutes 1992, section 609.505, is amended to read:

609.505 [FALSELY REPORTING CRIME.]

Whoever informs a law enforcement officer that a crime has been committed, knowing that it is false and intending that the officer shall act in reliance upon it, is guilty of a misdemeanor. A person who is convicted a second or subsequent time under this section is guilty of a gross misdemeanor.

Sec. 23. [609.5318] [CERTAIN LOCAL FORFEITURE ORDINANCES AUTHORIZED.]

Subdivision 1. [AUTHORITY.] A home rule charter or statutory city may enact an ordinance providing for the forfeiture of a motor vehicle used to commit or facilitate, or used during the commission of, a violation of section 609.324 or a violation of a local ordinance substantially similar to section 609.324. A motor vehicle is subject to forfeiture under an ordinance authorized by this section only if the offense is established by proof of a criminal conviction for the offense.

Subd. 2. [PROCEDURES.] Except as otherwise provided in this section, an ordinance adopted under the authority of this section shall contain procedures that are identical to those contained in sections 609.531, 609.5312, and 609.5313, including procedures that specifically prohibit the seizure or forfeiture of leased or rental vehicles.

Subd. 3. [ADDITIONAL PROCEDURES AND REQUIREMENTS.] (a) An ordinance adopted under the authority of this section must also contain the provisions described in this subdivision.

(b) The ordinance must provide that if a motor vehicle is seized in advance of a judicial forfeiture order, a hearing before a judge or referee must be held within 96 hours of the seizure. Notice of the hearing must be given to the registered owner within 48 hours of the seizure. The ordinance must also require the prosecuting authority to certify to the court, at or in advance of the hearing, that it has filed or intends to file charges against the alleged violator for violating section 609.324 or a local ordinance substantially similar to section 609.324.

(c) The ordinance must provide that after conducting a hearing described in paragraph (b), the court shall order that the motor vehicle be returned to the owner if:

(1) the prosecutor has failed to make the certification required by paragraph (b);

(2) the owner of the motor vehicle has demonstrated to the court's satisfaction that the owner has a defense to the forfeiture, including but not limited to the defenses contained in section 609.5312, subdivision 2; or

(3) the court determines that seizure of the vehicle creates or would create an undue hardship for members of the owner's family.

(d) The ordinance must provide that a court conducting a hearing under paragraph (b) also may order that the motor vehicle be returned to the owner if the owner surrenders the motor vehicle's certificate of title to the court, pending resolution of the criminal proceeding and forfeiture action. If the certificate is surrendered to the court, the owner may not be ordered to post security or bond as a condition to release of the vehicle. When a certificate of title is surrendered to a court under this provision, the court shall notify the department of public safety and any secured party noted on the certificate. The court shall also notify the department and the secured party when it returns a surrendered title to the motor vehicle owner.

(e) The ordinance must provide that if the motor vehicle is not forfeited, neither the owner nor the alleged violator will be responsible for paying any costs associated with the seizure or storage of the vehicle.

Subd. 4. [DISPOSITION OF FORFEITED PROPERTY.] An ordinance adopted under the authority of this section must provide that the proceeds from the sale of forfeited vehicles, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the vehicle, be distributed as follows:

(1) 40 percent of the proceeds must be forwarded to the law enforcement agency for deposit as a supplement to the agency's operating fund or similar fund for use in law enforcement;

(2) 20 percent of the proceeds must be forwarded to the city attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes;

(3) 20 percent of the proceeds must be forwarded to the state treasury and credited to the general fund; and

(4) the remaining 20 percent of the proceeds must be forwarded to the city treasury for distribution to neighborhood crime prevention programs."

Page 116, after line 19, insert:

"Sec. 27. Minnesota Statutes 1992, section 609.746, is amended by adding a subdivision to read:

Subd. 4. [INSTALLATION OR USE OF UNAUTHORIZED OBSERVING DEVICE.] A person who, except as authorized by law, installs or uses inside or outside a private place, without the consent of the person or persons entitled to privacy at the place, any device for observing, photographing, recording, amplifying, or broadcasting sounds or events in the place is guilty of a gross misdemeanor. This section does not apply to law enforcement officers, correction investigators, or to those acting under their direction, while engaged in the performance of their lawful duties, or to any person engaged in this activity for legal business purposes.

As used in this subdivision, "private place" means a place where one may reasonably expect to be safe from casual or hostile intrusion or surveillance."

Page 118, line 14, strike "20" and insert "27"

Page 119, line 13, delete "8 and 10 to 23" and insert "10 and 12 to 28"

Page 119, line 15, delete "9 and 27" and insert "11 and 32"

Page 119, line 21, delete "24" and insert "29"

Page 138, after line 22, insert:

"Sec. 29. Minnesota Statutes 1992, section 609.229, subdivision 3, is amended to read:

Subd. 3. [PENALTY.] (a) If the crime committed in violation of subdivision 2 is a felony, the statutory maximum for the crime is three years longer than the statutory maximum for the underlying crime.

(b) If the crime committed in violation of subdivision 2 is a misdemeanor, the person is guilty of a gross misdemeanor.

(c) If the crime committed in violation of subdivision 2 is a gross misdemeanor, the person is guilty of a felony and may be sentenced to a term of imprisonment of for not more than one year and a day or to payment of a fine of not more than \$5,000, or both."

Page 141, line 33, delete "35" and insert "36"

Page 141, after line 34, insert:

"ARTICLE 12

APPROPRIATIONS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund to the agencies and for the purposes specified in this article, to be available until June 30, 1995.

Sec. 2. CORRECTIONS

Total General Fund Appropriation

\$700,000

Of this appropriation, \$500,000 is for the juvenile paid work crew grant program established in article 6, section 1. The commissioner may use up to five percent of this appropriation for administrative expenses. This is a one-time appropriation.

Of this appropriation, \$200,000 is for grants to cities to help pay for support services used in the city's curfew enforcement program. These support services include but are not limited to rent for drop-off centers, staff, supplies, equipment, and the referral of children who may be abused or neglected. This is a one-time appropriation.

Sec. 3. DARE ADVISORY COUNCIL

Total General Fund Appropriation \$250,000

This appropriation is for administration of the drug abuse resistance education programs. This is a one-time appropriation.

Sec. 4. BOARD OF PUBLIC DEFENSE

Total General Fund Appropriation \$200,000"

Correct internal references in all articles

Renumber the sections in all articles in sequence

Delete the title and insert:

"A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws; clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; appropriating money; amending Minnesota Statutes 1992, sections 8.16, subdivision 1; 13.87, subdivision 2; 16B.08, subdivision 7; 127.03, subdivision 3; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.021, subdivision 3; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346; 169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.193, subdivision 8; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 473.386, by adding a subdivision; 480.0591, subdivision 6; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 2, 3, 6, 7, 9, and 14; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.229, subdivision 3; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.505; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivision 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivision 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.686; 609.71; 609.713, subdivision 1; 609.746, by adding a subdivision; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding subdivisions; 609.79, subdivision

1; 609.795, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 609.902, subdivision 4; 611A.02, subdivision 2; 611A.031; 611A.0315; 611A.04, subdivisions 1, 1a, 3, and by adding a subdivision; 611A.06, subdivision 1; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; 624.711; 624.712, subdivisions 5, 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 624.714, subdivisions 1, 5, 6, 7, 8, 9, and 11; 626.05, subdivision 2; 626.13; 626.556, subdivision 10; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 169; 174; 242; 260; 401; 473; 593; 609; 611A; and 624; repealing Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; 609.795, subdivision 2; 611A.57, subdivision 1; and 629.40, 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.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1741, A bill for an act relating to the organization and operation of state government; appropriating money for community development, certain agencies of state government, and public safety, with certain conditions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [APPROPRIATION SUMMARY - ALL ARTICLES.]

	1993	1994	1995	TOTAL
General	\$671,000	\$ 98,138,000	\$ 97,172,000	\$ 195,981,000
Environmental		264,000	264,000	528,000
Trunk Highway		974,000	975,000	1,949,000
Workers' Comp.		21,976,000	15,663,000	37,639,000
Special Revenue Fund		787,000	788,000	1,575,000
TOTAL	671,000	122,139,000	114,862,000	237,672,000

ARTICLE 2

Section 1. [COMMUNITY DEVELOPMENT; 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 "1993," "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, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1993	1994	1995	TOTAL
General	\$ 41,000	\$ 25,657,000	\$ 25,189,000	\$ 50,887,000
Workers' Comp.		21,976,000	15,663,000	37,639,000
TOTAL	41,000	47,633,000	40,852,000	88,526,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Sec. 2. LABOR AND INDUSTRY

Subdivision 1. Total Appropriation 26,024,000 19,710,000

Summary by Fund

General	4,048,000	4,047,000	
Workers' Compensation	21,976,000	15,663,000	

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

Subd. 2. Workers' Compensation Regulation and Enforcement

Summary by Fund

General	100,000	100,000	
Workers' Comp.	14,861,000	9,310,000	

\$5,000,000 the first year from the special compensation fund is for the Daedalus imaging systems project. This appropriation must not be allotted until the commissioner certifies that all information policy office requirements for this project have been met or will be met. This appropriation is available for either year of the biennium.

\$100,000 in the first year and \$100,000 in the second year are for grants to the Vinland Center for rehabilitation service.

Fee receipts collected as a result of providing direct computer access to public workers' compensation data on file with the commissioner must be credited to the general fund.

Subd. 3. Workplace Services

5,455,000 4,744,000

Summary by Fund

General	2,704,000	2,703,000	
Workers' Comp.	2,751,000	2,041,000	

\$710,000 the first year from the special compensation fund is for litigation of a case for alleged violations of occupational safety and health act (OSHA) ergonomic standards. This appropriation is available for either year of the biennium.

\$444,000 the first year and \$444,000 the second year from the special compensation fund are for the OSHA industrial hygiene activity which is transferred from the department of health.

Subd. 4. General Support

5,608,000 5,556,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Summary by Fund

General	1,244,000	1,244,000
Workers' Compensation	4,364,000	4,312,000

\$204,000 the first year and \$204,000 the second year are for labor education and advancement program grants.

Sec. 3. PUBLIC UTILITIES COMMISSION

3,371,000

3,071,000

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

\$282,000 the first year and \$35,000 the second year are for an electronic storage and retrieval system. This appropriation must not be allotted until the chair of the commission certifies that all information policy office requirements for this project have been met or will be met. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$30,000 the first year is for transfer to the extended area service balloting account in the special revenue fund.

\$41,000 of this appropriation is added to the appropriation in Laws 1991, chapter 233, section 10, and is for extended area service balloting costs.

Sec. 4. PUBLIC SERVICE

Subdivision 1. Total Appropriation

8,972,000

8,832,000

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

The department may employ no more than eight persons in the unclassified service during the biennium. For the biennium, the department shall not employ persons in the classified service who were employed in the unclassified service at the department during fiscal year 1993.

Subd. 2. Telecommunications

730,000

752,000

Subd. 3. Weights and Measures

2,948,000

2,845,000

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

Subd. 4. Information and Operations Management

1,422,000 1,322,000

\$84,000 the first year is for an electronic imaging system. This appropriation must not be allotted until the commissioner certifies that all of the information policy office requirements for this project have been met or will be met. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Energy

3,872,000 3,913,000

\$588,000 the first year and \$588,000 the second year are for transfer to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential oil-fired heating plants in low-income households, and when necessary, to provide weatherization services to the homes.

\$220,000 the first year and \$220,000 the second year are for transfer to the energy and conservation account established by Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential liquified petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

Of this appropriation, \$284,000 in the first year and \$326,000 in the second year are for alternative energy engineering activities. In employing persons to perform these activities, the department shall first offer any positions to persons previously employed by the department in that capacity. No part of this appropriation may be used for outside consulting.

Subd. 6. Rental Energy Loan and Rebate Program Appropriation

All money, including interest and loan repayments, remaining from the Exxon Oil overcharge money appropriated to the commissioner of public service by Laws 1988, chapter 686, article 1, section 38, that was allocated to the Minnesota housing finance agency is reappropriated to the commissioner for the purposes of this subdivision and is available until spent.

\$1,600,000 is for a contract with an appropriate nonprofit organization, without public bidding, to provide revolving loan funds for a rental energy loan program in metropolitan counties as defined in Minnesota Statutes, section 473.121, subdivision 4. The program is to be marketed and delivered in coordination with other energy services.

The balance is for any purpose consistent with the state energy conservation program.

APPROPRIATIONS
Available for the Year
Ending June 30

	1994	1995
Sec. 5. MINNESOTA TECHNOLOGY, INCORPORATED	7,982,000	7,984,000

\$5,195,000 the first year and \$5,197,000 the second year are for transfer from the general fund to the Minnesota Technology, Inc. fund.

\$494,000 the first year and \$494,000 the second year are for grants to Minnesota Project Innovation.

\$947,000 the first year and \$947,000 the second year are for grants to Minnesota Project Outreach.

\$71,000 the first year and \$71,000 the second year are for grants to Minnesota Inventors Congress.

\$1,022,000 the first year and \$1,022,000 the second year are for grants to Natural Resources Research Institute.

\$88,000 the first year and \$88,000 the second year are for grants to Minnesota Council for Quality.

\$50,000 the first year and \$50,000 the second year are for grants to Minnesota High Tech Corridor Corporation.

\$75,000 the first year and \$75,000 the second year are for grants to Cold Weather Resource Center.

\$80,000 of this appropriation is for establishment and implementation of a health career youth apprenticeship program for at-risk youth. This appropriation is available until June 30, 1995.

Sec. 6. MINNESOTA WORLD TRADE CENTER
CORPORATION

	200,000	200,000
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This appropriation is to pay building operation costs of the Minnesota World Trade Center Corporation. No portion of these funds may be used for Minnesota World Trade Center Corporation salaries or other personnel costs.

Sec. 7. COUNCIL ON BLACK MINNESOTANS

	201,000	200,000
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Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

Sec. 8. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING
PEOPLE

	224,000	223,000
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During the biennium ending June 30, 1995, council publications may contain advertising. Receipts from advertising are appropriated to the council for purposes of council publications.

For the biennium ending June 30, 1995, the council shall report to the legislature on the revenues and expenditures from advertising by February 15 each year.

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

By November 15, 1993, the council shall submit a financially related audit to the legislature for the most recent two years and a study of the internal control structure performed by an independent accountant licensed by the state of Minnesota.

Sec. 9. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	176,000	175,000
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Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

Sec. 10. INDIAN AFFAIRS COUNCIL	483,000	457,000
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For the biennium ending June 30, 1995, federal money received for the Indian affairs council is appropriated to the council and added to this appropriation.

Of this appropriation, \$6,000 the first year and \$5,000 the second year are for transfer to the Ombudsperson for families.

Of this appropriation, \$25,000 in the first year is for planning the development of culturally appropriate legal services to indigent clients or tribal representatives who reside in Hennepin county and are involved in a case governed by the Indian Child Welfare Act, United States Code, title 25, section 1901, et seq., or the Minnesota Indian family preservation act, Minnesota Statutes 1992, sections 257.35 to 257.3579. This appropriation is available until expended.

Sec. 11. [RESPONSIBILITIES TRANSFERRED.]

The following responsibilities, as defined in Minnesota Statutes, section 15.039, of the department of public service for the following activities are transferred to the public utilities commission: (1) alternative energy engineering; (2) alternative energy economic analysis; (3) organization of a Minnesota biomass center; and (4) design of a comprehensive program for the development of indigenous energy resources. Transfers of responsibilities, functions, appropriations, and personnel under this section are governed by Minnesota Statutes, section 15.039.

Sec. 12. Laws 1991, chapter 345, article 1, section 23, subdivision 2, is amended to read:

Subd. 2. Community Development

19,491,000	18,905,000
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The department of trade and economic development shall examine the community resources program, evaluate the effectiveness of the program, and make recommendations to the appropriate committees of the legislature for necessary improvements. The department shall also study possible expansion of the community resources program into inner-ring suburbs adjoining cities of the first class, and report to the appropriate committees of the legislature by January 1, 1992.

\$377,000 the first year and \$377,000 the second year are for regional planning grants to regional development commissions organized under Minnesota Statutes, sections 462.381 to 462.396.

Until June 30, 1993, for state and federal grants distributed by state agencies to regions of the state not having a regional development commission, the state agency administering the grant program may assess the program for administrative costs incurred by the agency that normally are incurred by the commission.

\$5,517,000 the first year and \$5,517,000 the second year are for economic recovery grants, of which up to \$500,000 may be used to implement the capital access program.

\$5,904,000 the first year and \$5,904,000 the second year are for the targeted neighborhoods revitalization and financing program.

Upon approval by the commissioner of a revitalization program the commissioner shall, within 30 days, pay to the city the amount of state money identified as necessary to implement the revitalization program or program modification.

\$2,791,000 the first year and \$2,791,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

The metropolitan parks and open space commission shall consider the development of a trail that would link the St. Paul waterfront with the Munger trail via Swede Hollow and the abandoned railroad bed running north through St. Paul's East Side. The commission may meet with interested people and representatives of affected groups and shall report back to the senate finance and house appropriations committees by January 1, 1992.

\$2,006,000 the first year and \$2,006,000 the second year are for grants to pay principal and interest due on bonds issued by the city of Minneapolis for the Great River Road Project, the city of St. Paul for the Como Park conservatory, suburban Hennepin regional park district for land acquisition and development, and Washington county for land acquisition and development. These amounts shall be continued in the base and adjusted only for the normal reduction in principal and interest payments.

\$59,000 the first year and \$59,000 the second year are for a grant to the Minnesota High Tech Corridor. The department shall report its progress to the legislature by January 1, 1992.

\$218,000 the first year and \$217,000 the second year are for the small cities federal match.

\$75,000 is for a grant to Itasca county to plan and do other preliminary work for construction of the Itasca Center.

The city of Duluth will not become eligible to receive any funding from the urban revitalization action program until the city formally relinquishes its entitlement status under the federal Community Development Block Grant Program to St. Louis county.

St. Louis county must ensure that the city of Duluth will continue to receive that level of federal Community Development Block Grant Program funding that it would have received if it had remained an entitlement community.

\$98,000 the first year and \$98,000 the second year are for Quality Council grants.

\$500,000 the first year is for transfer to the World Trade Center Corporation to establish an annual medical exposition, trade fair, and health care congress to commence in either 1993 or 1994. ~~This event will be coordinated and held in conjunction with the World Health Organization's annual international conference on children's health care to commence in Minnesota in 1993.~~ The purpose of the appropriation includes the establishment of a support system to assist businesses in promoting Minnesota's medical and health care industries through an annual exposition and trade fair. This appropriation must be used in cooperation with the department of trade and economic development. This appropriation is available only to the extent the World Trade Center Corporation is able to secure an equal amount from nonstate sources to cover the costs of conducting the event. The corporation shall report the results of its efforts to the legislature by June 30, 1993.

Up to \$780,000 may be used to purchase or lease modular furniture and telecommunications associated with the agency's move.

\$250,000 the first year and \$250,000 the second year are for transfer to the commissioner of jobs and training for a wage subsidy program to alleviate summer youth unemployment under new Minnesota Statutes, section 268.552. No more than five percent of this appropriation may be used for administration.

Sec. 13. Minnesota Statutes 1992, section 3.30, subdivision 2, is amended to read:

Subd. 2. [MEMBERS; DUTIES.] The majority leader of the senate or a designee, the chair of the senate committee on finance, and the chair of the senate division of finance responsible for overseeing the items being considered by the commission, the speaker of the house of representatives or a designee, the chair of the house ways and means committee ~~on appropriations~~, and the chair of the finance division of the house ~~appropriations~~ committee responsible for overseeing the items being considered by the commissioner constitute the legislative advisory commission. The division chair of the finance committee in the senate and the division chair of the ~~appropriations~~ appropriate committee in the house shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house rules committee, and by the last senate committee on committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of finance shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. The commissioner of finance shall transmit, under section 3.195, a report to the next legislature of all actions of the commission. Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item, ~~except that a recommendation under section 298.2213, subdivision 4, or 298.296, subdivision 1, need only be signed by a majority of the members entitled to vote on the item.~~

Sec. 14. Minnesota Statutes 1992, section 216A.05, is amended by adding a subdivision to read:

Subd. 7. [ALTERNATIVE ENERGY PROGRAM.] The commission shall design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources.

Sec. 15. [216A.051] [ALTERNATIVE ENERGY ENGINEERING ACTIVITY.]

Subdivision 1. [CREATION, GOALS.] To further the development of indigenous energy resources and energy conservation, the commission shall establish an alternative energy engineering activity. The activity shall facilitate the development of specific projects in the public and private sectors and provide a broad range of information, education, and engineering assistance services necessary to accelerate energy conservation and alternative energy development in the state.

Subd. 2. [DUTIES.] The alternative energy engineering activity shall:

- (1) provide on-site technical assistance for alternative energy and conservation projects;
- (2) develop information materials and educational programs to meet the needs of engineers, technicians, developers, and others in the alternative energy field;
- (3) conduct feasibility studies when the results of the studies would be of benefit to others working in the same area;
- (4) facilitate development of energy projects through assistance in finding financing, meeting regulatory requirements, gaining public and private support, limited technical consultation, and similar forms of assistance; and
- (5) work with and use the services of Minnesota design professionals.

Sec. 16. [216A.052] [ALTERNATIVE ENERGY ECONOMIC ANALYSIS.]

The commission shall carry out the following energy economic analysis duties:

- (1) provide continued analysis of alternative energy issues for certificates of need and legislative requests;
- (2) provide alternative energy information to consumers and business;
- (3) assist in the maintenance and improvement of alternative energy input-output multipliers and market penetration models; and
- (4) provide analysis of alternative energy data.

Sec. 17. [216A.053] [MINNESOTA BIOMASS CENTER.]

Subdivision 1. [CREATION, PURPOSE.] The commission, in consultation with the commissioner of agriculture, may organize a Minnesota biomass center, or may continue the work of a Minnesota biomass center organized by another agency.

The center shall be the focus of biomass energy activities for the state. To the maximum extent possible, the center shall coordinate its activities and the use of its staff and facilities with those of other entities involved in biomass energy projects.

Subd. 2. [DUTIES.] The center shall:

- (1) Coordinate existing education and training programs for biomass energy production and use within the state and develop new programs where necessary. Educational programs shall cover all types of biomass energy production use, including but not limited to production from grain, biowaste, and cellulosic materials;
- (2) Serve as a central information resource in conjunction with existing agencies and academic institutions in order to provide information to the public on the production and use of biomass energy. The center shall obtain and analyze available information on biomass energy topics and prepare it for distribution to ensure that the public receives the most accurate and up-to-date information available;
- (3) Participate in necessary research projects to assist in technological advancement in areas of biomass energy production, distribution, and use. The center shall also study the environmental and safety aspects of biomass energy use;

(4) Support and coordinate financing activities for biomass energy production, including providing technical assistance and manuals to individuals and groups seeking private, local, state or federal funding. The center shall be responsible for evaluating projects for any state assistance that may become available;

(5) Develop consumer information and protection programs for all aspects of biomass energy production and use;

(6) Investigate marketing and distribution needs within the state;

(7) Review state and federal laws and regulations affecting biomass energy production and use, and evaluate regulatory incentives in order to provide the legislature with legislative proposals for the encouragement of biomass energy production and use within the state.

Sec. 18. Minnesota Statutes 1992, section 216B.62, subdivision 3, is amended to read:

Subd. 3. [ASSESSING ALL PUBLIC UTILITIES.] (a) The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to (1) public utilities under section 216A.085, and sections 216A.05 to 216A.053, 216A.085, and 216B.01 to 216B.67, other than amounts chargeable to public utilities under subdivision 2 or 6 and (2) energy division activities under chapter 216C that are funded from the general fund, except petroleum inspection, testing, and supply monitoring activities.

(b) The remainder amounts calculated in paragraph (a), other than the amounts chargeable to public utilities under subdivision 2 or 6, shall be assessed by the commission and department to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year. The assessment shall be paid into the state treasury within 30 days after the bill has been mailed to the several public utilities, which shall constitute notice of the assessment and demand of payment thereof. The total amount which may be assessed to the public utilities, under authority of this subdivision, shall not exceed ~~one-eighth~~ one-fourth of one percent of the total gross operating revenues of the public utilities during the calendar year from retail sales of gas or electric service within the state. The assessment for the third quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed.

Sec. 19. Minnesota Statutes 1992, section 216C.09, is amended to read:

216C.09 [DUTIES.]

The commissioner shall:

(a) manage the department as the central repository within the state government for the collection of data on energy;

(b) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(c) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(d) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 216C.05 to 216C.30;

(e) collect and analyze data relating to present and future demands and resources for all sources of energy;

(f) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 216C.05 to 216C.30, and make recommendations for changes in energy pricing policies and rate schedules;

(g) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(h) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(i) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(j) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(k) charge other governmental departments and agencies involved in energy related activities with specific information gathering goals and require that those goals be met;

~~(l) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and~~

~~(m) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum pricing regulations made available to the department for that purpose. The commissioner shall adopt rules under chapter 14 for this purpose. Money dispersed under this clause must not include money received as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F. Supp. 586 (D.Kan. 1983) and all money received after August 1, 1988, by the governor, the commissioner of finance, or any other state agency resulting from overcharges by oil companies in violation of federal law.~~

Further, the commissioner may participate fully in hearings before the public utilities commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 20. Minnesota Statutes 1992, section 237.295, subdivision 2, is amended to read:

Subd. 2. [ASSESSMENT OF COSTS.] The department and commission shall quarterly, at least 30 days before the start of each quarter, estimate the total of their expenditures in the performance of their duties relating to telephone companies, other than amounts chargeable to telephone companies under subdivision 1 or 5, or 6. The remainder must be assessed by the department to the telephone companies operating in this state in proportion to their respective gross jurisdictional operating revenues during the last calendar year. The assessment must be paid into the state treasury within 30 days after the bill has been mailed to the telephone companies. The bill constitutes notice of the assessment and demand of payment. The total amount that may be assessed to the telephone companies under this subdivision may not exceed one-eighth of one percent of the total gross jurisdictional operating revenues during the calendar year. The assessment for the third quarter of each fiscal year must be adjusted to compensate for the amount by which actual expenditures by the commission and department for the preceding fiscal year were more or less than the estimated expenditures previously assessed. A telephone company with gross jurisdictional operating revenues of less than \$5,000 is exempt from assessments under this subdivision.

Sec. 21. Minnesota Statutes 1992, section 237.295, is amended by adding a subdivision to read:

Subd. 6. [EXTENDED AREA SERVICE BALLOTING ACCOUNT; APPROPRIATION.] The extended area service balloting account is created as a separate account in the special revenue fund in the state treasury. The commission shall render separate bills to telephone companies for balloting costs incurred by the commission under section 237.161. The bill constitutes notice of the assessment and demand of payment. The amount of a bill assessed by the commission under this subdivision must be paid by the telephone company into the state treasury within 30 days from the date of assessment. Money received under this subdivision must be credited to the extended area service balloting account and is appropriated to the commission.

Sec. 22. Minnesota Statutes 1992, section 239.011, subdivision 2, is amended to read:

Subd. 2. [DUTIES AND POWERS.] To carry out the responsibilities in section 239.01 and subdivision 1, the director:

(1) shall take charge of, keep, and maintain in good order the standard of weights and measures of the state and keep a seal so formed as to impress, when appropriate, the letters "MINN" and the date of sealing upon the weights and measures that are sealed;

(2) has general supervision of the weights, measures, and weighing and measuring devices offered for sale, sold, or in use in the state;

(3) shall maintain traceability of the state standards to the national standards of the National Institute of Standards and Technology;

(4) shall enforce this chapter;

(5) shall grant variances from department rules, within the limits set by rule, when appropriate to maintain good commercial practices or when enforcement of the rules would cause undue hardship;

(6) shall conduct investigations to ensure compliance with this chapter;

(7) may delegate to division personnel the responsibilities, duties, and powers contained in this section;

(8) shall test annually, and approve when found to be correct, the standards of weights and measures used by the division, by a town, statutory or home rule charter city, or county within the state, or by a person using standards to repair, adjust, or calibrate commercial weights and measures;

(9) shall inspect and test weights and measures kept, offered, or exposed for sale;

(10) shall inspect and test, to ascertain if they are correct, weights and measures commercially used to:

(i) determine the weight, measure, or count of commodities or things sold, offered, or exposed for sale, on the basis of weight, measure, or count; and

(ii) compute the basic charge or payment for services rendered on the basis of weight, measure, or count;

(11) shall approve for use and mark weights and measures that are found to be correct;

(12) shall reject, and mark as rejected, weights and measures that are found to be incorrect and may seize them if those weights and measures:

(i) are not corrected within the time specified by the director;

(ii) are used or disposed of in a manner not specifically authorized by the director; or

(iii) are found to be both incorrect and not capable of being made correct, in which case the director shall condemn those weights and measures;

(13) shall weigh, measure, or inspect packaged commodities kept, offered, or exposed for sale, sold, or in the process of delivery, to determine whether they contain the amount represented and whether they are kept, offered, or exposed for sale in accordance with this chapter and department rules. In carrying out this section, the director must employ recognized sampling procedures, such as those contained in National Institute of Standards and Technology Handbook 133, "Checking the Net Contents of Packaged Goods";

(14) shall prescribe the appropriate term or unit of weight or measure to be used for a specific commodity when an existing term or declaration of quantity does not facilitate value comparisons by consumers, or creates an opportunity for consumer confusion;

(15) shall allow reasonable variations from the stated quantity of contents, including variations caused by loss or gain of moisture during the course of good distribution practice or by unavoidable deviations in good manufacturing practice, only after the commodity has entered commerce within the state;

(16) shall inspect and test petroleum products in accordance with this chapter and chapter 296;

(17) shall distribute and post notices for used motor oil and lead acid battery recycling in accordance with sections 239.54, 325E.11, and 325E.115; and

(18) shall collect inspection fees in accordance with sections 239.10, ~~239.52, and 239.78,~~ and 239.101; and

(19) shall provide metrological services and support to businesses and individuals in the United States who wish to market products and services in the member nations of the European Economic Community, and other nations outside of the United States by:

(i) meeting, to the extent practicable, the measurement quality assurance standards described in the International Standards Organization ISO 9000, Guide 25;

(ii) maintaining, to the extent practicable, certification of the metrology laboratory by a governing body appointed by the European Economic Community; and

(iii) providing calibration and consultation services to metrology laboratories in government and private industry in the United States.

Sec. 23. Minnesota Statutes 1992, section 239.10, is amended to read:

239.10 [ANNUAL INSPECTION; FEE.]

The department shall charge a fee to the owner for the costs of the regular inspection of scales, weights, measures, and weighing or measuring devices. The cost of any other inspection must be paid by the owner if the inspection is performed at the owner's request or if the inspection is made at the request of some other person and the scale, weight, measure, or weighing or measuring device is found to be incorrect. The department may fix the fees and expenses for regular inspections and special services by rule pursuant to section 16A.128, except that no additional fee may be charged for retail petroleum pumps, petroleum vehicle meters, and petroleum bulk meters that dispense petroleum products for which the petroleum inspection fee required by section 239.78 is collected. Money collected by the department for its regular inspections, special services, fees, and penalties must be paid into the state treasury and credited to the state general fund. The director shall inspect all weights and measures annually, or as often as deemed possible within budget and staff limitations.

Sec. 24. [239.101] [INSPECTION FEES.]

Subdivision 1. [FEE SETTING AND COST RECOVERY.] The department shall recover the amount appropriated to the weights and measures program through revenue from two separate fee systems under subdivisions 2 and 3, and according to the fee-setting and cost-recovery requirements in subdivisions 4, 5, and 6.

Subd. 2. [WEIGHTS AND MEASURES FEES.] The director shall charge a fee to the owner for inspecting and testing weights and measures, providing metrology services and consultation, and providing petroleum quality assurance tests at the request of a licensed distributor. Money collected by the director must be paid into the state treasury and credited to the state general fund.

Subd. 3. [PETROLEUM INSPECTION FEE.] A person who owns petroleum products held in storage at a pipeline terminal, river terminal, or refinery shall pay a petroleum inspection fee of 85 cents for every 1,000 gallons sold or withdrawn from the terminal or refinery storage. The commissioner of revenue shall collect the fee. The revenue from the fee must first be applied to cover the amounts appropriated for petroleum product quality inspection expenses, for the inspection and testing of petroleum product measuring equipment, and for petroleum supply monitoring under chapter 216C.

The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue. The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296.

Subd. 4. [SETTING WEIGHTS AND MEASURES FEES.] The department shall review its schedule of fees every six months. After receiving approval from the commissioner of finance, the commissioner shall set the schedule of fees to ensure that the fees charged are sufficient to recover all costs connected with the inspections and services specified in subdivision 2. The schedule of fees is not subject to chapter 14, except the commissioner may utilize the procedures of section 14.38, subdivision 7. In the alternative, when the fees are adjusted, the commissioner shall publish a notice in the State Register at least 30 days before implementing the adjusted fee schedule. The notice must include the previous fee schedule, the adjusted fee schedule, and an explanation of the cost basis for adjusting the fees.

Subd. 5. [SETTING PETROLEUM INSPECTION FEE.] The legislature shall set the petroleum inspection fee in subdivision 3. When the department estimates that inspection costs will exceed the revenue from the fee, the commissioner shall prepare a request to increase the fee.

Subd. 6. [COST RECOVERY REQUIREMENTS.] Indirect costs specified in section 16A.126 and department overhead costs and the cost of inspection activities and services not specified in subdivisions 2 and 3 must be equitably apportioned and included in the costs to be recovered by the fees.

Sec. 25. Minnesota Statutes 1992, section 239.80, subdivision 1, is amended to read:

Subdivision 1. [VIOLATIONS; ACTIONS OF DEPARTMENT.] The director, or any delegated employee shall use the methods in section 239.75 to enforce sections 239.10; 239.101, subdivision 3; 239.761, ~~239.78;~~ 239.79; ~~239.791;~~ and 239.792.

Sec. 26. Minnesota Statutes 1992, section 239.80, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] A person who fails to comply with any provision of section 239.10; 239.101, subdivision 3; 239.761, ~~239.78;~~ 239.79; ~~239.791;~~ or 239.792, is guilty of a misdemeanor.

Sec. 27. Minnesota Statutes 1992, section 298.2211, subdivision 3, is amended to read:

Subd. 3. [PROJECT APPROVAL.] All projects authorized by this section shall be submitted by the commissioner to the iron range resources and rehabilitation board, which shall recommend approval or disapproval or modification of the projects. ~~Each project shall then be submitted to the legislative advisory committee for any review and comment the committee deems appropriate.~~ Prior to the commencement of a project involving the exercise by the commissioner of any authority of sections 469.174 to 469.179, the governing body of each municipality in which any part of the project is located and the county board of any county containing portions of the project not located in an incorporated area shall by majority vote approve or disapprove the project. Any project, as so approved by the board and the applicable governing bodies, if any, together with ~~any comment provided by the legislative advisory committee,~~ detailed information concerning the project, its costs, the sources of its funding, and the amount of any bonded indebtedness to be incurred in connection with the project, shall be transmitted to the governor, who shall approve, disapprove, or return the proposal for additional consideration within 30 days of receipt. No project authorized under this section shall be undertaken, and no obligations shall be issued and no tax increments shall be expended for a project authorized under this section until the project has been approved by the governor.

Sec. 28. Minnesota Statutes 1992, section 298.2213, subdivision 4, is amended to read:

Subd. 4. [PROJECT APPROVAL.] The board shall by August 1, 1987, and each year thereafter prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

- (1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;
- (2) the prospective benefits of the expenditure exceed the anticipated costs; and
- (3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

To be proposed by the board, a project must be approved by at least eight iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects must be submitted to the legislative advisory commission for its review. ~~The list with the recommendation of the legislative advisory commission must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time. Supplemental projects must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by a member is for further review, the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.~~

Sec. 29. Minnesota Statutes 1992, section 298.223, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION.] The taconite environmental protection fund shall be administered by the commissioner of the iron range resources and rehabilitation board. The commissioner shall by September 1 of each year prepare a list of projects to be funded from the taconite environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary. Upon recommendation of the iron range resources and rehabilitation board, this list shall be submitted to the legislative advisory commission for its review. ~~This list with the recommendation of the legislative advisory commission shall then be transmitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by the governor. The commissioner may submit supplemental projects for approval at any time. Supplemental projects approved by the board must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by any member is for further review the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.~~

Sec. 30. Minnesota Statutes 1992, section 298.28, subdivision 7, is amended to read:

Subd. 7. [IRON RANGE RESOURCES AND REHABILITATION BOARD.] Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this subdivision shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1, and shall be increased in 1989, 1990, and 1991 according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. In 1992 and 1993, the amount distributed per ton shall be the same as the amount distributed per ton in 1991. In 1994, the amount distributed shall be the distribution per ton for 1991 increased in the same proportion as the increase between the fourth quarter of 1988 and the fourth quarter of 1992 in the implicit price deflator as defined in section 298.24, subdivision 1. That amount shall be increased in 1995 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed in 1988 shall be increased according to the increase that would have occurred in the rate of tax under section 298.24 if the rate had been adjusted according to the implicit price deflator for 1987 production. The amount distributed pursuant to this subdivision shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this subdivision may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

Sec. 31. Minnesota Statutes 1992, section 298.296, subdivision 1, is amended to read:

Subdivision 1. [PROJECT APPROVAL.] The board shall by August 1 of each year prepare a list of projects to be funded from the northeast Minnesota economic protection trust with necessary supporting information including description of the projects, plans, and cost estimates. These projects shall be consistent with the priorities established in section 298.292 and shall not be approved by the board unless it finds that:

(a) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Subd. 4. Election Administration

375,000 460,000

Sec. 3. ETHICAL PRACTICES BOARD

399,000 399,000

Of this appropriation, \$150,000 for the biennium is to meet current statutory requirements and is only available if funds for the same purpose are not appropriated in House File No. 163 or if House File No. 163 is not enacted.

Sec. 4. COMMERCE

Subdivision 1. Total Appropriation

14,418,000 14,438,000

Summary by Fund

General	13,867,000	13,886,000
Environmental	224,000	224,000
Special Revenue	327,000	328,000

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

Subd. 2. Financial Examinations

5,954,000 6,089,000

Subd. 3. Registration and Analysis

2,661,000 2,523,000

Subd. 4. Petroleum Tank Release Cleanup Board

224,000 224,000

This appropriation is from the petroleum tank release cleanup account in the environmental fund for administration.

Subd. 5. Administrative Services

2,139,000 2,173,000

Subd. 6. Enforcement and Licensing

3,440,000 3,429,000

Summary by Fund

General	3,113,000	3,101,000
Special Revenue	327,000	328,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

\$327,000 the first year and \$328,000 the second year are from the real estate education, research, and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Sec. 5. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	1,247,000	1,232,000
Subd. 2. Board of Accountancy	466,000	474,000
Subd. 3. Board of Architecture, Engineering, Land Surveying, Landscape Architecture, and Interior Design	591,000	568,000
Subd. 4. Board of Barber Examiners	126,000	126,000
Subd. 5. Board of Boxing	64,000	64,000

Sec. 6. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	18,339,000	18,169,000
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available appropriations. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 2. Public Programs and Operations	11,203,000	11,203,000
Subd. 3. Statewide Outreach	722,000	682,000
Subd. 4. Repair and Replacement	450,000	450,000
Subd. 5. Physical Plant	5,574,000	5,583,000
Subd. 6. Fiscal Agent	390,000	251,000

(a) Sibley House Association

88,000

88,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

This appropriation is available for operation and maintenance of the Sibley house and related buildings on the Old Mendota state historic site owned by the Sibley house association.

Notwithstanding any other law, the Sibley house association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

(b) Minnesota International Center

48,000	47,000
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(c) Minnesota Military Museum

29,000	
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(d) Minnesota Air National Guard Museum

19,000	
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(e) Institute for Learning and Teaching

66,000	66,000
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This appropriation is for Project 120.

(f) Moose Lake Fire and Heritage Museum

25,000	
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This appropriation is for a grant to the Carlton county historical society to be used by the Onanegozie resource conservation and development council for the development of the Moose Lake Fire and Heritage Museum. This appropriation may not be spent unless it is matched by an equal amount from local sources. The legislature intends that no further direct appropriation will be made for this purpose.

(g) Nurse Statue

65,000	
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This appropriation is for a grant to the Marine Corps Coordinating Council for the nurse statue to be located in the atrium of the Veterans Affairs Medical Center in Minneapolis. This appropriation is available until June 30, 1995.

(h) Farmamerica

50,000	50,000
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(i) Balances Forward

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

Sec. 15. Minnesota Statutes 1992, section 10A.322, is amended by adding a subdivision to read:

Subd. 5. [MONEY TO OPERATING ACCOUNT.] All money paid pursuant to this section must be deposited into the board's operating account.

Sec. 16. Minnesota Statutes 1992, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time amend a comprehensive use plan for the capitol area, ~~herein called the area in this subdivision, which shall initially consist~~ consists of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the centerline of the Arch-Pennsylvania freeway and the centerline of Marion Street, thence southerly along the centerline of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the centerline of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the centerline of Summit Avenue to the ~~south line of the right-of-way of the Fifth Street ramp, thence southeasterly along the right-of-way of the Fifth Street ramp to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the center line of West Seventh Street, thence northeasterly along the center line of West Seventh Street to the center line of the Fifth Street ramp, thence northwesterly along the center line of the Fifth Street ramp to the~~ east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the centerline of Tenth Street, thence northeasterly along the centerline of Tenth Street to the centerline of Minnesota Street, thence northwesterly along the centerline of Minnesota Street to the centerline of Eleventh Street, thence northeasterly along the centerline of Eleventh Street to the centerline of Jackson Street, thence northwesterly along the centerline of Jackson Street to the centerline of the Arch-Pennsylvania freeway extended, thence westerly along the centerline of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. If construction of the labor interpretive center does not commence prior to December 31, 1996, at the site recommended by the board, the boundaries of the capitol area revert to their configuration as of 1992. Pursuant to ~~Under~~ Under the comprehensive plan, or ~~any a portion thereof of it,~~ the board may regulate, by means of zoning rules adopted pursuant to under the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person ~~shall~~ may undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when ~~they request it~~ requests reports for their its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction ~~shall may~~ be built or altered on any public lands within the area unless the plans for the ~~same conforms project conform~~ same conform to the comprehensive use plan as specified in clause (d) and to the requirement for competitive plans as specified in clause (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under clause (e), may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan shall ~~must~~ show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas and open spaces; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement shall may be made to public lands or buildings in the area save with the written approval of the board.

(e) The board shall secure by competitions, plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition, ~~which that~~ may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. Such A competition shall must be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected shall become the property of the state of Minnesota, and the board may award one or more premiums in each such competition and may pay such the costs and fees as that may be required for the its conduct thereof. At the option of the board, plans for projects estimated to cost less than \$1,000,000 may be approved without competition provided such the plans have been considered by the advisory committee described in elause paragraph (f). Plans for projects estimated to cost less than \$400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) The board shall may not adopt any plan under elause paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee shall may not be contestants under clause (e). The comments and criticism shall must be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose,;

(1) the committee shall must be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the same data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, and a copy of any such data prepared by any public employee or agency shall must be filed with the board promptly upon completion,;

(2) The board may employ such stenographic or technical help as that may be reasonable to assist the committee to perform its duties,;

(3) When so directed by the board, the committee may serve as, and any member or members thereof of the committee may serve on, the jury or as professional advisor for any architectural competition. The board shall select the architectural advisor and jurors for any competition with the advice of the committee; and.

(4) The city of Saint Paul shall advise the board.

(g) The comprehensive plan for the area shall must be developed and maintained in close cooperation with the commissioner of trade and economic development and, the planning department and the council for the city of Saint Paul, and the board of the arts, and no such plan or amendment thereof shall of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts.

(h) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. Pursuant to this power, The board shall consult with and receive advice from the director of the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed as herein provided shall be under this paragraph are binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 shall do not apply to this clause.

(i) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program.

(j) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it shall ~~may~~ also have the power to acquire an interest less than a fee simple interest in the property, if it finds that it the property is needed for future expansion or beautification of the area.

(k) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and ~~acts amendatory thereof amendments to it.~~

(l) The board shall meet at the call of the chair and at such other times as it may prescribe.

(m) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which ~~such a part as~~ that the commissioner of administration and commissioner of veterans affairs may mutually determine ~~shall~~ must be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, ~~to such~~ other state departments and agencies as the commissioner may deem desirable.

Sec. 17. Minnesota Statutes 1992, section 16A.128, subdivision 2, is amended to read:

Subd. 2. [NO RULEMAKING.] The kinds of fees that need not be fixed by rule unless specifically required by law are:

- (1) fees based on actual direct costs of a service;
- (2) one-time fees;
- (3) fees that produce insignificant revenues;
- (4) fees billed within or between state agencies;
- (5) fees exempt from commissioner approval; ~~or~~
- (6) fees for admissions to or use of facilities operated by the iron range resources and rehabilitation board, if the fees are set according to prevailing market conditions to recover operating costs; or

(7) fees established by the Minnesota historical society.

Sec. 18. Minnesota Statutes 1992, section 16A.28, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTIONS.] Except as provided by law, an appropriation made to the Minnesota historical society, if not spent during the first year, may be spent during the second year of a biennium. An unexpended balance remaining at the end of a biennium lapses and shall be returned to the fund from which appropriated. An appropriation made to the society for all or part of a biennium may be spent in either year of the biennium.

Sec. 19. Minnesota Statutes 1992, section 16A.72, is amended to read:

16A.72 [INCOME CREDITED TO GENERAL FUND; EXCEPTIONS.]

All income, including fees or receipts of any nature, shall be credited to the general fund, except:

- (1) federal aid;
- (2) contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law;
- (3) income to the University of Minnesota;

(4) income to revolving funds now established in institutions under the control of the commissioners of corrections or human services;

(5) investment earnings resulting from the master lease program, except that the amount credited to another fund or account may not exceed the amount of the additional expense incurred by that fund or account through participation in the master lease program;

(6) receipts from the operation of patients' and inmates' stores and vending machines, which shall be deposited in the social welfare fund in each institution for the benefit of the patients and inmates;

(7) money received in payment for services of inmate labor employed in the industries carried on in the state correctional facilities which receipts shall be credited to the current expense fund of those facilities;

(8) as provided in sections 16B.57 and 85.22; ~~or~~

(9) income to the Minnesota historical society; or

(10) as otherwise provided by law.

Sec. 20. Minnesota Statutes 1992, section 82.21, is amended by adding a subdivision to read:

Subd. 2a. [BROKER PAYMENT CONSOLIDATION.] For all license renewal fees, recovery fund renewal fees, and recovery fund assessments pursuant to this section and section 82.34, the broker must remit the fees or assessments for the company, broker, and all salespersons licensed to the broker, in the form of a single check.

Sec. 21. [138A.01] [LABOR INTERPRETIVE CENTER; BOARD OF DIRECTORS.]

Subdivision 1. [ESTABLISHMENT.] The labor interpretive center is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter.

Subd. 2. [PURPOSE.] The purpose of the labor interpretive center is to celebrate the contribution of working people to the past, present, and future of Minnesota; to spur an interest among the people of Minnesota in their own family and community traditions of work; to help young people discover their work skills and opportunities for a productive working life; and to advance the teaching of work and labor studies in schools and colleges.

Subd. 3. [BOARD OF DIRECTORS.] The center is governed by a board of ten directors. The membership terms, compensation, removal, and filling of vacancies of members of the board are as provided in section 15.0575. Membership of the board consists of:

(1) three directors appointed by the governor;

(2) one director appointed by the mayor of St. Paul, subject to the approval of the city council;

(3) three directors appointed by the speaker of the house of representatives; and

(4) three directors appointed by the subcommittee on committees of the senate committee on rules and administration.

Directors must be representatives of labor, business, state and local government, local education authorities, and arts groups.

The board shall select a chair of the board from its members, and any other officers of the board deemed necessary. No more than five of the members may be of one gender.

Subd. 4. [LOCATION.] The center must be located in the capital area of St. Paul as defined in section 15.50, subdivision 2, at the site recommended by the capitol area architectural and planning board.

Subd. 5. [MEETINGS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice. Board meetings are subject to section 471.705.

Subd. 6. [CONFLICT OF INTEREST.] A director, employee, or officer of the center may not participate in or vote on a decision of the board relating to a matter in which the director has either a direct or indirect financial interest or a conflict of interest as described in section 10A.07.

Subd. 7. [TORT CLAIMS.] The center is a state agency for purposes of section 3.736.

Sec. 22. [138A.02] [CENTER PERSONNEL.]

Subdivision 1. [GENERALLY.] The board shall appoint an executive director of the center to serve in the unclassified service. The executive director must be chosen on the basis of training, experience, and knowledge in the areas of labor history and the changing world of work. The center shall employ staff, consultants, and other parties necessary to carry out the mission of the center.

Subd. 2. [STATUS OF EMPLOYEES.] Employees of the center are executive branch state employees.

Sec. 23. [138A.03] [POWERS; DUTIES; BOARD; CENTER.]

Subdivision 1. [GENERAL POWERS.] The board has the powers necessary for the care, management, and direction of the center. The powers include: (1) overseeing the planning and construction of the center as funds are available; (2) leasing a temporary facility for the center during development of its organization and program; and (3) establishing advisory groups as needed to advise the board on program, policy, and related issues.

Subd. 2. [DUTIES.] The center is a state agency for purposes of the following accounting and budgeting requirements:

(1) financial reports and other requirements under section 16A.06;

(2) the state budget system under sections 16A.095, 16A.10, and 16A.11;

(3) the state allotment and encumbrance, and accounting systems under sections 16A.14, subdivisions 2, 3, 4, and 5; and 16A.15, subdivisions 2 and 3; and

(4) indirect costs under section 16A.127.

Subd. 3. [PROGRAM.] The board shall appoint a program advisory group to oversee the development of the center's programming. It must consist of representatives of cultural and educational organizations, labor education specialists, and curriculum supervisors in local schools. The program of the center may be implemented through exhibits, performances, seminars, films and multimedia presentations, participatory programs for all ages, and a resource center for teachers. Collaborative program development is encouraged with technical colleges, the Minnesota historical society, and other cultural institutions.

Subd. 4. [BOARD OF GOVERNORS.] The board may establish a board of governors to incorporate as a nonprofit organization to receive donations for the center and to serve as honorary advisors to the board of directors.

Sec. 24. [138A.04] [LABOR INTERPRETIVE CENTER ACCOUNT.]

The Minnesota labor interpretive center account is an account in the special revenue fund. Funds in the account not needed for the immediate purposes of the center may be invested by the state board of investment in any way authorized by section 11A.24. Funds in the account are appropriated to the center to be used as provided in this chapter.

Sec. 25. [138A.05] [AUDITS.]

The center is subject to the auditing requirements of sections 3.971 and 3.972.

Sec. 26. [138A.06] [ANNUAL REPORTS.]

The board shall submit annual reports to the legislature on the planning, development, and activities of the center. The board shall supply more frequent reports if requested.

Sec. 27. Minnesota Statutes 1992, section 345.41, is amended to read:

345.41 [REPORT OF ABANDONED PROPERTY.]

(a) Every person holding funds or other property, tangible or intangible, presumed abandoned under sections 345.31 to 345.60 shall report annually to the commissioner with respect to the property as hereinafter provided.

(b) The report shall be verified and shall include:

(1) except with respect to traveler's checks and money orders, the name, if known, and last known address, if any, of each person appearing from the records of the holder to be the owner of any property of the value of ~~\$25~~ \$100 or more presumed abandoned under sections 345.31 to 345.60;

(2) in case of unclaimed funds of life insurance corporations, the full name of the policyholder, insured or annuitant and that person's last known address according to the life insurance corporation's records;

(3) the nature and identifying number, if any, or description of the property and the amount appearing from the records to be due, except that items of value under ~~\$25~~ \$100 each may be reported in aggregate;

(4) the date when the property became payable, demandable or returnable, and the date of the last transaction with the owner with respect to the property; and

(5) other information which the commissioner prescribes by rule as necessary for the administration of sections 345.31 to 345.60.

(c) If the person holding property presumed abandoned is a successor to other persons who previously held the property for the owner, or if the holder has changed a name while holding the property, the holder shall file with the report all prior known names and addresses of each holder of the property.

(d) The report shall be filed before November 1 of each year as of June 30 next preceding, but the report of life insurance corporations shall be filed before October 1 of each year as of December 31 next preceding. The commissioner may postpone the reporting date upon written request by any person required to file a report.

(e) If the holder of property presumed abandoned under sections 345.31 to 345.60 knows the whereabouts of the owner and if the owner's claim has not been barred by the statute of limitations, the holder shall, before filing the annual report, inform the owner of the steps necessary to prevent abandonment from being presumed.

(f) Verification, if made by a partnership, shall be executed by a partner; if made by an unincorporated association or private corporation, by an officer, and if made by a public corporation, by its chief fiscal officer.

(g) Holders of property described in section 345.32 shall not impose any charges against property which is described in section 345.32, clause (a), (b) or (c).

(h) Any person who has possession of property which the person has reason to believe will be reportable in the future as unclaimed property may, with the permission of the commissioner, report and deliver such property prior to the date required for reporting in accordance with this section.

Sec. 28. Minnesota Statutes 1992, section 345.42, subdivision 2, is amended to read:

Subd. 2. [NOTICE PUBLISHED, CONTENTS.] The published notice shall be entitled "notice of names of persons appearing to be owners of abandoned property," and shall contain:

(a) the names in alphabetical order and last known addresses, if any, of persons listed in the report and entitled to notice within the county as hereinbefore specified;

(b) a statement that information concerning the amount or description of the property and the name and address of the holder may be obtained by any persons possessing an interest in the property by addressing an inquiry to the commissioner; and

(c) a statement that if proof of claim is not presented by the owner to the holder and if the owner's right to receive the property is not established to the holder's satisfaction within 65 days from the date of the second published notice, the abandoned property will be placed not later than 85 days after such publication date in the custody of the commissioner to whom all further claims must thereafter be directed.

The commissioner is not required to publish in such notice any item of less than \$25 \$100 unless the commissioner deems such publication to be in the public interest.

Sec. 29. Minnesota Statutes 1992, section 345.42, subdivision 3, is amended to read:

Subd. 3. [NOTICE MAILED, CONTENTS.] On or before April 1 of each year, the commissioner may mail a notice to each person having an address listed therein who appears to be entitled to property of the value of \$25 \$100 or more presumed abandoned under sections 345.31 to 345.60. Said notice shall contain:

(a) a statement that, according to a report filed with the commissioner, property is being held to which the addressee appears entitled;

(b) the name and address of the person holding the property and any necessary information regarding changes of name and address of the holder; and

(c) a statement that, if satisfactory proof of claim is not presented by the owner to the holder by the date specified in the published notice, the property will be placed in the custody of the commissioner to whom all further claims must be directed.

Sec. 30. Minnesota Statutes 1992, section 359.01, subdivision 3, is amended to read:

Subd. 3. [FEES.] The fee for each commission shall not exceed \$40. All fees shall be retained by the commissioner and shall be nonreturnable except that an overpayment of any fee shall be the subject of a refund upon proper application.

Sec. 31. Minnesota Statutes 1992, section 359.02, is amended to read:

359.02 [TERM, BOND, OATH, REAPPOINTMENT.]

~~A notary commissioned under section 359.01 holds office for six years, unless sooner removed by the governor or the district court. Before entering upon the duties of office, a newly commissioned notary shall file the notary's oath of office with the secretary of state. Within 30 days before the expiration of the commission a notary may be reappointed for a new term to commence and to be designated in the new commission as beginning upon the day immediately following the date of the expiration. The reappointment takes effect and is valid although the appointing governor may not be in the office of governor on the effective day.~~

Subdivision 1. [EXPIRATION IN 1995.] Notary commissions issued before January 3, 1995, expire on January 31, 1995.

Subd. 2. [SIX-YEAR LICENSING PERIOD.] Notary commissions issued after January 31, 1995, expire at the end of the licensing period that will end every sixth year following January 31, 1995.

Subd. 3. [PARTIAL LICENSING PERIODS.] Notary commissions issued during a licensing period expire at the end of that period as set forth in this section.

Sec. 32. Minnesota Statutes 1992, section 386.61, is amended by adding a subdivision to read:

Subd. 4. "Commissioner" means the commissioner of commerce.

Sec. 33. Minnesota Statutes 1992, section 386.65, is amended to read:

386.65 [EXAMINATION OF APPLICANTS FOR LICENSE.]

Subdivision 1. Applications for a license shall be made to the board commissioner and shall be upon a form to be prepared by the board commissioner and contain such information as may be required by it. Upon receiving such application, the board commissioner shall fix a time and place for the examination of such applicant. Notice of such examination shall be given to the applicant by certified mail, who shall thereon take the examination pursuant to such notice. The examination shall be conducted by the board commissioner under such rules as the board commissioner may prescribe, and such rules shall prescribe that the applicant must show qualification by experience, education or training to qualify as being capable of performing the duties of an abstractor whose work will be for the use and protection of the public. If application is made by a firm or corporation, one of the members or managing officials thereof shall take such examination. If the applicant successfully passes the examination and complies with all the provisions of sections 386.61 to 386.76, the board commissioner shall ~~cause its executive secretary to~~ issue a license to the applicant.

Sec. 34. Minnesota Statutes 1992, section 386.66, is amended to read:

386.66 [BOND OR ABSTRACTER'S LIABILITY INSURANCE POLICY.]

Before a license shall be issued, the applicant shall file with the board commissioner a bond or abstractor's liability insurance policy to be approved by the ~~chair or executive secretary~~ commissioner, running to the state of Minnesota in the penal sum of at least \$100,000 conditioned for the payment by such abstractor of any damages that may be sustained by or accrue to any person by reason of or on account of any error, deficiency or mistake arising wrongfully or negligently in any abstract, or continuation thereof, or in any certificate showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not, made by and issued by such abstractor, provided however, that the aggregate liability of the surety to all persons under such bond shall in no event exceed the amount of such bond. In any county having more than 200,000 inhabitants the bond or insurance policy required herein shall be in the penal sum of at least \$250,000. Applicants having cash or securities or deposit with the state of Minnesota in an amount equal to the said bond or insurance policy shall be exempt from furnishing the bond or an insurance policy herein required but shall be liable to the same extent as if a bond or insurance policy has been given and filed. The bond or insurance policy required hereunder shall be written by some surety or other company authorized to do business in this state issuing bonds or abstractor's liability insurance policies and shall be issued for a period of one or more years, and renewed for one or more years at the date of expiration as principal continues in business. The aggregate liability of such surety on such bond or insurance policy for all damages shall, in no event, exceed the sum of said bond or insurance policy.

Sec. 35. Minnesota Statutes 1992, section 386.67, is amended to read:

386.67 [LICENSED ABSTRACTER, SEAL.]

A licensed abstractor furnishing abstracts of title to real property under the provisions hereof shall provide a seal, which seal shall show the name of such licensed abstractor, and shall file with the ~~executive secretary of the board~~ commissioner an impression of or copy made by such seal and the signatures of persons authorized to sign certificates on abstracts and continuations of abstracts and certificates showing ownership of, or interest in, or liens upon any lands in the state of Minnesota, whether registered or not, issued by such licensed abstractor.

Sec. 36. Minnesota Statutes 1992, section 386.68, is amended to read:

386.68 [FEES.]

~~For The services specified in sections 386.61 to 386.76 following fees shall be set by the board~~ must be paid to the commissioner: an examination fee of \$25; an initial licensing fee of \$50; and a license renewal fee of \$40.

Sec. 37. Minnesota Statutes 1992, section 386.69, is amended to read:

386.69 [LICENSES.]

Licenses issued by ~~said board~~ the commissioner under the provisions hereof shall recite that such bond or insurance policy has been duly filed and approved, and the license shall authorize the official, person, firm or corporation named in it to engage in and carry on the business of an abstractor of real estate titles in the county in which said official, person, firm or corporation is authorized to make abstracts. The license shall be issued for a period as determined by the board commissioner, and shall thereafter be renewed upon conditions prescribed by the board commissioner.

Sec. 38. [386.705] [ADMINISTRATIVE ACTIONS AND PENALTIES.]

An abstractor licensed under sections 386.61 to 386.76 is subject to the penalties imposed pursuant to section 45.027. The commissioner has all the powers provided in section 45.027 and shall proceed in the manner provided by that section in actions against abstracters.

Sec. 39. [386.706] [RULES.]

The commissioner may adopt rules necessary for the administration of sections 386.61 to 386.76.

Sec. 40. [TRANSFER OF POWERS.]

The powers and duties of the board of abstracters under Minnesota Statutes, sections 386.61 to 386.76 are transferred to the commissioner of commerce. Minnesota Statutes, section 15.039, subdivisions 1 to 6, apply to this transfer.

Sec. 41. [REVISOR INSTRUCTION.]

The revisor shall change the terms "board," "executive secretary," "board of abstracters," or similar terms to "commissioner," "commissioner of commerce," or similar terms wherever they appear in Minnesota Statutes and Minnesota Rules.

Sec. 42. [REPEALER.]

Minnesota Statutes 1992, sections 10A.21, subdivisions 2 and 3; 138.97; 386.61, subdivision 3; 386.63; 386.64; and 386.70, are repealed.

ARTICLE 4

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 "1993," "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, 1993, June 30, 1994, or June 30, 1995, respectively.

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Section 1. AGRICULTURAL UTILIZATION RESEARCH
INSTITUTE

3,908,000 3,880,000

\$3,880,000 the first year and \$3,880,000 the second year is appropriated directly to the agricultural utilization research institute to recognize its autonomy as an independent entity.

\$28,000 the first year is appropriated from the general fund for a grant to the southwest regional development commission to pay for the planning and final system design for connecting four rural water systems to the federal Lewis and Clark Rural Water System. Any funds not spent in the first year may be spent in the second year.

ARTICLE 5

Section 1. [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 "1993," "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, 1993, June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1993	1994	1995	TOTAL
General	\$630,000	\$ 24,327,000	\$ 24,064,000	\$ 49,021,000
Special Revenue		460,000	460,000	920,000
Trunk Highway		974,000	975,000	1,949,000
Environmental		40,000	40,000	80,000
TOTAL	630,000	25,801,000	25,539,000	51,970,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Sec. 2. PUBLIC SAFETY

Subdivision 1. Total Appropriation 25,734,000 25,472,000

Summary by Fund

General	24,260,000	23,997,000
Special	460,000	460,000
Environmental	40,000	40,000
Trunk Highway	974,000	975,000

Subd. 2. Emergency Management

2,005,000 1,941,000

Summary by Fund

General	1,965,000	1,901,000
Environmental	40,000	40,000

Subd. 3. Criminal Apprehension

14,647,000 14,461,000

Summary by Fund

General	13,213,000	13,026,000
Special Revenue	460,000	460,000
Trunk Highway	974,000	975,000

\$200,000 the first year and \$200,000 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
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\$366,000 the first year and \$366,000 the second year from the bureau of criminal apprehension account in the special revenue fund are for laboratory activities.

\$94,000 the first year and \$94,000 the second year from the bureau of criminal apprehension account in the special revenue fund are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$25,000 in fiscal year 1994 and \$25,000 in fiscal year 1995 are appropriated from the general fund to the commissioner of public safety to reimburse local correctional agencies for costs incurred to comply with section 6.

Of this appropriation, \$110,000 in fiscal year 1994 and \$100,500 in fiscal year 1995 are for the implementation of the seven-day fingerprint identification service.

Of this appropriation, \$174,600 in fiscal year 1994 and \$152,100 in fiscal year 1995 are for the costs of addressing workload increases in maintaining the BCA's computerized criminal history data system.

Of this appropriation, \$129,200 in fiscal year 1994 and \$99,120 in fiscal year 1995 are for the costs of addressing workload increases in maintaining the criminal justice data communications network.

Of this appropriation, \$125,000 is for the development of a community data model for state, county, and local criminal justice information systems.

\$50,000 in fiscal year 1994 and \$47,200 in fiscal year 1995 are appropriated from the general fund for transfer to the supreme court for the costs of addressing workload increases in maintaining the supreme court information system.

Subd. 4. Fire Marshal

2,495,000	2,481,000
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Subd. 5. Capitol Security

1,420,000	1,420,000
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Subd. 6. Liquor Control

636,000	636,000
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APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Subd. 7. Gambling Enforcement

1,131,000

1,133,000

Subd. 8. Drug Policy and Violence Prevention

1,494,000

1,494,000

Subd. 9. Crime Victims Services

1,835,000

1,835,000

Notwithstanding any other law to the contrary, the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments. In no case shall the total awards exceed the appropriation made in this subdivision.

Subd. 10. Crime Victims Ombudsman

71,000

71,000

Subd. 11. Deficiency Appropriation

\$630,000 is appropriated from the general fund to the commissioner of public safety for fiscal year 1993. Of this appropriation, \$545,000 is to match federal funds, for tornado damage in Southwestern Minnesota as provided by Presidential Disaster Declaration DSR946, awarded on June 22, 1992, and \$85,000 is to match federal funds for winter storm damage as provided by Presidential Disaster Declaration DSR929, awarded December 26, 1991.

Sec. 3. PRIVATE DETECTIVE AND PROTECTIVE AGENT
SERVICES BOARD

67,000

67,000

Sec. 4. Minnesota Statutes 1992, section 168.345, is amended by adding a subdivision to read:

Subd. 3. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.] The commissioner shall impose a surcharge of 25 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning motor vehicle registrations. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 5. Minnesota Statutes 1992, section 171.12, is amended by adding a subdivision to read:

Subd. 8. [REQUESTS FOR INFORMATION; SURCHARGE ON FEE.] The commissioner shall impose a surcharge of 25 cents on each fee charged by the commissioner under section 13.03, subdivision 3, for copies or electronic transmittal of public information concerning driver's license and Minnesota identification card applicants. The commissioner shall forward the surcharges collected under this subdivision to the commissioner of finance on a monthly basis. Upon receipt, the commissioner of finance shall credit the surcharges to the general fund.

Sec. 6. Minnesota Statutes 1992, section 241.021, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] (1) The commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall annually review the correctional facilities described in this subdivision, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. The commissioner may require that any or all such information be provided through the department of corrections detention information system.

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 7. Minnesota Statutes 1992, section 299C.10, is amended to read:

299C.10 [IDENTIFICATION DATA.]

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, 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.

Subd. 2. [LAW ENFORCEMENT EDUCATION.] The sheriffs and police officers who take finger and thumb prints must obtain training in the proper methods of taking and transmitting finger prints under this section consistent with bureau requirements.

Subd. 3. [BUREAU DUTY.] The bureau must enter in the criminal records system finger and thumb prints within five working days after they are received under this section.

Sec. 8. [299C.65] [CRIMINAL AND JUVENILE JUSTICE INFORMATION POLICY GROUP.]

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.

Subd. 2. [REPORT.] The policy group shall file an annual report with the governor, supreme court, and legislature by December 1 of each even-numbered year.

The report must make recommendations concerning any legislative changes or appropriations that are needed to ensure that the criminal justice information systems operate accurately and efficiently. To assist them in developing their recommendations, the chair, the commissioners, and the administrator shall appoint a task force consisting of the members of the criminal and juvenile justice information policy group or their designees and the following additional members:

- (1) the director of the office of strategic and long-range planning;
- (2) two sheriffs recommended by the Minnesota sheriffs association;
- (3) two police chiefs recommended by the Minnesota chiefs of police association;
- (4) two county attorneys recommended by the Minnesota county attorneys association;
- (5) two city attorneys recommended by the Minnesota league of cities;
- (6) two public defenders appointed by the board of public defense;
- (7) two district judges appointed by the conference of chief judges, one of whom is currently assigned to the juvenile court;
- (8) two community corrections administrators recommended by the Minnesota association of counties, one of whom represents a community corrections act county;
- (9) two probation officers;
- (10) two public members, one of whom has been a victim of crime;
- (11) two court administrators;
- (12) two members of the house of representatives appointed by the speaker of the house; and
- (13) two members of the senate appointed by the majority leader.

Subd. 3. [CONTINUING EDUCATION PROGRAM.] The criminal and juvenile information policy group shall explore the feasibility of developing and implementing a continuing education program for state, county, and local criminal justice information agencies. The policy group shall consult with representatives of public and private post-secondary institutions in determining the most effective manner in which the training shall be provided. The policy group shall include recommendations in the 1994 report to the legislature.

Subd. 4. [CRIMINAL CODE NUMBERING SCHEME.] The policy group shall study and make recommendations on a structured numbering scheme for the criminal code to facilitate identification of the offense and the elements of the crime and shall include recommendations in the 1994 report to the legislature."

Renumber the sections in sequence

Correct internal references

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for community development, certain agencies of state government, and crime prevention, with certain conditions; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; eliminating or transferring certain agency powers and duties; requiring studies and reports; amending Minnesota Statutes 1992, sections 3.30, subdivision 2; 10A.21, subdivision 1; 10A.322, subdivision 4, and by adding a subdivision; 15.50, subdivision 2; 16A.128, subdivision 2; 16A.28, by adding a subdivision; 16A.72; 82.21, by adding a subdivision; 168.345, by adding a subdivision; 171.12, by adding a subdivision; 216A.05, by adding a subdivision; 216B.62, subdivision 3; 216C.09; 237.295, subdivision 2, and by adding a subdivision; 239.011, subdivision 2; 239.10; 239.80, subdivisions 1 and 2; 241.021, subdivision 1; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.223, subdivision 2; 298.28, subdivision 7; 298.296, subdivision 1; 299C.10; 345.41; 345.42, subdivisions 2 and 3; 359.01, subdivision 3; 359.02; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; Laws 1991, chapter 345, article 1, section 23; proposing coding for new law in Minnesota Statutes, chapter 138A; 216A; 239; 299C; 386; repealing Minnesota Statutes 1992, sections 10A.21, subdivisions 2 and 3; 138.97; 216C.261; 216C.315; 216C.33; 239.52; 239.78; 386.61, subdivision 3; 386.63; 386.64; and 386.70."

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:

S. F. No. 419, A bill for an act relating to health care; modifying and making corrections to the health right act; amending Minnesota Statutes 1992, sections 43A.317, subdivisions 2, 7, and 10; 62A.011, subdivision 3; 62A.02, subdivision 1; 62A.65, subdivision 5; 62J.04, subdivisions 2, 3, 4, 5, 6, and 7; 62J.09, subdivisions 1, 2, and 6; 62J.15, subdivision 2; 62J.17, subdivisions 2, 4, 5, and 6; 62J.19; 62J.23; 62J.29, subdivisions 1 and 4; 62J.30, subdivisions 4, 7, 8, and 10; 62J.31, subdivisions 2 and 3; 62J.32, subdivisions 1 and 4; 62J.34, subdivisions 2 and 3; 62L.02, subdivisions 8, 11, 15, and 16, and by adding a subdivision; 62L.03, subdivisions 2 and 5; 62L.05, subdivision 10; 62L.09, subdivision 2; 62L.13, subdivisions 1, 3, and 4; 62L.14, subdivisions 1, 2, 3, 4, 5, 6, 7, and 9; 62L.15, subdivision 2; 62L.16, subdivision 5, and by adding a subdivision; 62L.17, subdivisions 1 and 4; 62L.19; 62L.20, subdivisions 1 and 2; 144.147, subdivision 4; 144.1481, subdivision 1; 144.1486; 256.045, subdivision 10; 256.9353, subdivisions 2, 6, and by adding a subdivision; 256.9354; 256.9355, subdivision 3; 256.9356, subdivision 2; 256.9357; 256B.0644; Laws 1992, chapter 549, articles 1, section 15; 2, sections 24 and 25; 3, section 24; and 4, section 18; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 1992, sections 62J.05, subdivision 5; 62J.09, subdivision 3; and 62J.21.

Reported the same back with the following amendments to UES0419-2, the unofficial engrossment:

Page 34, after line 7, insert:

"Sec. 6. Minnesota Statutes 1992, section 62A.021, subdivision 1, is amended to read:

Subdivision 1. [LOSS RATIO STANDARDS.] Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, a health care policy form or certificate form shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, 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 Minnesota 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 policies issued in the small employer market, as defined in section 62L.02, subdivision 27; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of policies issued in the individual market, 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. A health carrier shall demonstrate that the third-year loss ratio is greater than or equal to the applicable percentage. Assessments by the reinsurance association created in chapter 62L and any types of taxes, surcharges, or assessments created by Laws 1992, chapter 549, or created on or after April 23, 1992, are included in the calculation of incurred claims experience or incurred health care expenses. The applicable percentage for policy

forms and certificate forms issued in the small employer market, as defined in section 62L.02, increases by one percentage point on July 1 of each year, until an 80 percent loss ratio is reached on July 1, 1998. The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on July 1 of each year, until a 70 percent loss ratio is reached on July 1, 1998. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.

Notwithstanding section 645.26, any act enacted at the 1992 1993 regular legislative session that amends or repeals section 62A.135 or that otherwise changes the loss ratios provided in that section is void.

All filings of rates and rating schedules shall demonstrate that actual 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 form or certificate form shall equal or exceed the appropriate loss ratio standards.

A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form 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 policy forms or certificate forms in force less than three years. If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section, the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media advertising, including both print and broadcast advertising, shall be treated as individual policies.

For purposes of this section, (1) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (2) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state."

Page 35, line 8, delete "7" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the first semicolon insert "62A.021, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1025 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 334, 1503 and 419 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Carruthers, Beard and Rukavina introduced:

H. F. No. 1752, A bill for an act relating to employment; requiring employers to provide a 15 minute break every four hours of work; requiring meal breaks within 6-1/2 hours of beginning work; amending Minnesota Statutes 1992, sections 177.253, subdivision 1; and 177.254, subdivision 1.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Carruthers, Farrell, Gruenes and Rodosovich introduced:

H. F. No. 1753, A bill for an act relating to state government; administrative rulemaking; changing the membership and duties of the LCRAR; transferring the rule review functions of the office of the attorney general to the office of administrative hearings; authorizing agencies to adopt substantially different rules in certain circumstances; regulating notices of intent to solicit outside opinion, statements of need and reasonableness, and public hearing requirements; authorizing the governor to disapprove rules adopted after public hearing; eliminating the requirement that agencies review their rules and consider methods to reduce their impact on small business; appropriating money; amending Minnesota Statutes 1992, sections 3.841; 3.842, subdivision 5; 14.05, subdivision 2, and by adding a subdivision; 14.08; 14.09; 14.10; 14.115, subdivision 5; 14.131; 14.15, subdivisions 3 and 4; 14.16, subdivision 1; 14.19; 14.22, subdivision 1; 14.23; 14.25; 14.26; 14.29, subdivisions 2 and 4; 14.30; 14.32; 14.33; 14.34; 14.365; 14.47, subdivision 6; 14.48; and 14.51; proposing coding for new law in Minnesota Statutes, chapters 3 and 14; repealing Minnesota Statutes 1992, sections 14.115, subdivision 6; and 14.225.

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

Kahn; Knickerbocker; Reding; Johnson, R., and Bergson introduced:

H. F. No. 1754, A bill for an act relating to gambling; establishing a negotiating team to negotiate compacts on behalf of the state with governing bodies of Indian tribes under the federal Indian gaming regulatory act; amending Minnesota Statutes 1992, section 3.9221.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

S. F. Nos. 44, 163, 181, 376, 225, 241, 784, 1141, 692, 703, 722 and 981.

PATRICK E. FLAHAVER, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 75, 207, 414, 737, 386, 536, 1199, 1244, 384, 560, 782 and 1400.

PATRICK E. FLAHAVER, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 44, A bill for an act relating to trusts; making certain trust provisions related to public assistance eligibility unenforceable as against public policy; clarifying availability of trusts in determining eligibility for medical assistance and other benefit programs; defining supplemental needs trusts; clarifying enforceability of supplemental needs trusts; amending Minnesota Statutes 1992, section 501B.89.

The bill was read for the first time.

Greenfield moved that S. F. No. 44 and H. F. No. 483, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 163, A bill for an act relating to crimes; modifying requirements for the dispensing of controlled substance; amending Minnesota Statutes 1992, sections 152.01, by adding a subdivision; and 152.11.

The bill was read for the first time.

Stanius moved that S. F. No. 163 and H. F. No. 573, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 181, A bill for an act relating to limited liability companies; clarifying the application of financial institution, workers' compensation, unemployment compensation, taxation, and usury laws; modifying certain powers of, and rules applicable to, limited liability companies and their members and affiliates; creating an agricultural limited liability companies task force; amending Minnesota Statutes 1992, sections 48.24, subdivisions 1, 7, and 8; 51A.02, subdivision 43; 176.011, subdivision 10; 176.041, subdivision 1a; 268.04, subdivision 9; 268.161, subdivision 9; 290.92, subdivision 1; 297A.01, subdivision 2; 302A.011, subdivision 25; 302A.161, subdivision 12; 302A.501, subdivision 1; 302A.521, subdivision 1; 302A.551, subdivision 3; 302A.673, subdivision 1; 319A.02, subdivision 7; 322B.03, subdivision 41, and by adding subdivisions; 322B.115, subdivisions 1 and 2; 322B.20, subdivisions 5, 7, 12, 14, and 21; 322B.30, subdivisions 2 and 3; 322B.306, subdivisions 1, 3, and 4; 322B.31, subdivision 3; 322B.313; 322B.316; 322B.323, subdivision 2; 322B.373, subdivision 1; 322B.54, subdivision 3; 322B.693, subdivision 1; 322B.696; 322B.699, subdivision 1; 322B.77, subdivisions 1 and 3; 322B.80, subdivision 1, and by adding a subdivision; 322B.873; 322B.91, subdivision 1; 322B.92; 322B.93; 322B.935, subdivisions 2 and 3; and 334.021; proposing coding for new law in Minnesota Statutes, chapter 322B.

The bill was read for the first time.

Rest moved that S. F. No. 181 and H. F. No. 181, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 376, A bill for an act relating to the state board of investment; management of funds under board control; amending Minnesota Statutes 1992, sections 11A.08, subdivision 4; 11A.14, subdivisions 1, 2, 4, and 5; 11A.24, subdivisions 1 and 4; 69.77, subdivision 2g; 69.775; 116P.11; 352.96, subdivision 3; 356.24, subdivision 1; and 424A.06, subdivision 4.

The bill was read for the first time.

Reding moved that S. F. No. 376 and H. F. No. 378, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 225, A bill for an act relating to worker's compensation; regulating eligibility for assigned risk plan coverage; amending Minnesota Statutes 1992, section 79.252, subdivision 1.

The bill was read for the first time.

Pugh moved that S. F. No. 225 and H. F. No. 606, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 241, A bill for an act relating to human services; modifying reimbursement procedures for group residential housing; amending Minnesota Statutes 1992, sections 256I.05, by adding a subdivision; and 256I.06.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 784, A bill for an act relating to crime; authorizing collection of fines from inmates' wages; providing that a parent of a victim of harassment who is a minor may seek a restraining order in district court; amending Minnesota Statutes 1992, sections 241.26, subdivision 5; and 609.748, subdivision 2.

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

S. F. No. 1141, A bill for an act relating to cities; allowing the use of self-insurance funds or pools to satisfy statutory bond requirements; amending Minnesota Statutes 1992, section 471.981, by adding a subdivision.

The bill was read for the first time.

Mahon moved that S. F. No. 1141 and H. F. No. 1251, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 692, A bill for an act relating to insurance; workers' compensation; regulating the minimum deposit requirements for self-insurers; amending Minnesota Statutes 1992, section 79A.04, subdivision 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

S. F. No. 703, A bill for an act relating to drainage; defining as "repair" certain incidental straightening of tiles and use of larger tile sizes under certain circumstances; amending Minnesota Statutes 1992, section 103E.701, subdivision 1.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 722, A bill for an act relating to human services; directing the commissioner of human services to obtain federal waivers under the AFDC program; proposing coding for new law in Minnesota Statutes, chapter 256.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 981, A bill for an act relating to human services; clarifying and changing license evaluation requirements and certain restrictions on businesses providing certain adult foster care services; changing the billing cycle and collection retention for certain human services programs; modifying conditions for the Minnesota family investment plan; changing the name of the hearing impaired services act and the council for the hearing impaired; changing requirements for child protection training and clarifying maltreatment reporting; amending Minnesota Statutes 1992, sections 245A.04, subdivision 6; 256.019; 256.025, subdivision 3; 256.033, subdivision 1; 256.034, subdivision 1; 256.0361, subdivision 1; 256C.21; 256C.22; 256C.23, subdivisions 2, 3, and by adding a subdivision; 256C.24; 256C.25, subdivision 1; 256C.26; 256C.27; 256C.28; 268.871, subdivision 1; 626.556, subdivisions 10 and 11; 626.559, subdivisions 1 and 1a; and 626.5591.

The bill was read for the first time.

Gutknecht moved that S. F. No. 981 and H. F. No. 1117, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 75, A bill for an act relating to crime; eliminating need to show a child was substantially harmed by neglect; imposing a felony for neglect or endangerment that substantially harms a child's physical, mental, or emotional health; amending Minnesota Statutes 1992, section 609.378, subdivision 1.

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

S. F. No. 207, A bill for an act relating to occupations and professions; boards of social work and marriage and family therapy; providing for data classifications and providing certain immunities for supervisors and persons reporting violations; changing board membership; adding certain licensing requirements to the board of social work; amending Minnesota Statutes 1992, sections 13.99, subdivision 49; 148B.04, by adding a subdivision; 148B.08, subdivision 1, and by adding a subdivision; 148B.18, subdivisions 8 and 10; 148B.19, subdivisions 1 and 2; 148B.21, subdivisions 3, 4, 5, 6, and by adding a subdivision; 148B.26, subdivision 1; 148B.27, by adding a subdivision; and 148B.28, subdivision 2.

The bill was read for the first time.

Lourey moved that S. F. No. 207 and H. F. No. 489, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 414, A bill for an act relating to transportation; providing procedures for design, approval, and construction of light rail transit; establishing corridor management committee; providing for resolution of disputes; changing membership and responsibilities of the light rail transit joint powers board; establishing an advisory council on metropolitan governance; amending Minnesota Statutes 1992, sections 174.32, subdivision 2; 473.167, subdivision 1; 473.373, subdivision 4a; 473.399, subdivision 1; 473.3993; 473.3994, subdivisions 2, 3, 4, 5, 7, and by adding subdivisions; 473.3996; 473.3997; 473.3998; 473.4051; proposing coding for new law in Minnesota Statutes, chapter 174; repealing Minnesota Statutes 1992, sections 473.399, subdivisions 2 and 3; 473.3991; 473.3994, subdivision 6; Laws 1991, chapter 291, article 4, section 20.

The bill was read for the first time.

Simoneau moved that S. F. No. 414 and H. F. No. 403, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 737, A bill for an act relating to motor vehicles; requiring vehicle owner to transfer certificate of title upon gaining ownership to motor vehicle; allowing registrar to research records before responding to phone request; amending Minnesota Statutes 1992, sections 168.10, subdivision 1; 168.34; and 168A.30, subdivision 2.

The bill was read for the first time.

Ostrom moved that S. F. No. 737 and H. F. No. 746, now on the Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 386, A bill for an act relating to drivers' licenses; raising fee for two-wheeled vehicle endorsement; amending Minnesota Statutes 1992, section 171.06, subdivision 2a.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

S. F. No. 536, A bill for an act relating to sheriffs; imposing on sheriffs a duty to investigate snowmobile accidents; amending Minnesota Statutes 1992, sections 84.86, subdivision 1; 84.872; and 387.03.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

S. F. No. 1199, A bill for an act relating to labor and employment; advisory councils; extending the expiration date of labor and employment related advisory councils; amending Minnesota Statutes 1992, sections 79.51, subdivision 4; 175.008; 178.02, subdivision 2; 182.656, subdivision 3; 268.363; and 326.41.

The bill was read for the first time.

Perlt moved that S. F. No. 1199 and H. F. No. 1187, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1244, A bill for an act relating to the Minnesota historical society; recodifying the historic sites act of 1965; proposing coding for new law in Minnesota Statutes, chapter 138; repealing Minnesota Statutes 1992, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

S. F. No. 384, A bill for an act relating to creditors remedies; regulating executions and garnishments; providing that executions and garnishments on child support judgments are effective until the judgments are satisfied; exempting child support payments from execution; amending Minnesota Statutes 1992, sections 550.135, subdivision 10; 550.136, subdivisions 3, 4, and 5; 550.143, subdivision 3; 550.37, subdivision 15; 551.04, subdivisions 2 and 11; 551.05, subdivision 1a; 551.06, subdivisions 3, 4, and 5; 570.025, subdivision 6; 570.026, subdivision 2; 571.72, subdivision 7; 571.73, subdivision 3; 571.912; 571.922; and 571.923.

The bill was read for the first time.

Wojcman moved that S. F. No. 384 and H. F. No. 499, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 560, A bill for an act relating to the hospital construction moratorium, extending the moratorium; amending Minnesota Statutes 1992, section 144.551, subdivision 1.

The bill was read for the first time.

Greenfield moved that S. F. No. 560 and H. F. No. 665, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 782, A bill for an act relating to health; expanding medical assistance coverage to include nutritional supplementation products; amending Minnesota Statutes 1992, section 256B.0625, subdivision 13.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 1400, A bill for an act relating to Nobles and Murray counties; permitting the consolidation of the offices of auditor and treasurer.

The bill was read for the first time.

Winter moved that S. F. No. 1400 and H. F. No. 1541, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 854, A bill for an act relating to drivers' licenses; eliminating driver's license endorsement requirement for special transportation service drivers; amending Minnesota Statutes 1992, sections 171.02, subdivision 2; 171.10, subdivision 2; and 171.13, subdivision 5; repealing Minnesota Statutes 1992, sections 171.01, subdivision 24; and 171.323.

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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1122, A bill for an act relating to transportation; prohibiting parking in transit stops marked with a handicapped sign; establishing priority for transit in energy emergencies; requiring motor vehicles to yield to transit buses entering traffic; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.20, by adding a subdivision; 169.346, subdivision 1; and 216C.15, 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1205, A bill for an act relating to courts; making the housing calendar consolidation projects in the second and fourth judicial districts permanent law; providing that the law requiring that fines collected for violations of building repair orders must be used for the housing calendar consolidation projects is permanent; amending Laws 1989, chapter 328, article 2, section 17; repealing Laws 1989, chapter 328, article 2, sections 18 and 19.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

Anderson, I., moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

SPECIAL ORDERS

H. F. No. 994 was reported to the House.

Blatz and Solberg moved to amend H. F. No. 994, the first engrossment, as follows:

Page 6, delete section 5

Page 9, line 2, after the period, insert "This notice shall not be provided to a parent whose parental rights to the child have been terminated under section 260.221, subdivision 1."

Page 16, after line 3, insert:

"Sec. 16. [REPORT.]

The commissioner of human services shall prepare a report for the legislature which includes a comprehensive plan to assure compliance by county social services departments with the foster care and adoption placement statutes and rules. This report shall include an analysis of possible financial incentives and sanctions for county compliance. The report is due by February 15, 1994.

Renumber sections and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Asch; Bishop; Ostrom; Solberg; Brown, C.; Huntley; Neary; Krueger and McCollum moved to amend H. F. No. 994, the first engrossment, as amended, as follows:

Page 3, line 35, after "due" insert ", not sole."

Page 6, line 21, after "due" insert ", not sole."

Page 9, line 10, after "due" insert ", not sole."

Page 12, line 19, after "due" insert ", not sole."

The motion prevailed and the amendment was adopted.

H. F. No. 994, as amended, was read for the third time.

MOTION TO LAY ON THE TABLE

Mariani moved that H. F. No. 994, as amended, be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Mariani motion and the roll was called. There were 30 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Jefferson	Klinzing	Pelowski	Sekhon
Bergson	Dorn	Johnson, A.	Mariani	Peterson	Solberg
Brown, K.	Evans	Kelley	Milbert	Pugh	Vellenga
Clark	Garcia	Kelso	Olson, K.	Reding	Wagenius
Cooper	Greenfield	Kinkel	Osthoff	Rice	Wejcman

Those who voted in the negative were:

Abrams	Commers	Holsten	Leppik	Munger	Pawlentz	Tompkins
Anderson, R.	Dauner	Hugoson	Lieder	Murphy	Perlt	Trimble
Asch	Davids	Huntley	Limmer	Neary	Rest	Tunheim
Battaglia	Dehler	Jacobs	Lindner	Nelson	Rhodes	Van Dellen
Bauerly	Delmont	Jennings	Lourey	Ness	Seagren	Vickerman
Beard	Dempsey	Johnson, V.	Luther	Olson, E.	Skoglund	Waltman
Bertram	Erhardt	Kahn	Lynch	Olson, M.	Smith	Weaver
Bettermann	Frerichs	Kalis	Macklin	Ornen	Sparby	Welle
Bishop	Goodno	Knickerbocker	Mahon	Opatz	Stanius	Wenzel
Blatz	Greiling	Koppendrayer	McGuire	Orenstein	Steenasma	Winter
Brown, C.	Gruenes	Krinkie	Molnau	Ostrom	Sviggum	Wolf
Carlson	Gutknecht	Krueger	Morrison	Ozment	Swenson	Worke
Carruthers	Haukoos	Lasley	Mosel	Pauly	Tomassoni	Workman

The motion did not prevail.

Dawkins moved that H. F. No. 994, as amended, be re-referred to the Committee on Health and Human Services.

A roll call was requested and properly seconded.

POINT OF ORDER

Olson, K., raised a point of order pursuant to section 101, of "Mason's Manual of Legislative Procedure" relating to limiting debate to the question before the House. The Speaker ruled the point of order not well taken.

The question recurred on the Dawkins motion and the roll was called. There were 36 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Jaros	Milbert	Rest	Solberg
Bauerly	Dorn	Jefferson	Olson, K.	Rice	Tomassoni
Bergson	Evans	Johnson, A.	Osthoff	Rodosovich	Vellenga
Brown, K.	Garcia	Kelley	Pelowski	Rukavina	Wagenius
Clark	Greenfield	Kinkel	Peterson	Sekhon	Wejcman
Cooper	Huntley	Mariani	Pugh	Simoneau	Spk. Long

Those who voted in the negative were:

Abrams	Dauner	Holsten	Krueger	Morrison	Pauly	Tompkins
Anderson, R.	Dauids	Hugoson	Lasley	Mosel	Pawlenty	Tunheim
Asch	Dehler	Jacobs	Leppik	Munger	Perit	Van Dellen
Battaglia	Delmont	Jennings	Lieder	Murphy	Reding	Vickerman
Beard	Dempsey	Johnson, R.	Limmer	Neary	Rhodes	Waltman
Bertram	Erhardt	Johnson, V.	Lindner	Nelson	Seagren	Weaver
Bettermann	Frerichs	Kahn	Lourey	Ness	Skoglund	Welle
Bishop	Goodno	Kalis	Luther	Olson, M.	Smith	Wenzel
Blatz	Greiling	Kelso	Lynch	Ornen	Sparby	Winter
Brown, C.	Gruenes	Klinzing	Macklin	Opatz	Stanius	Wolf
Carlson	Gutknecht	Krueckerbocker	Mahon	Orenstein	Steensma	Worke
Carruthers	Haukoos	Koppendrayer	McGuire	Ostrom	Sviggum	Workman
Commers	Hausman	Krinkie	Molnau	Ozment	Swenson	

The motion did not prevail.

Solberg moved that H. F. No. 994, as amended, be re-referred to the Committee on Ways and Means.

POINT OF ORDER

Rice raised a point of order pursuant to rule 5.08 that H. F. No. 994, as amended, be re-referred to the Committee on Ways and Means. The Speaker ruled the point of order well taken and H. F. No. 994, as amended, was re-referred to the Committee on Ways and Means.

H. F. No. 287 was reported to the House.

Wagenius moved that H. F. No. 287 be continued on Special Orders. The motion prevailed.

Anderson, I., moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 1042, A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 257.69, subdivision 1; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, and 12; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivisions 1 and 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 518.645; 548.09, subdivision 1; 548.091, subdivision 3a; 588.20; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 136A.121, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY FOR GRANTS.] An applicant is eligible to be considered for a grant, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under sections 136A.095 to 136A.131 if the board finds that the applicant:

(1) is a resident of the state of Minnesota;

(2) is a graduate of a secondary school or its equivalent, or is 17 years of age or over, and has met all requirements for admission as a student to an eligible college or technical college of choice as defined in sections 136A.095 to 136A.131;

(3) has met the financial need criteria established in Minnesota Rules;

(4) is not in default, as defined by the board, of any federal or state student educational loan; and

(5) is not more than 30 days in arrears for any child support payments owed to a public agency responsible for child support enforcement or, if the applicant is more than 30 days in arrears, is complying with a written payment plan agreement or order for arrearages. An agreement must provide for a repayment of arrearages at no less than 20 percent per month of the amount of the monthly child support obligation or no less than \$30 per month if there is no current monthly child support obligation. Compliance means that payments are made by the payment date.

The director and the commissioner of human services shall develop procedures to implement clause (5).

Sec. 2. Minnesota Statutes 1992, section 214.101, subdivision 1, is amended to read:

Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.] (a) For purposes of this section, "licensing board" means a licensing board or other state agency that issues an occupational license.

(b) If a licensing board receives an order from a court under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court to be in arrears in child support payments, the board shall, within 30 days of receipt of the court order, provide notice to the licensee and hold a hearing. If the board finds that the person is licensed by the board and evidence of full payment of arrearages found to be due by the court is not presented at the hearing, the board shall suspend the license unless it determines that probation is appropriate under subdivision 2. The only issues to be determined by the board are whether the person named in the court order is a licensee, whether the arrearages have been paid, and whether suspension or probation is appropriate. The board may not consider evidence with respect to the appropriateness of the court order or the ability of the person to comply with the order. The board may not lift the suspension until the licensee files with the board proof showing that the licensee is current in child support payments.

Sec. 3. Minnesota Statutes 1992, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS FOR ASSISTANCE FURNISHED.] A parent of a child is liable for the amount of assistance furnished under sections 256.72 to 256.87 or under Title IV-E of the Social Security Act or medical assistance under chapter 256, 256B, or 256D to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent has had the ability to pay. Ability to pay must be determined according to chapter 518. The parent's liability is limited to the amount of assistance furnished during the two years immediately preceding the commencement of the action, except that where child support has been previously ordered, the state or county agency providing the assistance, as assignee of the obligee, shall be entitled to judgments for child support payments accruing within ten years preceding the date of the commencement of the action up to the full amount of assistance furnished. The action may be ordered by the state agency or county agency and shall be brought in the name of the county by the county attorney of the county in which the assistance was granted, or by the state agency against the parent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action.

Sec. 4. Minnesota Statutes 1992, section 256.87, subdivision 1a, is amended to read:

Subd. 1a. [CONTINUING SUPPORT CONTRIBUTIONS.] In addition to granting the county or state agency a money judgment, the court may, upon a motion or order to show cause, order continuing support contributions by a parent found able to reimburse the county or state agency. The order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and ~~for five months~~ thereafter. The order shall require support according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent by any county or state agency that assistance is again being provided for the child of the parent under sections 256.72 to 256.87 or under Title IV-E of the Social Security Act or medical assistance under chapter 256, 256B, or 256D. The notice shall be in writing and shall indicate that the parent may request a hearing for modification of the amount of support or maintenance.

Sec. 5. Minnesota Statutes 1992, section 256.87, subdivision 3, is amended to read:

Subd. 3. [CONTINUING CONTRIBUTIONS TO FORMER RECIPIENT.] The order for continuing support contributions shall remain in effect following the ~~five-month~~ period after public assistance granted under sections 256.72 to 256.87 is terminated if:

(a) ~~the former recipient files an affidavit with the court within five months of the termination of assistance requesting that the support order remain in effect;~~

(b) ~~the public authority serves written notice of the filing by mail on the parent responsible for making the support payments at that parent's last known address and notice that the parent may move the court under section 518.64 to modify the order respecting the amount of support or maintenance; and~~

(c) ~~unless the former recipient authorizes use of the public authority's collection services files an affidavit with the court requesting termination of the order.~~

Sec. 6. Minnesota Statutes 1992, section 256.87, subdivision 5, is amended to read:

Subd. 5. [CHILD NOT RECEIVING ASSISTANCE.] A ~~parent person or entity~~ having physical and legal custody of a dependent child not receiving assistance under sections 256.72 to 256.87 has a cause of action for child support against the child's absent ~~parent~~ parents. Upon an order to show cause and a motion served on the absent parent, the court shall order child support payments from the absent parent under chapter 518.

Sec. 7. Minnesota Statutes 1992, section 256.978, is amended to read:

256.978 [LOCATION OF PARENTS DESERTING THEIR CHILDREN, ACCESS TO RECORDS.]

Subdivision 1. [REQUEST FOR INFORMATION.] The commissioner of human services, in order to ~~carry out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children~~ locate a person to establish paternity, child support, or to enforce a child support obligation in arrears, may request information reasonably necessary to the inquiry from the records of all departments, boards, bureaus, or other agencies of this state, which shall, notwithstanding the provisions of section 268.12, subdivision 12, or any other law to the contrary, provide the information necessary for this purpose. Employers ~~and~~ utility companies, insurance companies, financial institutions, and labor associations doing business in this state shall provide information reasonably necessary to the commissioner's inquiry upon written request by an agency responsible for child support enforcement regarding individuals owing or allegedly owing a duty to support. ~~A request for this information may be made to an employer when there is reasonable cause to believe that the subject of the inquiry is or was employed by the employer where the request is made. The request must include a statement that reasonable cause exists. Information to be released by utility companies is restricted to place of residence. Information to be released by employers is restricted to place of residence, employment status, and wage information. Information relative to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of support may be requested and used or transmitted by the commissioner pursuant to the authority conferred by this section. The commissioner of human services may make such information be made available only to public officials and agencies of this state and its political subdivisions and other states of the union and their political subdivisions who are seeking to enforce the support liability of parents or to locate parents who have, or appear to have, deserted their children. Any person who, pursuant to this section, obtains information from the department of revenue the confidentiality of which is protected by law shall not divulge the information except to the extent necessary for the administration of the~~ Information obtained under this section may not be released except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.

Subd. 2. [ACCESS TO INFORMATION.] (a) A written request for information by the public authority responsible for child support may be made to:

(1) employers when there is reasonable cause to believe that the subject of the inquiry is or was an employee of the employer. Information to be released by employers is limited to place of residence, employment status, wage information, and social security number;

(2) utility companies when there is reasonable cause to believe that the subject of the inquiry is or was a retail customer of the utility company. Customer information to be released by utility companies is limited to place of residence, home telephone, work telephone, source of income, employer and place of employment, and social security number;

(3) insurance companies when there is an arrearage of child support and there is reasonable cause to believe that the subject of the inquiry is or was receiving funds either in the form of a lump sum or periodic payments. Information to be released by insurance companies is limited to place of residence, home telephone, work telephone, employer, and amounts and type of payments made to the subject of the inquiry;

(4) labor organizations when there is reasonable cause to believe that the subject of the inquiry is or was a member of the labor association. Information to be released by labor associations is limited to place of residence, home telephone, work telephone, and current and past employment information; and

(5) financial institutions when there is an arrearage of child support and there is reasonable cause to believe that the subject of the inquiry has or has had accounts, stocks, loans, certificates of deposits, treasury bills, life insurance policies, or other forms of financial dealings with the institution. Information to be released by the financial institution is limited to place of residence, home telephone, work telephone, identifying information on the type of financial relationships, current value of financial relationships, and current indebtedness of subject with the financial institution.

(b) For purposes of this subdivision, utility companies include companies that provide electrical, telephone, natural gas, propane gas, oil, coal, or cable television services to retail customers. The term financial institution includes banks, savings and loans, credit unions, brokerage firms, mortgage companies, and insurance companies.

Subd. 3. [IMMUNITY.] A person who releases information to the public authority as authorized under this section is immune from liability for release of the information.

Sec. 8. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 5. [PATERNITY ESTABLISHMENT AND CHILD SUPPORT ORDER MODIFICATION BONUS INCENTIVES.] (a) A bonus incentive program is created to increase the number of paternity establishments and modifications of child support orders done by county child support enforcement agencies.

(b) A bonus must be awarded to a county child support agency for each child for which the agency completes a paternity establishment through judicial, administrative, or expedited processes and for each instance in which the agency reviews a case for a modification of the child support order.

(c) The rate of bonus incentive is \$100 for each paternity establishment and \$50 for each review for modification of a child support order.

Sec. 9. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 6. [CLAIMS FOR BONUS INCENTIVE.] (a) The commissioner of human services and the county agency shall develop procedures for the claims process and criteria using automated systems where possible.

(b) Only one county agency may receive a bonus per paternity establishment or child support order modification. The county agency making the initial preparations for the case resulting in the establishment of paternity or modification of an order is the county agency entitled to claim the bonus incentive, even if the case is transferred to another county agency prior to the time the order is established or modified.

(c) Disputed claims must be submitted to the commissioner of human services and the commissioner's decision is final.

(d) For purposes of this section, "case" means a family unit for whom the county agency is providing child support enforcement services.

Sec. 10. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 7. [DISTRIBUTION.] (a) Bonus incentives must be issued to the county agency quarterly, within 45 days after the last day of each quarter for which a bonus incentive is being claimed, and must be paid in the order in which claims are received.

(b) Bonus incentive funds under this section must be reinvested in the county child support enforcement program and a county may not reduce funding of the child support enforcement program by the amount of the bonus earned.

(c) The county agency shall repay any bonus erroneously issued.

(d) A county agency shall maintain a record of bonus incentives claimed and received for each quarter.

Sec. 11. Minnesota Statutes 1992, section 256.9791, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY; REPORTING REQUIREMENTS.] (a) In order for a county to be eligible to claim a bonus incentive payment, the county agency must report to the commissioner, no later than August 1 of each fiscal year, provide the required information for each public assistance case no later than June 30 of each year to determine eligibility. The public authority shall use the information to establish for each county the number of cases as of June 30 of the preceding fiscal year in which (1) the court has established an obligation for coverage by the obligor, and (2) coverage was in effect as of June 30. The ratio resulting when the number of cases reported under (2) is divided by the number of cases reported under (1) shall be used to determine the amount of the bonus incentive according to subdivision 4.

(b) A county that fails to submit provide the required information by August 1 June 30 of each fiscal year is not eligible for any bonus payments under this section for that fiscal year.

Sec. 12. Minnesota Statutes 1992, section 256.9791, subdivision 4, is amended to read:

Subd. 4. [RATE OF BONUS INCENTIVE.] The rate of the bonus incentive shall be determined according to paragraphs paragraph (a) to (e).

(a) When a county agency has identified or enforced coverage in up to and including 50 percent of its cases, the county shall receive \$15 \$50 for each additional person for whom coverage is identified or enforced.

(b) When a county agency has identified or enforced coverage in more than 50 percent but less than 80 percent of its cases, the county shall receive \$20 for each person for whom coverage is identified or enforced.

(c) When a county agency has identified or enforced coverage in 80 percent or more of its cases, the county shall receive \$25 for each person for whom coverage is identified or enforced.

(d) Bonus payments according to paragraphs paragraph (a) to (c) are limited to one bonus for each covered person each time the county agency identifies or enforces previously unidentified health insurance coverage and apply only to coverage identified or enforced after July 1, 1990.

Sec. 13. [256.9792] [ARREARAGE COLLECTION PROJECTS.]

Subdivision 1. [ARREARAGE COLLECTIONS.] Arrearage collection projects are created to increase the revenue to the state and counties, reduce AFDC expenditures for former public assistance cases, and increase payments of arrearages to persons who are not receiving public assistance by submitting cases for arrearage collection to collection entities, including but not limited to, the department of revenue and private collection agencies.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following definitions apply:

(1) "public assistance arrearage case" means a case where current support may be due, no payment, with the exception of tax offset, has been made within the last 90 days, and the arrearages are assigned to the public agency pursuant to section 256.74, subdivision 5;

(2) "public authority" means the public authority responsible for child support enforcement; and

(3) "nonpublic assistance arrearage case" means a support case where arrearages have accrued that have not been assigned pursuant to section 256.74, subdivision 5.

Subd. 3. [AGENCY PARTICIPATION.] (a) The collection remedy under this section is in addition to and not in substitution for any other remedy available by law to the public authority. The public authority remains responsible for the case even after collection efforts are referred to the department of revenue, a private agency, or other collection entity.

(b) The department of revenue, a private agency, or other collection entity may not claim collections made on a case submitted by the public authority for a state tax offset under chapter 270A as a collection for the purposes of this project.

Subd. 4. [ELIGIBLE CASES.] (a) For a case to be eligible for a collection project, the criteria in paragraphs (b) and (c) must be met:

(b) Notice must be sent to the debtor, as defined in section 270A.03, subdivision 4, at the debtor's last known address at least 30 days before the date the collections effort is transferred. The notice must inform the debtor that the department of revenue or a private collections agency will use enforcement and collections remedies and may charge a fee of up to 30 percent of the arrearages. The notice must advise the debtor of the right to contest the debt on grounds limited to mistakes of fact. The debtor may contest the debt by submitting a written request for review to the public authority within 21 days of the date of the notice.

(c)(1) the arrearages owed must be based on a court or administrative order;

(2) the arrearages to be collected shall be at least \$100;

(3) the arrearages must be at least 90 days past due;

(4) for nonpublic assistance cases referred to private agencies, the arrearages must be a docketed judgment under sections 548.09 and 548.091; and

(5) any case from a county participating in the collections projects meeting the criteria under this subdivision shall be submitted for collection.

Subd. 5. [COUNTY PARTICIPATION.] (a) The commissioner of human services shall designate the counties to participate in the projects, after requesting counties to volunteer for the projects.

(b) The commissioner of human services shall designate which counties shall submit cases to the department of revenue, a private collection agency, or other collection entity.

Subd. 6. [FEES.] A collection fee set by the commissioner of human services shall be charged to the person obligated to pay the arrearages. The collection fee shall be in addition to the amount owed, and shall be retained by the commissioner of revenue, a private agency, or other collection entity to cover the costs of administering the collection service.

Subd. 7. [CONTRACTS.] (a) The commissioner of human services may contract with the commissioner of revenue, private agencies, or other collection entities to implement the projects, charge fees, and exchange necessary information.

(b) The commissioner of human services may provide an advance payment to the commissioner of revenue for collection services to be repaid to the department of human services out of subsequent collection fees.

(c) Summary reports of collections, fees, and other costs charged shall be submitted monthly to the state office of child support enforcement.

Subd. 8. [REMEDIES.] (a) The commissioner of revenue is authorized to use the tax collection remedies in sections 270.06, clause (7), 270.69 to 270.72, and 290.92, subdivision 23, and tax return information to collect arrearages. The statute of limitations provisions in chapter 270 do not apply to support arrearage cases.

(b) Liens arising under paragraph (a) shall be perfected by filing a notice of lien in the office of the secretary of state. The lien may be filed as long as the time period allowed by law for collecting the arrearages has not expired. The lien shall attach to all property of the debtor within the state, both real and personal. The lien shall be enforced under the provisions in section 270.69 relating to state tax liens.

Sec. 14. Minnesota Statutes 1992, section 257.66, subdivision 3, is amended to read:

Subd. 3. [JUDGMENT; ORDER.] The judgment or order shall contain provisions concerning the duty of support, the custody of the child, the name of the child, visitation privileges with the child, the furnishing of bond or other security for the payment of the judgment, or any other matter in the best interest of the child. Custody and visitation and all subsequent motions related to them shall proceed and be determined under section 257.541. The remaining matters and all subsequent motions related to them shall proceed and be determined in accordance with chapter 518. The judgment or order may direct the appropriate party to pay all or a proportion of the reasonable expenses of the mother's pregnancy and confinement, after consideration of the relevant facts, including the relative financial means of the parents; the earning ability of each parent; and any health insurance policies held by either parent, or by a spouse or parent of the parent, which would provide benefits for the expenses incurred by the mother during her pregnancy and confinement. Remedies available for the collection and enforcement of child support apply to confinement costs and are considered additional child support.

Sec. 15. Minnesota Statutes 1992, section 257.67, subdivision 3, is amended to read:

Subd. 3. Willful failure to obey the judgment or order of the court is a ~~civil~~ contempt of the court. All remedies for the enforcement of judgments apply including those available under chapters 518 and 518C and sections 518C.01 to 518C.36 and 256.871 to 256.878.

Sec. 16. Minnesota Statutes 1992, section 349A.08, subdivision 8, is amended to read:

Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR OTHER DEBTS.] The director shall report the name, address, and social security number of each winner of a lottery prize of ~~\$1,000~~ \$600 or more to the department of revenue to determine whether the person who has won the prize is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5. If the person is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5, the director shall withhold the delinquent amount from the person's prize for remittance to the department of revenue for payment of the delinquent taxes or distribution to a claimant agency in accordance with chapter 270A. Section 270A.10 applies to the priority of claims.

Sec. 17. Minnesota Statutes 1992, section 518.14, is amended to read:

518.14 [COSTS AND DISBURSEMENTS AND ATTORNEY FEES.]

In a proceeding under this chapter, the court shall award attorney fees, costs, and disbursements in an amount necessary to enable a party to carry on or contest the proceeding, provided it finds:

(1) that the fees are necessary for the good-faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;

(2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and

(3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

Nothing in this section precludes the court from awarding, in its discretion, additional fees, costs, and disbursements against a party who unreasonably contributes to the length or expense of the proceeding. Fees, costs, and disbursements provided for in this section may be awarded at any point in the proceeding, including a modification proceeding under sections 518.18 and 518.64. The court may adjudge costs and disbursements against either party. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Sec. 18. Minnesota Statutes 1992, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] ~~Unless the obligee has comparable or better group dependent health insurance coverage available at a more reasonable cost,~~ (a) The court shall order the obligor or obligee to name the minor child as beneficiary on any health and dental insurance plan that is comparable to or better than a number two qualified plan and available to the obligor either on a group basis or through an employer or union. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256; 256B, or 256D.

(b) If the court finds that dependent health or dental insurance is not available to the obligor or obligee on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor (1) to obtain other dependent health or dental insurance, or (2) to be liable for reasonable and necessary medical or dental expenses of the child, or (3) to pay no less than \$50 per month to be applied to the medical and dental expenses of the children or to the cost of health insurance dependent coverage.

(c) If the court finds that the available dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child, or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child; including any existing or anticipated extraordinary medical expenses, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan. Medical and dental expenses include, but are not limited to, necessary orthodontia and eye care, including prescription lenses.

(d) If the obligor is employed by a self-insured employer subject only to the federal Employee Retirement Income Security Act (ERISA) of 1974, and the insurance benefit plan meets the above requirements, the court shall order the obligor to enroll the dependents within 30 days of the court order effective date or be liable for all medical and dental expenses occurring while coverage is not in effect. If enrollment in the ERISA plan is precluded by exclusionary clauses, the court shall order the obligor to obtain other coverage or make payments as provided in paragraph (b) or (c).

(e) Unless otherwise agreed by the parties, if the court finds that the obligee is not receiving public assistance for the child and has the financial ability to contribute to the cost of medical and dental expenses for the child, including the cost of insurance, the court may order the obligee and obligor to each assume a portion of these expenses based on their proportionate share of their total net income as defined in section 518.54, subdivision 6.

(f) Payments ordered under this section are subject to section 518.611. An obligee who fails to apply payments received to the medical expenses of the dependents may be found in contempt of this order.

Sec. 19. Minnesota Statutes 1992, section 518.171, subdivision 2, is amended to read:

Subd. 2. [SPOUSAL OR EX-SPOUSAL COVERAGE.] The court shall require the obligor to provide dependent health and dental insurance for the benefit of the obligee if it is available at no additional cost to the obligor and in this case the provisions of this section apply.

Sec. 20. Minnesota Statutes 1992, section 518.171, is amended by adding a subdivision to read:

Subd. 2a. [EMPLOYER AND OBLIGOR NOTICE.] If an individual is hired for employment, the employer may request that the individual disclose whether the individual has court-ordered medical support obligations that are required by law to be withheld from income and the terms of the court order, if any. The employer may request that the individual disclose whether the individual has been ordered by a court to provide health and dental dependent insurance coverage. The individual shall disclose this information at the time of hiring. If an individual discloses that medical support is required to be withheld, the employer shall begin withholding according to the terms of the order and pursuant to section 518.611, subdivision 8. If an individual discloses an obligation to obtain health and dental dependent insurance coverage and coverage is available through the employer, the employer shall make all application processes known to the individual upon hiring and enroll the employee and dependent in the plan pursuant to subdivision 3.

Sec. 21. Minnesota Statutes 1992, section 518.171, subdivision 3, is amended to read:

Subd. 3. [IMPLEMENTATION.] A copy of the court order for insurance coverage shall be forwarded to the obligor's employer or union by the obligee or the public authority responsible for support enforcement only when ordered by the court or when the following conditions are met:

(1) the obligor fails to provide written proof to the obligee or the public authority, within 30 days of ~~receiving the~~ effective ~~notice~~ date of the court order, that the insurance has been obtained or that application for insurability has been made;

(2) the obligee or the public authority serves written notice of its intent to enforce medical support on the obligor by mail at the obligor's last known post office address; and

(3) the obligor fails within 15 days after the mailing of the notice to provide written proof to the obligee or the public authority that the insurance coverage existed as of the date of mailing.

The employer or union shall forward a copy of the order to the health and dental insurance plan offered by the employer.

Sec. 22. Minnesota Statutes 1992, section 518.171, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) The order is binding on the employer or union and the health and dental insurance plan when service under subdivision 3 has been made. Upon receipt of the order, or upon application of the obligor pursuant to the order, the employer or union and its health and dental insurance plan shall enroll the minor child as a beneficiary in the group insurance plan and withhold any required premium from the obligor's income or wages. If more than one plan is offered by the employer or union, the child shall be enrolled in the insurance plan in which the obligor is enrolled or the least costly plan otherwise available to the obligor that is comparable to a number two qualified plan.

(b) An employer or union that willfully fails to comply with the order is liable for any health or dental expenses incurred by the dependents during the period of time the dependents were eligible to be enrolled in the insurance program, and for any other premium costs incurred because the employer or union willfully failed to comply with the order. An employer or union that fails to comply with the order is subject to contempt under section 41 and is also subject to a fine of \$500 to be paid to the obligee or public authority. Fines paid to the public authority are designated for child support enforcement services.

(c) Failure of the obligor to execute any documents necessary to enroll the dependent in the group health and dental insurance plan will not affect the obligation of the employer or union and group health and dental insurance plan to enroll the dependent in a plan for which other eligibility requirements are met. Information and authorization provided by the public authority responsible for child support enforcement, or by the custodial parent or guardian, is valid for the purposes of meeting enrollment requirements of the health plan. The insurance coverage for a child eligible under subdivision 5 shall not be terminated except as authorized in subdivision 5.

Sec. 23. Minnesota Statutes 1992, section 518.171, subdivision 6, is amended to read:

Subd. 6. [INSURER REIMBURSEMENT; CORRESPONDENCE AND NOTICE.] (a) The signature of the custodial parent of the insured dependent is a valid authorization to the insurer for purposes of processing an insurance reimbursement payment to the provider of the medical services or to the custodial parent if medical services have been prepaid by the custodial parent.

(b) The insurer shall send copies of all correspondence regarding the insurance coverage to both parents. When an order for dependent insurance coverage is in effect and the obligor's employment is terminated, or the insurance coverage is terminated, the insurer shall notify the obligee within ten days of the termination date with notice of conversion privileges.

Sec. 24. Minnesota Statutes 1992, section 518.171, subdivision 7, is amended to read:

Subd. 7. [RELEASE OF INFORMATION.] When an order for dependent insurance coverage is in effect, the obligor's employer or union, or insurance agent shall release to the obligee or the public authority, upon request, information on the dependent coverage, including the name of the insurer. Notwithstanding any other law, information reported pursuant to section 268.121 shall be released to the public agency responsible for support enforcement that is enforcing an order for medical or dental insurance coverage under this section. The public agency responsible for support enforcement is authorized to release to the obligor's insurer or employer information necessary to obtain or enforce medical support.

Sec. 25. Minnesota Statutes 1992, section 518.171, subdivision 8, is amended to read:

Subd. 8. [OBLIGOR LIABILITY.] ~~The (a) An obligor that who fails to maintain the medical or dental insurance for the benefit of the children as ordered shall be or fails to provide other medical support as ordered is~~ liable to the obligee for any medical or dental expenses incurred from the effective date of the court order, including health and dental insurance premiums paid by the obligee because of the obligor's failure to obtain coverage as ordered. Proof of failure to maintain insurance or noncompliance with an order to provide other medical support constitutes a showing of increased need by the obligee pursuant to section 518.64 and provides a basis for a modification of the obligor's child support order.

(b) Payments for services rendered to the dependents that are directed to the obligor, in the form of reimbursement by the insurer, must be endorsed over to and forwarded to the vendor or custodial parent or public authority when the reimbursement is not owed to the obligor. An obligor retaining insurance reimbursement not owed to the obligor may be found in contempt of this order and held liable for the amount of the reimbursement. Upon written verification by the insurer of the amounts paid to the obligor, the reimbursement amount is subject to all enforcement remedies available under subdivision 10.

Sec. 26. Minnesota Statutes 1992, section 518.171, subdivision 10, is amended to read:

Subd. 10. [ENFORCEMENT.] Remedies available for the collection and enforcement of child support apply to medical support. For the purpose of enforcement, the costs of individual or group health or hospitalization coverage, dental coverage, all medical costs ordered by the court to be paid by the obligor, including health and dental insurance premiums paid by the obligee because of the obligor's failure to obtain coverage as ordered or liabilities established pursuant to subdivision 8, are additional child support.

Sec. 27. Minnesota Statutes 1992, section 518.24, is amended to read:

518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. The obligor is presumed to have an income from a source sufficient to pay the maintenance or support order. A child support or maintenance order constitutes prima facie evidence that the obligor has the ability to pay the award. If the obligor disobeys the order, it is prima facie evidence of contempt.

Sec. 28. Minnesota Statutes 1992, section 518.54, subdivision 4, is amended to read:

Subd. 4. [SUPPORT MONEY; CHILD SUPPORT.] "Support money" or "child support" means:

(1) an award in a dissolution, legal separation, or annulment, or parentage proceeding for the care, support and education of any child of the marriage or of the parties to the ~~annulment~~ proceeding; or

(2) a contribution by parents ordered under section 256.87.

Sec. 29. Minnesota Statutes 1992, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [SCOPE; PAYMENT TO PUBLIC AGENCY.] (a) This section applies to all proceedings involving an award of child support.

(b) The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, or has applied for child support and maintenance collection services. Public authorities responsible for child support enforcement may act on behalf of other public authorities responsible for child support enforcement. This includes the authority to represent the legal interests of or execute documents on behalf of the other public authority in connection with the establishment, enforcement, and collection of child support, maintenance, or medical support, and collection on judgments. Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 30. Minnesota Statutes 1992, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (h). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

(b) The court shall derive a specific dollar amount for child support by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 \$550 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

7500
or the amount
in effect under
paragraph (k)

Guidelines for support for an obligor with a monthly income of ~~\$4,001~~ \$7,501 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of ~~\$4,000~~ \$7,500 or the amount in effect under paragraph (k).

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security
Deductions
- (iv) Reasonable
Pension Deductions

*Standard

Deductions apply-
use of tax tables
recommended

- (v) Union Dues
- (vi) Cost of Dependent Health
Insurance Coverage
- (vii) Cost of Individual or Group
Health/Hospitalization
Coverage or an
Amount for Actual
Medical Expenses
- (viii) A Child Support or
Maintenance Order that is
Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

The court shall review the work related and education related child care costs of the custodial parent and shall allocate the costs to each parent in proportion to each parent's income after the transfer of child support. The cost of child care for purposes of this section is determined by subtracting the amount of any federal and state income tax credits available to a parent from the actual cost paid for child care. The amount allocated for child care expenses is considered child support.

~~(b)~~ (c) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph ~~(a)~~ (b), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) ~~the amount of the aid to families with dependent children grant for the child or children;~~

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) ~~(5)~~ the parents' debts as provided in paragraph (e) ~~(d)~~.

(e) ~~(d)~~ In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

~~(d)~~ (e) Any schedule prepared under paragraph (e) ~~(d)~~, clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(e) ~~(f)~~ Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

~~(f)~~ ~~Where~~ (g) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(g) ~~(h)~~ Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

~~(h)~~ (i) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the reasons for the deviation and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(j) If the child support payments are assigned to the public agency under section 256.74, the court may not deviate downward from the child support guidelines in the establishment of a child support order unless the court specifically finds that the failure to deviate downward would impose an extreme hardship on the obligor.

(k) The dollar amount of the income limit for application of the guidelines must be adjusted on July 1 of every even-numbered year to reflect cost-of-living changes. The supreme court shall select the index for the adjustment from the indices listed in section 518.641. The state court administrator shall make the changes in the dollar amount required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.

Sec. 31. Minnesota Statutes 1992, section 518.551, subdivision 5b, is amended to read:

Subd. 5b. [DETERMINATION OF INCOME.] (a) The parties shall timely serve and file documentation of earnings and income. When there is a prehearing conference, the court must receive the documentation of income at least ten days prior to the prehearing conference. Documentation of earnings and income also includes, but is not limited to, pay stubs for the most recent three months, employer statements, or statement of receipts and expenses if self-employed. Documentation of earnings and income also includes copies of each parent's most recent federal tax returns, including W-2 forms, 1099 forms, unemployment compensation statements, workers' compensation statements, and all other documents evidencing income as received that provide verification of income over a longer period.

(b) In addition to the requirements of paragraph (a), at any time after an action seeking child support has been commenced or when a child support order is in effect, a party or the public authority may require the other party to give them a copy of the party's most recent federal tax returns that were filed with the Internal Revenue Service. The party shall provide a copy of the tax returns within 30 days of receipt of the request unless the request is not made in good faith. Failure of a party, without leave of the court, to provide a true and accurate copy of the tax return as required under this paragraph may be contempt of court. A request under this paragraph may not be made more than once every two years, in the absence of good cause.

(c) If a parent under the jurisdiction of the court does not appear at a court hearing after proper notice of the time and place of the hearing, the court shall set income for that parent based on credible evidence before the court or in accordance with paragraph (e) (d). Credible evidence may include documentation of current or recent income, testimony of the other parent concerning recent earnings and income levels, and the parent's wage reports filed with the Minnesota department of jobs and training under section 268.121.

(e) (d) If the court finds that a parent is voluntarily unemployed or underemployed, child support shall be calculated based on a determination of imputed income. A parent is not considered voluntarily unemployed or underemployed upon a showing by the parent that the unemployment or underemployment: (1) is temporary and will ultimately lead to an increase in income; or (2) represents a bona fide career change that outweighs the adverse effect of that parent's diminished income on the child. Imputed income means the estimated earning ability of a parent based on the parent's prior earnings history, education, and job skills, and on availability of jobs within the community for an individual with the parent's qualifications. If the court is unable to determine or estimate the earning ability of a parent, the court may calculate child support based on full-time employment of 40 hours per week at the federal minimum wage or the Minnesota minimum wage, whichever is higher. If a parent is a recipient of public assistance under sections 256.72 to 256.87 or chapter 256D, or is physically or mentally incapacitated, it shall be presumed that the parent is not voluntarily unemployed or underemployed.

Sec. 32. Minnesota Statutes 1992, section 518.551, is amended by adding a subdivision to read:

Subd. 5d. [EDUCATION TRUST FUND.] If the child support order provides the child with a reasonable standard of living, the parties may agree to designate a sum of money as a trust fund for the costs of post-secondary education.

Sec. 33. Minnesota Statutes 1992, section 518.551, subdivision 7, is amended to read:

Subd. 7. [SERVICE FEE.] When the public agency responsible for child support enforcement provides child support collection services either to a public assistance recipient or to a party who does not receive public assistance, the public agency may upon written notice to the obligor charge a monthly collection fee equivalent to the full monthly cost to the county of providing collection services, in addition to the amount of the child support which was ordered by the court. The fee shall be deposited in the county general fund. The service fee assessed is limited to ten percent of the monthly court ordered child support and shall not be assessed to obligors who are current in payment of the monthly court ordered child support.

An application fee ~~not to exceed~~ of \$25 shall be paid by the person who applies for child support and maintenance collection services, except persons who transfer from public assistance to nonpublic assistance status. Fees assessed by state and federal tax agencies for collection of overdue support owed to or on behalf of a person not receiving public assistance must be imposed on the person for whom these services are provided. The public authority upon written notice to the obligee shall assess a fee of \$25 to the person not receiving public assistance for each successful federal tax interception. The fee must be withheld prior to the release of the funds received from each interception and deposited in the general fund.

However, the limitations of this subdivision on the assessment of fees shall not apply to the extent inconsistent with the requirements of federal law for receiving funds for the programs under Title IV-A and Title IV-D of the Social Security Act, United States Code, title 42, sections 601 to 613 and United States Code, title 42, sections 651 to 662.

Sec. 34. Minnesota Statutes 1992, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

~~The commissioner of human services may designate counties to~~ Effective July 1, 1994, all counties shall participate in the administrative process established by this section. All proceedings for obtaining, modifying, or enforcing child and medical support orders and maintenance and adjudicating uncontested parentage proceedings, are required to be conducted in counties designated by the commissioner of human services in which the county human services agency is a party or ~~represents~~ provides services to a party or parties to the action. These actions must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
- (2) motions to set aside a paternity adjudication or declaration of parentage;
- (3) evidentiary hearing on contempt motions; and
- (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

(b) An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

(c) For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support and maintenance obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue orders to show cause and to issue bench warrants for failure to appear.

(d) Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, ~~and the county court administrator,~~ and county sheriff shall jointly establish procedures and the county shall provide hearing facilities for implementing this process in a county.

(e) Nonattorney employees of the public agency responsible for child support in the counties designated by the commissioner, ~~acting at the direction of the county attorney,~~ may prepare, sign, serve, and file complaints and motions for obtaining, modifying, or enforcing child and medical support orders and maintenance and related documents, appear at prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law.

(f) The hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. The administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge are enforceable by the contempt powers of the county and district courts.

(g) The decision and order of the administrative law judge is appealable to the court of appeals in the same manner as a decision of the district court.

(h) The commissioner of human services shall distribute money for this purpose to counties to cover the costs of the administrative process, including the salaries of administrative law judges. If available appropriations are insufficient to cover the costs, the commissioner shall prorate the amount among the counties.

Sec. 35. Minnesota Statutes 1992, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] Upon petition of an obligee or public agency responsible for child support enforcement, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support payments, the court may direct the licensing board or other licensing agency to conduct

a hearing under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

Sec. 36. Minnesota Statutes 1992, section 518.57, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Upon a decree of dissolution, legal separation, or annulment, the court shall make a further order which is just and proper concerning the maintenance of the minor children as provided by section 518.551, and for the maintenance of any child of the parties as defined in section 518.54, as support money, ~~and. The court may make the same any child support order a lien or charge upon the property of the parties to the proceeding, or either of them obligor,~~ either at the time of the entry of the judgment or by subsequent order upon proper application.

Sec. 37. Minnesota Statutes 1992, section 518.57, is amended by adding a subdivision to read:

Subd. 4. [OTHER CUSTODIANS.] If a child resides with a person other than a parent and the court approves of the custody arrangement, the court may order child support payments to be made to the custodian regardless of whether the person has legal custody.

Sec. 38. Minnesota Statutes 1992, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] (a) Notwithstanding any law to the contrary, the order is binding on the employer, trustee, payor of the funds, or financial institution when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. In the case of a financial institution, preauthorized transfers must occur in accordance with a court-ordered payment schedule. An employer, payor of funds, or financial institution in this state is required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2 and section 518.613 and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. The payor shall identify on the remittance information the date the obligor is paid the remainder of the income. The obligor is considered to have paid the amount withheld as of the date the obligor received the remainder of the income. The financial institution shall execute preauthorized transfers from the deposit accounts of the obligor in the amount specified in the order and amounts required under subdivision 2 as directed by the public authority responsible for child support enforcement.

(b) Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party.

(c) An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld. A financial institution is liable to the obligee if funds in any of the obligor's deposit accounts identified in the court order equal the amount stated in the preauthorization agreement but are not transferred by the financial institution in accordance with the agreement. An employer or other payor of funds that fails to withhold or transfer funds in accordance with this section is also liable to the obligee for interest on the funds at the rate applicable to judgments under section 549.09, computed from the date the funds were required to be withheld or transferred. An employer or other payor of funds is liable for reasonable attorney fees of the obligee or public authority incurred in enforcing the liability under this paragraph. An employer or other payor of funds that has failed to comply with the requirements of this section is subject to contempt sanctions under section 41.

Sec. 39. Minnesota Statutes 1992, section 518.613, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Notwithstanding any provision of section 518.611, subdivision 2 or 3, to the contrary, whenever an obligation for child support or maintenance, enforced by the public authority, is initially determined and ordered or modified by the court in a county in which this section applies, the amount of child support or maintenance ordered by the court and any fees assessed by the public authority responsible for child support enforcement must be withheld from the income, regardless of source, of the person obligated to pay the support.

Sec. 40. [518.615] [EMPLOYER CONTEMPT.]

Subdivision 1. [ORDERS BINDING.] Income withholding or medical support orders issued pursuant to sections 518.171, 518.611, and 518.613 are binding on the employer, trustee, or other payor of funds after the order and notice of income withholding or enforcement of medical support has been served on the employer, trustee, or payor of funds.

Subd. 2. [CONTEMPT ACTION.] An obligee or the public agency responsible for child support enforcement may initiate a contempt action against an employer, trustee, or payor of funds, within the action that created the support obligation, by serving an order to show cause upon the employer, trustee, or payor of funds.

The employer, trustee, or payor of funds is presumed to be in contempt:

(1) if the employer, trustee, or payor of funds has intentionally failed to withhold support after receiving the order and notice of income withholding or notice of enforcement of medical support; or

(2) upon presentation of pay stubs or similar documentation showing the employer, trustee, or payor of funds withheld support and demonstration that the employer, trustee, or payor of funds intentionally failed to remit support to the agency responsible for child support enforcement.

Subd. 3. [LIABILITY.] The employer, trustee, or payor of funds is liable to the obligee or the agency responsible for child support enforcement for any amounts required to be withheld that were not paid. The court may enter judgment against the employer, trustee, or payor of funds for support not withheld or remitted. The court may also impose contempt sanctions under chapter 588.

Sec. 41. Minnesota Statutes 1992, section 518.64, subdivision 1, is amended to read:

Subdivision 1. After an order for maintenance or support money, temporary or permanent, or for the appointment of trustees to receive property awarded as maintenance or support money, the court may from time to time, on motion of either of the parties, a copy of which is served on the public authority responsible for child support enforcement if payments are made through it, or on motion of the public authority responsible for support enforcement, modify the order respecting the amount of maintenance or support money, and the payment of it, and also respecting the appropriation and payment of the principal and income of property held in trust, and may make an order respecting these matters which it might have made in the original proceeding, except as herein otherwise provided. A party or the public authority also may bring a motion for contempt of court if the obligor is in arrears in support or maintenance payments.

Sec. 42. Minnesota Statutes 1992, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87; ~~or~~ (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair; or (5) extraordinary medical expenses of the child not provided for under section 518.171.

It is presumed that there has been a substantial change in circumstances under clause (1), (2), or (4) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

- (ii) the excess employment is voluntary and not a condition of employment;
 - (iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;
 - (iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;
 - (v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and
 - (vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.
- (c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.
- (d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.
- (e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.
- (f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 43. Minnesota Statutes 1992, section 518.64, subdivision 5, is amended to read:

Subd. 5. [FORM.] The department of human services shall prepare and make available to courts, obligors and persons to whom child support is owed a form to be submitted by the obligor or the person to whom child support is owed in support of a motion for a modification of an order for support or maintenance or for contempt of court. The rulemaking provisions of chapter 14 shall not apply to the preparation of the form.

Sec. 44. Minnesota Statutes 1992, section 518.64, subdivision 6, is amended to read:

Subd. 6. [EXPEDITED PROCEDURE.] (a) The public authority may seek a modification of the child support order in accordance with the rules of civil procedure or under the expedited procedures in this subdivision.

(b) The public authority may serve the following documents upon the obligor either by certified mail or in the manner provided for service of ~~a summons~~ other pleadings under the rules of civil procedure:

- (i) a notice of its application for modification of the obligor's support order stating the amount and effective date of the proposed modification which date shall be no sooner than 30 days from the date of service;
- (ii) an affidavit setting out the basis for the modification under subdivision 2, including evidence of the current income of the parties;
- (iii) any other documents the public authority intends to file with the court in support of the modification;
- (iv) the proposed order;

(v) notice to the obligor that if the obligor fails to move the court and request a hearing on the issue of modification of the support order within 30 days of service of the notice of application for modification, the public authority will likely obtain an order, ex parte, modifying the support order; and

(vi) an explanation to the obligor of how a hearing can be requested, together with a motion for review form that the obligor can complete and file with the court to request a hearing.

(c) If the obligor moves the court for a hearing, any modification must be stayed until the court has had the opportunity to determine the issue. Any modification ordered by the court is effective on the date set out in the notice of application for modification, but no earlier than 30 days following the date the obligor was served.

(d) If the obligor fails to move the court for hearing within 30 days of service of the notice, the public authority shall file with the court a copy of the notice served on the obligor as well as all documents served on the obligor, proof of service, and a proposed order modifying support.

(e) If, following judicial review, the court determines that the procedures provided for in this subdivision have been followed and the requested modification is appropriate, the order shall be signed ex parte and entered.

(f) Failure of the court to enter an order under this subdivision does not prejudice the right of the public authority or either party to seek modification in accordance with the rules of civil procedure.

(g) The supreme court shall develop standard forms for the notice of application of modification of the support order, the supporting affidavit, the obligor's responsive motion, and proposed order granting the modification.

Sec. 45. [518.585] [NOTICE OF INTEREST ON LATE CHILD SUPPORT.]

Any judgment or decree of dissolution or legal separation containing a requirement of child support and any determination of parentage, order under chapter 518C, order under section 256.87, or order under section 260.251 must include a notice to the parties that section 49 provides for interest to begin accruing on a payment or installment of child support whenever the unpaid amount due is greater than the current support due.

Sec. 46. Minnesota Statutes 1992, section 519.11, is amended to read:

519.11 [ANTENUPTIAL CONTRACT AND POSTNUPTIAL CONTRACTS.]

Subdivision 1. [ANTENUPTIAL CONTRACT.] A man and woman of legal age may enter into an antenuptial contract or settlement prior to solemnization of marriage which shall be valid and enforceable if (a) there is a full and fair disclosure of the earnings and property of each party, and (b) the parties have had an opportunity to consult with legal counsel of their own choice. An antenuptial contract or settlement made in conformity with this section may determine what rights each party has in the nonmarital property, defined in section 518.54, subdivision 5, clauses (a) to (d), upon dissolution of marriage, legal separation or after its termination by death and may bar each other of all rights in the respective estates not so secured to them by their agreement. This section shall not be construed to make invalid or unenforceable any antenuptial agreement or settlement made and executed in conformity with this section because the agreement or settlement covers or includes marital property, if the agreement or settlement would be valid and enforceable without regard to this section.

Subd. 1a. [POSTNUPTIAL CONTRACT.] (a) Spouses who are legally married under the laws of this state may enter into a postnuptial contract or settlement which is valid and enforceable if it:

(1) complies with the requirements for antenuptial contracts or settlements in this section and in the law of this state, including, but not limited to, the requirement that it be procedurally and substantively fair and equitable both at the time of its execution and at the time of its enforcement; and

(2) complies with the requirements for postnuptial contracts or settlements in this section.

(b) A postnuptial contract or settlement that conforms with this section may determine all matters that may be determined by an antenuptial contract or settlement under the law of this state, except that a postnuptial contract or settlement may not determine the rights of any child of the spouses to child support from either spouse.

(c) A postnuptial contract or settlement is valid and enforceable only if at the time of its execution each spouse is represented by separate legal counsel.

(d) A postnuptial contract or settlement is valid and enforceable only if at the time of its execution each of the spouses entering into the contract or settlement has marital property titled in that spouse's name, nonmarital property, or a combination of marital property titled in that spouse's name and nonmarital property with a total value exceeding \$1,200,000.

(e) A postnuptial contract or settlement is not valid or enforceable if either party commences an action for a legal separation or dissolution within two years of the date of its execution.

Subd. 2. [WRITING; EXECUTION.] Antenuptial or postnuptial contracts or settlements shall be in writing, executed in the presence of two witnesses and acknowledged by the parties, executing the same before any officer or person authorized to administer an oath under the laws of this state. ~~The agreement~~ An antenuptial contract must be entered into and executed prior to the day of solemnization of marriage.

Subd. 2a. [AMENDMENT OR REVOCATION.] An antenuptial contract or settlement may be amended or revoked after the marriage of the parties only by a valid postnuptial contract or settlement which complies with this section and with the laws of this state. A postnuptial contract or settlement may be amended or revoked only by a later, valid postnuptial contract or settlement which complies with this section and with the laws of this state.

Subd. 3. [FILING; RECORDING.] An antenuptial or postnuptial contract or settlement which by its terms conveys or determines what rights each has in the other's real property and sets forth the legal description of the real estate granted or affected by the agreement may be filed or recorded in every county where any real estate so described is situated, in the office of the county recorder for the county or in any public office authorized to receive a deed, assignment or other instrument affecting the real estate, for filing or recording.

Subd. 4. [EFFECT OF RECORDING.] Any antenuptial or postnuptial contract or settlement not recorded in the office of the county recorder or other public office authorized to receive the document, where the real property is located, shall be void as against any subsequent purchaser in good faith and for a valuable consideration of the same real property, or any part thereof, whose conveyance is first duly recorded, and as against any attachment levied thereon or any judgment lawfully obtained at the suit of any party against the person in whose name the title to the property appears of record prior to recording of the conveyance.

Subd. 5. [EVIDENCE; BURDEN OF PROOF.] An antenuptial or postnuptial contract or settlement duly acknowledged and attested shall be prima facie proof of the matters acknowledged therein and as to those matters, the burden of proof shall be and rest upon the person contesting the same.

Subd. 6. [EFFECTIVE DATE.] This section shall apply to all antenuptial contracts and settlements executed on or after August 1, 1979, and shall apply to all postnuptial contracts and settlements executed on or after August 1, 1993.

Subd. 7. [EFFECT OF SECTIONS 519.01 TO 519.101.] Nothing in sections 519.01 to 519.101, shall be construed to affect antenuptial or postnuptial contracts or settlements.

Sec. 47. Minnesota Statutes 1992, section 548.09, subdivision 1, is amended to read:

Subdivision 1. [DOCKETING; SURVIVAL OF JUDGMENT.] Except as provided in section 548.091, every judgment requiring the payment of money shall be docketed by the court administrator upon its entry. Upon a transcript of the docket being filed with the court administrator in any other county, the court administrator shall also docket it. From the time of docketing the judgment is a lien, in the amount unpaid, upon all real property in the county then or thereafter owned by the judgment debtor, but it is not a lien upon registered land unless it is also filed pursuant to sections 508.63 and 508A.63. The judgment survives, and the lien continues, for ten years after its entry. An action to renew a child support judgment may be served by first class mail at the last known address of the debtor.

Sec. 48. Minnesota Statutes 1992, section 548.091, subdivision 1a, is amended to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date

it is due and is entitled to full faith and credit in this state and any other state. Interest accrues at an annual rate of ten percent from the date the ~~judgment on the payment or installment is entered and docketed under subdivision 3a, at the annual rate provided in section 549.09, subdivision 1~~ unpaid amount due is greater than the current support due. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision.

Sec. 49. Minnesota Statutes 1992, section 548.091, subdivision 3a, is amended to read:

Subd. 3a. [ENTRY, DOCKETING, AND SURVIVAL OF CHILD SUPPORT JUDGMENT.] Upon receipt of the documents filed under subdivision 2a, the court administrator shall enter and docket the judgment in the amount of the default specified in the affidavit of default. From the time of docketing, the judgment is a lien upon all the real property in the county owned by the judgment debtor. The judgment survives and the lien continues for ten years after the date the judgment was docketed. An action to renew a child support judgment may be served by first class mail at the last known address of the debtor.

Sec. 50. Minnesota Statutes 1992, section 588.20, is amended to read:

588.20 [CRIMINAL CONTEMPTS.]

Every person who shall commit a contempt of court, of any one of the following kinds, shall be guilty of a misdemeanor:

- (1) Disorderly, contemptuous, or insolent behavior, committed during the sitting of the court, in its immediate view and presence, and directly tending to interrupt its proceedings, or to impair the respect due to its authority;
- (2) Behavior of like character in the presence of a referee, while actually engaged in a trial or hearing, pursuant to an order of court, or in the presence of a jury while actually sitting for the trial of a cause, or upon an inquest or other proceeding authorized by law;
- (3) Breach of the peace, noise, or other disturbance directly tending to interrupt the proceedings of a court, jury, or referee;
- (4) Willful disobedience to the lawful process or other mandate of a court;
- (5) Resistance willfully offered to its lawful process or other mandate;
- (6) Contumacious and unlawful refusal to be sworn as a witness, or, after being sworn, to answer any legal and proper interrogatory;
- (7) Publication of a false or grossly inaccurate report of its proceedings; or
- (8) Willful failure to pay court-ordered child support when the obligor has the ability to pay.

No person shall be punished as herein provided for publishing a true, full, and fair report of a trial, argument, decision, or other proceeding had in court.

Sec. 51. Minnesota Statutes 1992, section 595.02, subdivision 1, is amended to read:

Subdivision 1. [COMPETENCY OF WITNESSES.] Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

- (a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) An attorney employed by, under contract to, or representing a public authority in connection with a child support enforcement program cannot, without the consent of an individual applying for child support services or the consent of an AFDC recipient whose right to support has been assigned, be examined as to any communication made by the individual applicant or the AFDC recipient to the attorney, or communications made by the attorney to the individual applicant or the AFDC recipient in the course of the attorney's representation of the public authority in connection with a child support enforcement program; nor can an employee of the attorney be examined as to the communication, without the consent of the individual applicant or the AFDC recipient.

(d) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(e) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(f) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(g) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(h) A registered nurse, psychologist or consulting psychologist shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity.

(i) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(j) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) (k) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) (l) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) (m) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(m) (n) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

Sec. 52. Minnesota Statutes 1992, section 609.375, subdivision 1, is amended to read:

Subdivision 1. Whoever is legally obligated to provide care and support to a spouse who is in necessitous circumstances, or child, whether or not its custody has been granted to another, and knowingly omits and fails without lawful excuse to do so is guilty of ~~nonsupport of the spouse or child, as the case may be~~ a misdemeanor, and upon conviction ~~thereof~~ may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$300~~ \$700, or both.

Sec. 53. Minnesota Statutes 1992, section 609.375, subdivision 2, is amended to read:

Subd. 2. If the ~~knowing omission and failure without lawful excuse to provide care and support to a spouse, a minor child, or a pregnant wife~~ violation of subdivision 1 continues for a period in excess of 90 days the person is guilty of a ~~felony~~ gross misdemeanor and may be sentenced to imprisonment for not more than ~~five years~~ one year or to payment of a fine of not more than \$3,000, or both.

Sec. 54. [INCOME WITHHOLDING; SINGLE CHECK SYSTEM CENTRAL DEPOSITORY OR OTHER FISCAL AGENT.]

The commissioner of human services, in consultation with county child support enforcement agencies and other persons with relevant expertise, shall study and make recommendations on: (1) the feasibility of establishing a single check system under which employers who are implementing income withholding may make one combined payment for payments due to public authorities to one public authority or to the commissioner of human services; and (2) the feasibility of establishing a central depository or designating a fiscal agent for receipt of child support payments. The commissioner shall estimate the cost of the single check system and use of a central depository or fiscal agent and the level of fees that would be necessary to make them self-supporting. The commissioner shall report to the legislature by January 15, 1995.

Sec. 55. [ADMINISTRATIVE PROCESS FOR CHILD SUPPORT.]

The commissioner of human services, in consultation with the commissioner's advisory committee for child support enforcement, shall develop and implement a plan to restructure the administrative process for setting, modifying, and enforcing child support under Minnesota Statutes, section 518.551, subdivision 10. The plan shall implement a state-administered administrative process that is simple, streamlined, informal, uniform throughout the state, and accessible to parties without counsel no later than July 1, 1994.

Sec. 56. [PURPOSE.]

The purpose of the amendment to Minnesota Statutes 1992, section 518.64, subdivision 2, paragraph (a), dealing with the presumption of a substantial change in circumstances and self-limited income, is to conform to Code of Federal Regulations, title 42, section 303.8(d)(2).

Sec. 57. [REPEALER.]

(a) Minnesota Statutes 1992, section 256.979, is repealed.

(b) Minnesota Statutes 1992, section 609.37, is repealed.

Sec. 58. [EFFECTIVE DATE; APPLICATION.]

(a) Except as otherwise provided in this section, this act is effective August 1, 1993.

(b) Sections 18, 19, and 30 apply to child support and medical support orders entered or modified on or after the effective date.

(c) Sections 50, 52, 53, and 57, paragraph (b), are effective August 1, 1993, and apply to crimes committed on or after that date.

(d) Sections 33 and 34 are effective January 1, 1994.

(e) The provisions of sections 47 and 49 extending the length of child support judgments from ten years to 20 years apply to judgments entered on or after the effective date."

Delete the title and insert:

"A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 349A.08, subdivision 8; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, 12, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 519.11; 548.09, subdivision 1; 548.091, subdivisions 1a and 3a; 588.20; 595.02, subdivision 1; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37."

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. 1073, A bill for an act relating to health; expanding medical assistance coverage to include nutritional supplementation products; amending Minnesota Statutes 1992, section 256B.0625, subdivision 13.

Reported the same back with the following amendments:

Page 3, line 2, after the comma insert "vitamins for adults with documented vitamin deficiencies,"

Page 3, lines 10 to 17, strike the old language and delete the new language

Page 3, line 18, delete "(iv)" and insert "(iii)"

Page 3, line 19, delete "(v)" and insert "(iv)"

Page 3, strike lines 20 to 24

Page 3, line 25, strike everything before "Payment"

Page 5, after line 26, insert:

"Sec. 2. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 32. [NUTRITIONAL PRODUCTS.] (a) Medical assistance covers nutritional products needed for nutritional supplementation because solid food or nutrients thereof cannot be properly absorbed by the body or needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow's milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product. Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization. Separate payment shall not be made for nutritional products for residents of long-term care facilities. Payment for dietary requirements is a component of the per diem rate paid to these facilities.

(b) The commissioner shall designate a nutritional supplementation products advisory committee to advise the commissioner on nutritional supplementation products for which payment is made. The committee shall consist of nine members, one of whom shall be a physician, one of whom shall be a pharmacist, two of whom shall be registered dietitians, one of whom shall be a public health nurse, one of whom shall be a representative of a home health care agency, one of whom shall be a provider of long-term care services, and two of whom shall be consumers of nutritional supplementation products. Committee members shall serve two-year terms and shall serve without compensation.

(c) The advisory committee shall review and recommend nutritional supplementation products which require prior authorization. The commissioner shall develop procedures for the operation of the advisory committee so that the advisory committee operates in a manner parallel to the drug formulary committee."

Amend the title as follows:

Page 1, line 5, before the period insert ", and by adding a subdivision"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1178, A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not

provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for voluntary commitments by health plans and providers to limit the rate of growth in total revenues; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.09, subdivisions 2, 5, and 8; 62J.15, subdivisions 1 and 2; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, and 7; 62J.33; 62L.02, subdivisions 16, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 4 and 6; 62L.09, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2 and 5; 136A.1357, subdivisions 1 and 4; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.1484, subdivisions 1 and 2; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9353, subdivisions 2, 3, 5, and 6; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, 7, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivision 1; 295.55, subdivision 4; 295.58; and 295.59; proposing coding for new law in Minnesota Statutes, chapters 16B; 62J; 62N; 62O; 256; and 295; repealing Minnesota Statutes 1992, sections 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; and Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INTEGRATED SERVICE NETWORKS

Section 1. [62N.01] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] Sections 62N.01 to 62N.24 may be cited as the "Minnesota integrated service network act."

Subd. 2. [PURPOSE.] Sections 62N.01 to 62N.24 allow 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, clause (1). 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. 2. [62N.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 62N.01 to 62N.24.

Subd. 2. [ACCREDITED CAPITATED PROVIDER.] "Accredited capitated provider" means a health care providing entity meeting the requirements of section 62N.201.

Subd. 3. [COMMISSION.] "Commission" means the health care commission established under section 62J.05.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of health or that commissioner's designated representative, or the commissioner of commerce or that commissioner's designated representative, as appropriate under section 62N.04.

Subd. 5. [ENROLLEE.] "Enrollee" means an individual, including a member of a group, to whom a network is obligated to provide health services under this chapter.

Subd. 6. [HEALTH CARE PROVIDING ENTITY.] "Health care providing entity" means a participating entity that provides health care to enrollees through an integrated service network.

Subd. 6a. [HEALTH CARRIER.] "Health carrier" has the meaning given in section 62A.011.

Subd. 7. [HEALTH PLAN.] "Health plan" means a health plan as defined in section 62A.011 or coverage by an integrated service network.

Subd. 8. [INTEGRATED SERVICE NETWORK.] "Integrated service network" means a formal arrangement permitted by this chapter for providing health services under this chapter to enrollees for a fixed payment per time period.

Subd. 9. [NETWORK.] "Network" means an integrated service network as defined in this section.

Subd. 10. [PARTICIPATING ENTITY.] "Participating entity" means a health care providing entity, a risk-bearing entity, or an entity providing other services through an integrated service network.

Subd. 11. [PRICE.] "Price" means the actual amount of money paid, after discounts or other adjustments, by the person or organization paying money to buy health care coverage and health care services. "Price" does not mean the cost or costs incurred by a network or other entity to provide health care services to individuals.

Subd. 12. [RISK-BEARING ENTITY.] "Risk-bearing entity" means an entity that participates in an integrated service network so as to bear all or part of the risk of loss. "Risk-bearing entity" includes an entity that provides reinsurance, stop-loss, excess-of-loss, and similar coverage.

Sec. 3. [62N.03] [APPLICABILITY OF OTHER LAW.]

Chapters 60A, 60B, 60C, 61A, 61B, 62A, 62C, 62D, 62E, 62H, 62L, 62M, and 64B do not, except as expressly provided in this chapter or in those other chapters, apply to integrated service networks, or to entities otherwise subject to those chapters, with respect to participation by those entities in integrated service networks. Chapters 72A and 72C apply to integrated service networks, except as otherwise expressly provided in this chapter.

Integrated service networks are in "the business of insurance" for purposes of the federal McCarran-Ferguson Act, United States Code, title 15, section 1012, are "domestic insurance companies" for purposes of the federal Bankruptcy Reform Act of 1978, United States Code, title 11, section 109, and are "insurance" for purposes of the federal Employee Retirement Income Security Act, United States Code, title 29, section 1144.

Sec. 4. [62N.04] [REGULATION.]

(a) Except as otherwise provided in paragraph (b), integrated service networks are under the supervision of the commissioner of health who shall enforce this chapter. The commissioner of health has, with respect to this chapter, all enforcement and rulemaking powers available to the commissioner of health under section 62D.17.

(b) Integrated service networks operated by health carriers, as defined in section 62A.011, other than health maintenance organizations, are under the supervision of the commissioner of commerce, who shall enforce this chapter with respect to those networks. The commissioner of commerce has, for purposes of this chapter, all enforcement and rulemaking powers otherwise available to the commissioner of commerce with respect to the health carrier involved, or available to the commissioner of health for purposes of this chapter.

Sec. 5. [62N.05] [RULES GOVERNING INTEGRATED SERVICE NETWORKS.]

Subdivision 1. [RULES.] The commissioner, in consultation with the commission, may adopt emergency and permanent rules to establish more detailed requirements governing integrated service networks in accordance with this chapter.

Subd. 2. [REQUIREMENTS.] The commissioner shall include in the rules requirements that will ensure that the annual rate of growth of an integrated service network's aggregate total revenues received from purchasers and enrollees, after adjustments for changes in population size and risk, does not exceed the growth limit established in section 62J.04. A network's aggregate total revenues for purposes of these growth limits are net of the contributions, surcharges, taxes, and assessments listed in section 62O.04, subdivision 2, that the network pays. The commissioner may include in the rules the following:

- (1) requirements for licensure, including a fee for initial application and an annual fee for renewal;
- (2) quality standards;

- (3) requirements for availability and comprehensiveness of services;
- (4) requirements regarding the defined population to be served by an integrated service network;
- (5) requirements for open enrollment;
- (6) provisions for incentives for networks to accept as enrollees individuals who have high risks for needing health care services and individuals and groups with special needs;
- (7) prohibitions against disenrolling individuals or groups with high risks or special needs;
- (8) requirements that an integrated service network provide to its enrollees information on coverage, including any limitations on coverage, deductibles and copayments, optional services available and the price or prices of those services, any restrictions on emergency services and services provided outside of the network's service area, any responsibilities enrollees have, and describing how an enrollee can use the network's enrollee complaint resolution system;
- (9) requirements for financial solvency and stability;
- (10) a deposit requirement;
- (11) financial reporting and examination requirements;
- (12) limits on copayments and deductibles;
- (13) mechanisms to prevent and remedy unfair competition;
- (14) provisions to reduce or eliminate undesirable barriers to the formation of new integrated service networks;
- (15) requirements for maintenance and reporting of information on costs, prices, revenues, volume of services, and outcomes and quality of services;
- (16) a provision allowing an integrated service network to set credentialing standards for practitioners employed by or under contract with the network;
- (17) a requirement that an integrated service network employ or contract with practitioners and other health care providers, and minimum requirements for those contracts if the commissioner deems requirements to be necessary to ensure that each network will be able to control expenditures and revenues or to protect enrollees and potential enrollees;
- (18) provisions regarding liability for medical malpractice;
- (19) a method or methods to facilitate and encourage the appropriate provision of services by midlevel practitioners;
- (20) provisions regarding permissible and impermissible underwriting criteria applicable to the standard set of benefits;
- (21) a method or methods to assure that all integrated service networks are subject to the same regulatory requirements. All health carriers, including health maintenance organizations, insurers, and nonprofit health service plan corporations shall be regulated under the same rules, to the extent that the health carrier is operating an integrated service network or is a participating entity in an integrated service network; and
- (22) provisions for appropriate risk adjusters or other methods to prevent or compensate for adverse selection of enrollees into or out of an integrated service network.

Subd. 3. [CRITERIA FOR RULEMAKING.] (a) [APPLICABILITY.] The commissioner shall adopt rules governing integrated service networks based on the criteria and objectives specified in this subdivision.

(b) [COMPETITION.] The rules must encourage and facilitate competition through the collection and distribution of reliable information on the cost, prices, and quality of each integrated service network in a manner that allows comparisons between networks.

(c) [FLEXIBILITY.] The rules must allow significant flexibility in the structure and organization of integrated service networks. The rules must allow and facilitate the formation of networks by providers including primary care physicians, employers, and other organizations, in addition to health carriers.

(d) [EXPANDING ACCESS AND COVERAGE.] The rules must be designed to expand access to health care services and coverage for all Minnesotans, including individuals and groups who have preexisting health conditions, who represent a higher risk of requiring treatment, who require translation or other special services to facilitate treatment, who face social or cultural barriers to obtaining health care, or who for other reasons face barriers to access to health care and coverage. Enrollment standards must ensure that high risk and special needs populations will be included and growth limits and payment systems must be designed to provide incentives for networks to enroll even the most challenging and costly groups and populations. The rules must be consistent with the principles of health insurance reform that are reflected in Laws 1992, chapter 549.

(e) [ABILITY TO BEAR FINANCIAL RISK.] The rules must allow a variety of options for integrated service networks to demonstrate their ability to bear the financial risk of serving their enrollees to facilitate diversity and innovation and the entry into the market of new networks.

(f) [PARTICIPATION OF PROVIDERS.] The rules must not require providers to participate in an integrated service network and must allow providers to participate in more than one network and to serve both patients who are covered by an integrated service network and patients who are not. The rules must allow significant flexibility for an integrated service network and providers to define and negotiate the terms and conditions of provider participation. The rules must encourage and facilitate the participation of midlevel practitioners and allied health care practitioners and eliminate inappropriate barriers to their participation. The rules must encourage and facilitate the participation of disproportionate share providers and eliminate inappropriate barriers to their participation.

(g) [RURAL COMMUNITIES.] The rules must permit a variety of forms of integrated service networks to be developed in rural areas in response to the needs, preferences, and conditions of rural communities, utilizing to the greatest extent possible current existing health care providers and hospitals.

(h) [PRIMARY CARE.] The rules must encourage and facilitate the development and formation of integrated service networks by primary care physicians.

(i) [LIMITS ON GROWTH.] The rules must include provisions to enable the commissioner to enforce the limits on growth in health care total revenues for each integrated service network and for the entire system of integrated service networks.

(j) [STANDARD BENEFIT SET.] The commission shall make recommendations to the commissioner regarding a standard benefit set.

(k) [CONFLICT OF INTEREST.] The rules shall include provisions the commissioner deems necessary and appropriate to address integrated service networks' and participating providers' relationship to section 62J.23 or other laws relating to provider conflicts of interest.

Sec. 6. [62N.06] [AUTHORIZED ENTITIES; DATA REQUIREMENTS.]

Subdivision 1. [AUTHORIZED ENTITIES.] Any health carrier, as defined in section 62A.011, may establish and operate one or more integrated service networks if the health carrier complies with the applicable requirements of this chapter. A network may also be established and operated by a separate corporation under chapter 302A, 317A, or 319A, or by a separate cooperative under chapter 308A, if the corporation or cooperative complies with the applicable requirements of this chapter. The separate corporation or cooperative must not engage in activities unrelated to the establishment and operation of the network, without the advance written consent of the commissioner.

Subd. 2. [SEPARATE ACCOUNTING REQUIRED.] Any entity operating one or more integrated service networks shall maintain separate accounting and record keeping procedures, acceptable to the commissioner, for each integrated service network.

Subd. 3. [ENROLLEE ADVOCACY COUNCIL.] Any entity that operates an integrated service network shall create, maintain, and consult with an advocacy council, the membership of which is composed of at least 40 percent enrollees of the integrated service network. This subdivision does not apply to a nonprofit health service plan corporation operating under chapter 62C, a health maintenance organization operating under chapter 62D, or a fraternal benefit society operating under chapter 64B.

Subd. 4. [RELATIONSHIP TO ACCREDITED CAPITATED PROVIDER.] If a not for profit integrated service network corporation establishes a relationship with an accredited capitated provider under section 62N.201, the accredited capitated provider or its representatives must be granted the option to participate in the governing bodies of the network corporation, either as members, if applicable, or on the board of directors, or both, in proportion to the percentage of risk ceded as defined in section 62N.21, subdivision 1, or in such lesser proportion as the accredited capitated provider may elect.

Subd. 5. [GOVERNMENTAL SUBDIVISION.] A political subdivision may establish and operate an integrated service network directly, without forming a separate entity, and is not subject to subdivision 3 or 4. Unless otherwise specified, a network authorized under this subdivision must comply with all other provisions governing networks.

Sec. 7. [62N.066] [ADMINISTRATIVE COSTS AT RISK.]

An integrated service network shall not contract for management services with a separate entity unless:

(1) the contract complies with section 62D.19; and

(2) if the management contract exceeds ten percent of gross revenues of the integrated service network, then provisions requiring holdbacks or other risk related provisions must be no more favorable to the management contract than comparable terms contained in any contract between the integrated service network and any health care providing entity or accredited capitated provider.

Sec. 8. [62N.07] [PURPOSE.]

The legislature finds that previous cost containment efforts have focused on reducing benefits and services, eliminating access to certain provider groups, and otherwise reducing the level of care available. Under a system of overall spending controls, these cost containment approaches will, in the absence of controls on cost shifting, shift costs from the payer to the consumer, to government programs, and to providers in the form of uncompensated care. The legislature further finds that the integrated service network benefit package should be designed to promote coordinated, cost-effective delivery of all health services an enrollee needs without cost shifting. The legislature further finds that affordability of health coverage is a high priority and that lower cost coverage options should be made available through the use of copayments, coinsurance, and deductibles to reduce premium costs rather than through the exclusion of services or providers.

Sec. 9. [62N.075] [COVERED SERVICES.]

(a) An integrated service network must provide to each person enrolled a comprehensive set of appropriate and necessary health services. For purposes of this chapter, "appropriate and necessary" means services needed to maintain the enrollee in good health including as a minimum, but not limited to, emergency care, inpatient hospital and physician care, outpatient health services, and preventive health services. The commissioner may modify this definition to reflect changes in community standards, development of practice parameters, new technology assessments, and other medical innovations. These services must be delivered by authorized practitioners acting within their scope of practice. An integrated service network is not responsible for health services that are not appropriate and necessary.

(b) A network may define benefit levels through the use of consumer cost sharing but remains financially accountable for costs of the full set of comprehensive health services required.

(c) A network may offer any Medicare supplement, Medicare select, or other Medicare-related product otherwise permitted for any type of health carrier 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.

(d) Networks must comply with all continuation and conversion of coverage requirements applicable to health maintenance organizations under state or federal law.

(e) Networks must comply with sections 62A.047, 62A.27, and any other coverage of newborn infants, dependent children who do not reside with a covered person, handicapped children and dependents, and adopted children. A network providing dependent coverage must comply with section 62A.302.

(f) Networks must comply with the equal access requirements of section 62A.15, subdivision 2.

Sec. 10. [62N.08] [AVAILABILITY OF SERVICES.]

(a) An integrated service network is financially responsible to provide to each person enrolled all comprehensive health services required by statute, by the contract of coverage, or as otherwise required under section 62N.075.

(b) The commissioner shall require that networks provide all appropriate and necessary health services within a reasonable geographic distance for enrollees. The commissioner may adopt rules providing a more detailed requirement, consistent with this paragraph.

Sec. 11. [62N.085] [ESTABLISHMENT OF STANDARDIZED BENEFIT PLANS.]

The commissioner of health shall adopt emergency and permanent rules to establish not more than five standardized benefit plans which must be offered by integrated service networks. The plans must comply with the requirements of sections 62N.07 to 62N.08 and the other requirements of this chapter. The plans must 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. A network may offer additional benefits in its discretion.

Sec. 12. [62N.087] [CONSUMER COST SHARING.]

(a) A network may define benefit levels through the use of consumer cost sharing. For the purposes of this chapter, "consumer cost sharing" or "cost sharing" means copayments, deductibles, coinsurance, and other out-of-pocket expenses paid by the individual consumer of health care services.

(b) The following principles apply to cost sharing in an integrated service network:

(1) consumers must have a voice in decisions regarding cost sharing, and the process for establishing consumer cost sharing should have consumer representation and input;

(2) consumer cost sharing must be administratively feasible and consistent with efforts to reduce the overall administrative burden of the health care system;

(3) cost sharing must be based on income and an enrollee's ability to pay for services and should not create a barrier to access to appropriate and effective services;

(4) cost sharing must be capped at a predetermined annual limit 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 prevention services must not be subjected to cost sharing; and

(6) additional requirements for networks should 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.

Sec. 13. [62N.10] [LICENSING.]

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 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.

Subd. 2. [FEES.] Licensees shall pay an initial fee of \$..... and a renewal fee of \$..... each following year to the commissioner.

Subd. 3. [LOSS OF LICENSE.] The commissioner may fine a licensee or suspend or revoke a license for violations of rules or statutes pertaining to integrated service networks.

Subd. 4. [PARTICIPATION; GOVERNMENT PROGRAMS.] Integrated service networks shall, as a condition of licensure, participate in the medical assistance, general assistance medical care, and MinnesotaCare programs. The commissioner shall adopt rules specifying the participation required of the networks. The rules must be consistent with Minnesota Rules, parts 9505.5200 to 9505.5260, governing participation by health maintenance organizations in public health care programs.

Subd. 5. [APPLICATION.] Each application for an integrated service network license must be in a form prescribed by the commissioner. Each application must include the following:

(1) a copy of the basic organizational documents, including all amendments, of the applicant and, at the request of the commissioner, of each participating entity;

(2) a copy of the bylaws, rules and regulations, or similar document, if any, including all amendments, which regulate the conduct of the affairs of the applicant, and, at the request of the commissioner, of any participating entity;

(3) a list of the names, addresses, and official positions of the following:

(i) all members of the board of directors, or governing body of the local government unit, and the principal officers and shareholders of the applicant organization; and

(ii) at the request of the commissioner, all members of the board of directors, or governing body of the local government unit, and the principal officers, of any participating entity and each shareholder beneficially owning more than ten percent of any voting stock of the participating entity;

(4) the name and address of each participating entity and the agreed upon duration of each contract or agreement;

(5) a copy of the form of each contract binding any or all of the participating entities and the integrated service network;

(6) at the request of the commissioner, a copy of each contract binding any or all of the participating entities and the network. Contract information filed with the commissioner is private and subject to section 13.37, subdivision 1, clause (b), at the request of the network;

(7) a statement generally describing the applicant and the network, its network contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide enrollees with the required network services and any additional services;

(8) a copy of the form of each evidence of coverage to be issued to the enrollees;

(9) a copy of the form of each individual or group contract to be issued to enrollees or their representatives;

(10) financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement may, in the discretion of the commissioner, satisfy this requirement;

(11) a financial plan that includes a three-year projection of expenses and income and other sources of future capital;

(12) a statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

(13) a description of the complaint procedures to be used as required;

(14) a copy of any agreement between the network and an insurer or nonprofit health service plan corporation regarding reinsurance, stop-loss or excess-of-loss coverage, insolvency coverage, or any other type of coverage for potential costs of health services;

(15) a statement indicating how the network will meet its potential tort liabilities, for medical malpractice and other sources of liability, together with copies of any related insurance policies and liability-related agreements with its participating entities;

(16) a copy of the conflict of interest policy that applies to all members of the board of directors and the principal officers of the network;

(17) a statement that describes the network's prior authorization, referral, second opinion, and utilization review procedures; and

(18) other information that the commissioner may reasonably require to be provided.

Subd. 6. [DOCUMENTS ON FILE.] A network shall agree to retain in its files any documents specified by the commissioner. A network shall permit the commissioner to examine those documents at any time and shall promptly provide copies of any of them to the commissioner upon request.

Sec. 14. [62N.11] [EVIDENCE OF COVERAGE.]

Subdivision 1. [APPLICABILITY.] Every integrated service network enrollee residing in this state is entitled to evidence of coverage or contract. The integrated service network or its designated representative shall issue the evidence of coverage or contract. "Evidence of coverage" means evidence that an enrollee is covered by a group contract issued to the group.

Subd. 2. [FILING.] No evidence of coverage or contract, nor any amendment, shall be issued or delivered to any individual in this state until a copy of the form of the evidence of coverage or contract, including any amendments, has been filed with and approved by the commissioner.

Subd. 3. [CONTENTS.] Contracts and evidences of coverage must contain:

(a) no provision or statement that is unjust, unfair, inequitable, misleading, deceptive, or untrue; and

(b) a clear, concise, and complete statement of:

(1) the services or other benefits to which the enrollee is entitled under the integrated service network contract;

(2) any exclusions or limitations on the services, kind of services, benefits, or kind of benefits to be provided, including any deductible or copayment feature and requirements for referrals, prior authorizations, utilization review, and second opinions;

(3) where and in what manner information is available about how services, including emergency and out-of-area services, may be obtained;

(4) the total amount of payment and copayment, if any, for health care services and for the indemnity or service benefits, if any, that the enrollee is obligated to pay with respect to individual contracts; and

(5) a description of the network's method for resolving enrollee complaints and a statement identifying the department of health as the regulatory agency with whom grievances may be registered.

Subd. 4. [GRACE PERIOD.] A grace period of 31 days must be granted for payment of each premium for an individual integrated service network contract falling due after the first premium, during which period the contract continues in force. Individual network contracts must clearly state the existence of the grace period.

Subd. 5. [CANCELLATION OF CONTRACT.] Individual integrated service network contracts must state that the individual may cancel the contract within ten days of its receipt and have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual must be required to pay the network for any services rendered or claims paid by the network during the ten days.

Subd. 6. [TERMINATION.] The contract and evidence of coverage must clearly explain the conditions under which an integrated service network may terminate coverage.

Subd. 7. [CONTINUATION AND CONVERSION.] The contract and evidence of coverage must clearly explain continuation and conversion rights afforded to enrollees.

Subd. 8. [NOTICE.] Individual and group contract holders must be given 30 days written notice of any change in enrollee copayments or benefits.

Subd. 9. [DELIVERY OF CONTRACT.] Individual integrated service network contracts must be delivered to enrollees no later than the date coverage is effective. For enrollees with group contracts, an evidence of coverage must be delivered or issued for delivery not more than 15 days from the date the integrated service network is notified of the enrollment or the effective date of coverage, whichever is later.

Subd. 10. [COMPLAINTS.] An individual integrated service network contract and an evidence of coverage must contain a department of health telephone number that the enrollee can call to register a complaint about the network.

Sec. 15. [62N.12] [ENROLLEE RIGHTS.]

The cover page of the evidence of coverage and contract must contain a clear and complete statement of an enrollee's rights as a consumer. The statement must be in bold print and captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but need not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

"CONSUMER INFORMATION

(1) COVERED SERVICES: Services provided by (name of integrated service network) will be covered only if services are provided by participating (name of integrated service network) providers or authorized by (name of integrated service network). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.

(2) PROVIDERS: Enrolling in (name of integrated service network) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of integrated service network), you must choose among remaining (name of integrated service network) providers.

(3) REFERRALS: Certain services are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of integrated service network) providers and certain types of health care providers must be authorized by (name of integrated service network).

(4) EMERGENCY SERVICES: Emergency services from providers who are not affiliated with (name of integrated service network) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of integrated service network) and non-(name of integrated service network) providers.

(5) EXCLUSIONS: Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) CONTINUATION: You may convert to an individual integrated service network contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) CANCELLATION: Your coverage may be canceled by you or (name of integrated service network) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE BILL OF RIGHTS

(1) An enrollee has the right to available and accessible services including emergency services, as defined in your contract, 24 hours a day and seven days a week.

(2) An enrollee has the right to be informed of health problems and to receive information regarding treatment alternatives and risks that is sufficient to assure informed choice.

(3) An enrollee has the right to refuse treatment and the right to privacy of medical and financial records maintained by the integrated service network and its health care providers, in accordance with existing law.

(4) An enrollee has the right to file a grievance with the integrated service network and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the integrated service network or its health care providers.

(5) An enrollee has the right to a grace period of 31 days for the payment of each premium for an individual integrated service network contract falling due after the first premium during which period the contract shall continue in force.

(6) A Medicare enrollee has the right to voluntarily disenroll from the integrated service network and the right not to be requested or encouraged to disenroll except in circumstances specified in federal law.

(7) A Medicare enrollee has the right to a clear description of nursing home and home care benefits covered by the integrated service network."

Sec. 16. [62N.13] [ENROLLEE COMPLAINT SYSTEM.]

Subdivision 1. [SCOPE.] Every integrated service network must establish and maintain an enrollee complaint system, including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health care services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration is subject to chapter 572, except:

(1) if an enrollee elects to litigate a complaint prior to submission to arbitration; and

(2) no medical malpractice damage claim is subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 2. [COMMISSIONER REVIEW.] If a complaint involves a dispute about an integrated service network's coverage of a service, the commissioner may review the complaint and any information and testimony necessary to make a determination and order the appropriate remedy pursuant to this chapter. If the commissioner obtains or maintains information on written complaints, the information is private data on individuals under chapter 13.

Subd. 3. [EXPEDITED RESOLUTION OF COMPLAINTS ABOUT URGENTLY NEEDED SERVICE.] In addition to any remedy contained in subdivision 2, if a complaint involves a dispute about an integrated service network's coverage of an immediately and urgently needed service, the commissioner may also order the integrated service network to use an expedited system to process the complaint.

Subd. 4. [RECORDS.] The integrated service network shall maintain a record of each written complaint filed with it for five years, and the commissioner of health shall have access to the records.

Subd. 5. [DENIAL OF SERVICE.] Within a reasonable time after receiving an enrollee's written or oral communication to the integrated service network concerning a refusal of service or inadequacy of services, the integrated service network shall provide the enrollee with a written statement of the reason for the refusal of service and a statement approved by the commissioner of health that explains the integrated service network complaint procedures, and in the case of Medicare enrollees, that also explains Medicare appeal procedures.

Subd. 6. [COVERAGE OF SERVICE.] An integrated service network may not deny or limit coverage of a service that the enrollee has already received solely on the basis of a lack of prior authorization or second opinion, to the extent that the service would otherwise have been covered under the member's contract by the integrated service network had a prior authorization or second opinion been obtained.

Sec. 17. [62N.14] [MEDICAL MALPRACTICE LIABILITY.]

An entity operating an integrated service network is liable for medical malpractice committed by its employees and is not liable for the malpractice of its other health care providing entities. Each health care providing entity is liable for its own medical malpractice and is not liable for the medical malpractice of other health care providing entities or for negligent supervision of other health care providing entities. Participating entities are not jointly and severally liable for torts committed by the network or by participating providers. A network and its participating entities may by contract reallocate between themselves the risk of malpractice liability through indemnity, contribution, joint insurance, or otherwise, provided that the reallocation does not affect the rights of enrollees.

Sec. 18. [62N.15] [MARKETING.]

Subdivision 1. [PERMITTED PURCHASERS.] An integrated service network may contract to provide health services to:

- (1) individuals, including dependents;
- (2) groups of individuals, including employees of a private or public employer and individual members of an association, and their dependents;
- (3) associations or other groups comprised of groups, including associations of employers;
- (4) the public employees insurance plan and the private employers insurance program established under chapter 43A;
- (5) any state or federal health program, including medical assistance, Medicare, MinnesotaCare, or general assistance medical care; and
- (6) the comprehensive health association established in section 62E.10.

Integrated service networks are subject to section 62A.303 with respect to all enrolled groups, whether or not they are employer-based groups.

Subd. 2. [MARKETING CONDUITS.] An integrated service network may offer or sell its services through any person or method permitted to sell health coverage under chapter 60A, 60K, 62C, 62D, or 62L. Persons regulated under those chapters with respect to sales of coverage are subject to the supervision of the commissioner of commerce with respect to marketing of network coverage. The commissioner of health may adopt rules permitting the marketing of network coverage through other means.

Sec. 19. [62N.16] [UNDERWRITING AND RATING.]

Subdivision 1. [APPLICABILITY.] Except as provided in subdivision 3, this section applies to the standard benefit plans under section 62N.085 and does not apply to additional benefits. This section does not require coverage by an integrated service network of any group or individual residing outside of the network's service area. A network's service area is a geographic service region agreed to by the commissioner and the network at the time of licensure. This section does not apply to any group that the commissioner determines is organized or functions primarily to provide coverage to one or more high risk individuals. The commissioner may adopt rules specifying other types of groups to which this section does not apply.

Subd. 2. [GROUP MEMBERS.] Integrated service networks shall charge the same rate for each individual in a group, except as appropriate to provide dependent or family coverage. Rates for individuals covered under programs of the department of human services shall be determined by the commissioner of human services and specified in the contract between the commissioner and the integrated service network.

Subd. 3. [SMALL EMPLOYERS.] To provide services to employees of a small employer as defined in section 62L.02, integrated service networks shall comply with chapter 62L.

Sec. 20. [62N.17] [RELATIONSHIP; NETWORKS; COMPREHENSIVE HEALTH ASSOCIATION.]

Subdivision 1. [MEMBERSHIP.] An entity operating an integrated service network is and must remain a contributing member of the comprehensive health association established under section 62E.10. Participating entities that are members of that association are assessable by the association on revenues derived from or through networks. Participating entities may claim a credit against assessment liability for assessments paid by the network with respect to the same premiums.

Subd. 2. [PHASE-IN OF ASSESSMENTS.] Assessments under section 62E.11 for integrated service networks in which at least 51 percent of the governance rights are controlled by health care providing entities or accredited capitated providers shall be phased in as follows:

(1) for calendar years 1993, 1994, and 1995, the assessment shall be 20 percent of the assessment that otherwise would have been levied for those years;

(2) for calendar year 1996, the assessment shall be 40 percent of the assessment that otherwise would have been levied for those years;

(3) for calendar year 1997, the assessment shall be 60 percent of the assessment that otherwise would have been levied for those years;

(4) for calendar year 1998, the assessment shall be 80 percent of the assessment that otherwise would have been levied for those years.

Sec. 21. [62N.18] [INSOLVENCY.]

Subdivision 1. [EFFECTS ON ENROLLEES.] Coverage by an integrated service network is not covered by the life and health insurance guaranty association under chapter 61B. Subject to section 62N.201, subdivision 9, when an entity corporation operating a network becomes insolvent, its enrollees have the right to receive the same alternative coverage provided by the comprehensive health association under section 62D.181 to enrollees in insolvent health maintenance organizations.

Subd. 2. [NOTICE TO ENROLLEES.] Prospective enrollees in an integrated service network must be given, prior to their commitment to enroll, a written notice, on a form approved by the commissioner, describing the effects of, and their rights in the event of, an insolvency of the entity operating the network.

Sec. 22. [62N.19] [LIQUIDATION, REHABILITATION, AND CONSERVATION PROCEEDINGS.]

The liquidation, rehabilitation, and conservation provisions of section 62D.18 and chapter 60B apply to an integrated service network.

Sec. 23. [62N.20] [RISK-BEARING ENTITIES.]

An entity operating an integrated service network may retain the risk of providing coverage or may transfer all or any part of the risk through purchase of reinsurance, including but not limited to stop-loss or excess-of-loss coverage, from an assuming insurer that qualifies under section 60A.092, a nonprofit health service plan corporation operating under chapter 62C, a health maintenance organization operating under chapter 62D, or another entity if first approved by the commissioner.

Sec. 24. [62N.201] [ACCREDITED CAPITATED PROVIDERS.]

Subdivision 1. [DEFINITION.] An accredited capitated provider is a health care providing entity that:

(1) receives capitated payments from an integrated service network under a contract to provide health services to enrollees;

(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 with the power to vote, or holds proxies representing, no less than 80 percent of the voting securities or governance rights of any other person; and

(3) is approved by the commissioner as an accredited capitated provider.

Subd. 2. [STANDARDS.] The commissioner shall accredit a health care providing entity that has the operational capacity, facilities, personnel, and financial capability to provide the services that it has contracted to provide to enrollees of the integrated service network during the term of the contract, assuming that the health care providing entity receives no more than one-half of the payments that its contract with the network entitles it to receive from the network for the services.

Subd. 3. [RULES.] The commissioner may adopt emergency and permanent rules under this section necessary to establish criteria for meeting the standard in subdivision 2 and a process for accreditation. In establishing criteria to evaluate operational capabilities, the commissioner shall consider the level of services to be provided by the health care provider entity relative to its existing services capabilities. In establishing criteria to evaluate financial capability, the commissioner shall consider any of the following: the entity's debt rating, if any, certification by an independent consulting actuary that the entity meets the standards under subdivision 2, the availability of allocated or restricted funds, the health care providing entity's net worth, the availability of letters of credit from a bank or other financial institution meeting the requirements of section 60A.093, subdivision 2, the taxing authority of the entity or governmental sponsor of the entity, or any other criteria that the commissioner may reasonably establish. In the case of a health care provider organized as a professional corporation under chapter 319A, the commissioner shall also consider, in evaluating the financial capabilities of such provider, the health care providing entity's net revenues, accounts receivable, number of health care providers under contract to provide services, existing indebtedness, and other alternative criteria that the commissioner may reasonably establish to measure the ability of such health care providing entity to provide the level of services.

Subd. 4. [ORGANIZATIONS PERMITTED.] A health care providing entity seeking accreditation under this section may be organized under chapter 302A, 308A, 317A, or 319A, or may be a 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, 447.31, or 471.59, or under any special law authorizing or establishing a hospital or hospital district.

Subd. 5. [OTHER RELATIONSHIPS PERMITTED.] Accreditation of a health care providing entity does not preclude that entity from other participation in the structure or operation of an integrated service network, including, without limitation, participation as a member, owner, guarantor, lender, or provider of services. An integrated service network may make capitated payments consistent with section 62N.22 to nonaccredited health care providing entities.

Subd. 6. [NO COMPELLED ACCREDITATION.] No health care providing entity may be compelled by an integrated service network to obtain accreditation under this section.

Subd. 7. [EFFECT OF OTHER LAWS.] An accredited capitated provider shall not, solely by reason of accreditation under this section, be considered to be an insurance company under chapter 60, a health maintenance organization under chapter 62D, a nonprofit health service plan corporation under chapter 62C, or an integrated service network under this chapter.

Subd. 8. [RIGHT TO OBTAIN PAYMENT.] Accreditation of a health care providing entity does not in itself limit the ability of the accredited capitated provider to seek payment of unpaid capitated amounts from an integrated service network, whether the integrated service network is solvent or insolvent; provided that, if the integrated service network is the subject of liquidation, rehabilitation, or conservation proceedings under section 62N.19, the accredited capitated provider has the status accorded creditors under section 60B.44, subdivision 10.

Subd. 9. [EFFECT OF INSOLVENCY.] (a) If an integrated service network with which an accredited capitated provider has contracted becomes insolvent, the enrollees of the integrated service network shall continue to receive, and the accredited capitated provider shall continue to provide, covered services from the accredited capitated provider for the remainder of the term of the contract between the integrated service network and the accredited capitated provider, if the accredited capitated provider remains solvent. At any time, including the time of expiration of the contract between the network and any accredited capitated provider, that accredited capitated providers do not provide to an enrollee all covered services that the insolvent network was obligated to provide, the enrollee may enroll in the comprehensive health association under section 62N.18, subdivision 1. Coverage by the comprehensive health association is secondary to the obligations of any accredited capitated providers, which are primary. The person's premium payable to the comprehensive health association must be reduced appropriately to reflect the existence of the primary coverage.

(b) If the accredited capitated provider becomes insolvent but the integrated service network remains solvent, the integrated service network shall arrange alternative care for the enrollees.

(c) If both the integrated service network and the accredited capitated provider become insolvent, the enrollees have the rights described in section 62N.18, subdivision 1.

Sec. 25. [62N.21] [INSOLVENCY PREVENTION.]

Subdivision 1. [DEFINITIONS.] (a) The definitions provided in this subdivision apply to this section:

(b) "Admitted assets" means admitted assets as defined in section 62D.044.

(c) "Net worth" means net worth as defined in section 62D.02, subdivision 15.

(d) "Working capital" means current assets minus current liabilities.

(e) "Guaranteeing organization" means an organization that has agreed to make necessary contributions or advancements to an integrated service network to maintain the network's required net worth.

(f) "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 an integrated service network to all accredited capitated providers during any contract year and the total premium revenue, adjusted to eliminate expected administrative costs, received or, in the case of a new organization, expected to be received, for the same time period by the integrated service network.

Subd. 2. [NET WORTH REQUIREMENT.] Except as permitted by subdivision 4 or 5, every entity operating an integrated service network must maintain a minimum net worth equal to the lesser of:

(1) \$1,000,000; or

(2) an amount equal to at least 16-2/3 percent of the sum of all expenditures expected to be incurred in the network's first 12 months of operation or, for an existing network, at least 16-2/3 percent of the sum of all expenditures incurred in the most recent calendar year.

Subd. 3. [PHASE-IN PROVISION.] A network satisfies subdivision 2 if the network meets the following phase-in schedule:

(1) 25 percent of the amount required by subdivision 2 as of the date that the network begins providing services;

(2) 50 percent of the amount required by subdivision 2 as of the end of the network's first year of providing services, except that if that date is not December 31, the network need not comply until the next December 31;

(3) 75 percent of the amount required by subdivision 2 as of the December 31 immediately following the December 31 deadline provided in clause (2); and

(4) 100 percent of the amount required by subdivision 2 as of the December 31 immediately following the December 31 deadline provided in clause (3).

Subd. 4. [REDUCTION FOR ACCREDITED CAPITATED PROVIDERS.] If an integrated service network has contracts with accredited capitated providers, and for only so long as those contracts or successor contracts remain in force, the net worth requirements of subdivision 2 or 3 are reduced by the percentage of risk ceded.

Subd. 5. [EXCEPTION FOR PRIMARY CARE NETWORK.] The net worth requirements of subdivisions 2 and 3 shall not apply to an integrated service network in which at least 51 percent of the governance rights are controlled by primary care physicians or their affiliates. For purposes of this section, an "affiliate" is an entity that is directly or indirectly controlled by such primary care physicians, and "control" exists when primary care physicians directly or indirectly own, control, or hold with the power to vote, or hold proxies representing, no less than 80 percent of the voting securities or governance rights of any such entity. For purposes of this section, a "primary care physician" is a licensed family practice physician and such other categories of physicians as the commissioner may determine are engaged in primary care.

Subd. 6. [WORKING CAPITAL.] An integrated service network must maintain a positive working capital. If the network fails to meet this requirement, the commissioner and the network shall comply with section 62D.042, subdivision 7.

Subd. 7. [INVESTMENT OF NETWORK ASSETS.] An integrated service network shall invest its assets only in compliance with section 62D.045.

Subd. 8. [CREDIT FOR REINSURANCE.] An integrated service network may credit against its liabilities 90 percent of the premiums that it pays for reinsurance that complies with section 62N.20.

Subd. 9. [GUARANTEEING ORGANIZATION.] With the written approval of the commissioner, an integrated service network may satisfy the net worth requirement by arranging for a guaranteeing organization to assume the network's obligation to maintain the required net worth. A guaranteeing organization for a network shall comply with section 62D.043. A guaranteeing organization that is a health care provider may assume all or any part of a network's net worth requirement by issuing to the network a promissory note fully secured by a real estate mortgage recorded in the office of the county recorder or filed in the office of the county registrar of titles. A promissory note fully secured as described in this subdivision counts toward the net worth requirement in the amount of the note. The network shall provide a title opinion or title insurance policy and an appraisal of the real estate securing the promissory note at the request of the commissioner or as otherwise required by rule. The promissory note may instead be fully secured by marketable securities under a pledge agreement acceptable to the commissioner.

Subd. 10. [DEPOSIT REQUIREMENT.] (a) An integrated service network shall maintain at all times on deposit with the commissioner \$300,000 worth of cash, securities, or any combination of cash and securities. Securities must be United States Treasury obligations, unless otherwise permitted by the commissioner. The network may withdraw interest accrued on the deposit on a quarterly basis or as otherwise approved by the commissioner. With the approval of the commissioner, the deposit may be held by a third party independent trustee in a custodial or controlled account. A deposit is an admitted asset and counts toward the network's required net worth. A network may follow a phase-in schedule to comply with this paragraph as follows:

(1) \$150,000 as of the date that the network begins operations; and

(2) \$300,000 as of one year later.

(b) In lieu of the amount required under paragraph (a), the rules adopted under section 62N.05 may provide a deposit requirement specified on a per enrollee basis and eligible for a phase-in schedule no more lenient than that provided in paragraph (a).

(c) If an integrated service network has contracts with accredited capitated providers, and for only so long as those contracts or successor contracts remains in force, the deposit requirement under paragraph (a) is reduced by the percentage of risk ceded, as defined in subdivision 1.

(d) An integrated service network meeting the requirements of subdivision 5 shall be excepted from the deposit requirement under paragraph (a).

Subd. 11. [USE OF DEPOSIT.] If the integrated service network is placed under an order of rehabilitation or conservation, the commissioner shall use the deposit to protect the interests of the enrollees and assure continuation of health care services to enrollees. If the network is placed under an order of liquidation, the deposit is an asset subject to chapter 60B, except that the commissioner has a lien on the deposit to reimburse the commissioner for administrative costs directly attributable to the insolvency.

Subd. 12. [FINANCIAL REPORTING.] An integrated service network shall submit financial reports to the commissioner as required by section 62D.08 or as the commissioner otherwise requires by rule.

Subd. 13. [FINANCIAL EXAMINATIONS.] An integrated service network and its participating entities and guaranteeing organizations are subject to examination by the commissioner under section 62D.14 or as the commissioner otherwise requires by rule.

Subd. 14. [SURPLUS NOTES PERMITTED.] An integrated service network may issue one or more surplus notes, with the approval of the commissioner. For statutory accounting purposes, amounts received by the integrated service network under a surplus note may be treated as contributed surplus for all purposes, including the satisfaction of the network's net worth requirements under this section. The liability of the network under each surplus note must be subordinated in the same manner as preferred ownership claims under section 60B.44, subdivision 10; provided however, that payments of interest and principal under a surplus note may be made by the network if required by the note, so long as the network, by reason of the payment or otherwise, is not insolvent, and does not or would not fail to meet the net worth requirements of this section, but the network shall not make any payment prohibited by the commissioner.

Subd. 15. [GOVERNMENT EXEMPTION.] An integrated service network authorized under section 62N.06, subdivision 5, is exempt from subdivision 2. In determining whether a political subdivision may operate a network, the commissioner may consider factors that provide evidence regarding the financial reliability of the political subdivision.

Sec. 26. [62N.22] [RELATIONSHIPS WITH PROVIDERS.]

Subdivision 1. [CONTRACTS.] An integrated service network's relationship with health care providers must be by contract, except in the case of covered out-of-network services. Any reimbursement method not prohibited by the commissioner is allowable, including fee-for-service, salary, and capitation. A copy of each contract between an integrated service network and any or all of its providers must be kept on file by the network and made available to the commissioner upon request. The contract must include the hold harmless provision stated in section 62D.123, subdivision 1. The contract may permit providers to receive payment from an enrollee for services not covered by the enrollee's network contract, but only based upon a written agreement between the provider and the enrollee after the network has provided written notice that the network has denied coverage for the service.

Subd. 2. [SERVICES.] Providers may contract with an integrated service network to provide all or a portion of the services that an integrated service network must provide. Providers may choose not to participate in an integrated service network, may participate in more than one integrated service network, or may simultaneously serve both integrated service network enrollees and regulated all-payer system patients.

Sec. 27. [62N.23] [TECHNICAL ASSISTANCE; LOANS.]

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating 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 shall grant loans for organizational and start-up expenses to entities forming 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. 28. [62N.24] [REVIEW OF RULES.]

The commissioner of health shall present all proposed emergency and permanent rules adopted under this chapter and chapters 62J and 62O to the house and senate health and human services committees for review, prior to final adoption by that commissioner. The commissioner of commerce shall present all proposed emergency and permanent rules under this chapter and chapters 62J or 62O to the house committee on financial institutions and insurance and to the senate committee on commerce and consumer protection for review prior to final adoption by that commissioner.

Sec. 29. Minnesota Statutes 1992, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH MAINTENANCE ORGANIZATION; INTEGRATED SERVICE NETWORK SURCHARGE.] 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 licensed by the commissioner under sections 62N.01 to 62N.22 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 as reported to the commissioner of health according to the schedule in subdivision 4.

Sec. 30. Minnesota Statutes 1992, section 256.9657, is amended by adding a subdivision to read:

Subd. 4. [PHASE-IN PROVISION.] The surcharge described in subdivision 3 for integrated service networks in which at least 40 percent of the governance rights are controlled by health care providing entities shall be phased in as follows:

- (1) for calendar years 1993 and 1994, the surcharge shall be zero;
- (2) for calendar year 1995, the surcharge shall be two-tenths of one percent;
- (3) for calendar year 1996, the surcharge shall be three-tenths of one percent;
- (4) for calendar year 1997, the surcharge shall be four-tenths of one percent;
- (5) for calendar year 1998, the surcharge shall be five-tenths of one percent; and
- (6) for calendar year 1999, the surcharge shall be six-tenths of one percent.

Sec. 31. [STUDY OF STANDARDIZED PLAN.]

The Minnesota health care commission shall study methods of providing access to and control of prescribed medications and a set of comprehensive community pharmacy services, within the standardized benefit plans that integrated service networks are required to offer. These services must include:

- (a) review of the patient's drug therapy to assure:
 - (1) use of an appropriate drug;
 - (2) a safe and effective dose of the drug;
 - (3) the potential for drug interactions and adverse reactions; and
 - (4) the presence of duplicate or unnecessary drug therapy;
- (b) provision of objective and unbiased drug information to patients in order to assure compliance with prescribed regimens;
- (c) provision of objective and unbiased drug information to other health care providers needed to assure appropriate drug therapy; and

(d) appropriate follow-up care to assure that the drug therapy achieves positive outcomes and to eliminate or minimize negative outcomes.

These pharmacy services shall be conducted in the community pharmacy setting at the pharmacy/patient interface.

The commission shall present recommendations to the legislature and the governor by February 1, 1994.

Sec. 32. [BORDER COMMUNITIES.]

The commissioner of health shall monitor the effects of integrated service networks and the regulated all-payer system in communities in which a substantial proportion of health care services provided to Minnesota residents are provided in states bordering Minnesota and may amend the rules adopted under this article or article 2 to minimize effects that inhibit Minnesota residents' ability to obtain access to quality health care. The commissioner shall report to the Minnesota health care commission and the legislature any effects that the commissioner intends to address by amendments to the rules adopted under this article or article 2.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective the day following final enactment, but no integrated service network may provide health care services prior to January 1, 1994.

ARTICLE 2

REGULATED ALL-PAYER SYSTEM GOVERNING SERVICES NOT PROVIDED THROUGH INTEGRATED SERVICE NETWORKS

Section 1. [62O.01] [REGULATED ALL-PAYER SYSTEM.]

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.

Sec. 2. [62O.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 January 1, 1995, the regulated all-payer system shall begin to be phased in with full implementation by January 1, 1997. During the transition period, all premium rates and provider fees shall be set in accordance with sections 620.04 and 620.05.

Sec. 3. [620.04] [EXPENDITURE TARGETS FOR HEALTH CARRIERS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health carrier" has the definition provided in section 62A.011.

(c) "Total expenditures" mean incurred claims or expenditures on health care services, plus administrative expenses.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish expenditure targets for total expenditures by health carriers, for calendar years 1994 and 1995. The expenditure targets must be consistent with and developed as part of the annual limits on the rate of growth in health care spending established under section 62].04, subdivision 1. Each health carrier's expenditure target must be net of contributions to the Minnesota comprehensive health association, the provider 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, and any new assessments imposed by federal or state action.

Subd. 3. [DETERMINATION OF EXPENDITURES.] Health carriers shall submit to the commissioner of health by April 1, 1994, for calendar year 1993, and by April 1, 1995, for calendar year 1994, 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 62], to minimize the administrative burden on health carriers. Health carriers 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 approved in advance by the commissioner as actuarially justified and consistent with the methodology and assumptions used by the health carrier. The methodology to be used for adjustments must be submitted to the commissioner by September 1, 1993.

Subd. 4. [MONITORING OF RESERVES.] The commissioner of health shall monitor health carrier reserves, to ensure that savings resulting from the establishment of expenditure targets are passed on to consumers in the form of lower premium rates. The commissioner shall establish the following upper and lower limits on health carrier reserves:

(a) All health carriers, except those licensed under chapter 60A to sell accident and sickness insurance under chapter 62A and health maintenance organizations licensed under chapter 62D, shall maintain a reserve of at least 16-2/3 percent but not greater than 33-1/3 percent of the sum of all health service claims incurred, plus administrative expenses in connection therewith, during the most current calendar year.

(b) Health carriers licensed under chapter 60A to sell accident and sickness insurance under chapter 62A 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 unless the health carrier establishes to the satisfaction of the commissioner of commerce that the proposed new rate would comply with this paragraph.

(c) Health maintenance organizations licensed under chapter 62D shall maintain a reserve of at least 8-1/3 percent but not greater than 25 percent of the sum of all health service claims incurred, plus administrative expenses incurred in connection with them, during the most current calendar year.

Subd. 5. [NOTICE.] The commissioner of health shall publish in the State Register and make available to the public by May 1, 1995, a list of all health carriers 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 May 1, 1996, a list of all health carriers that exceeded their combined expenditure target for calendar years 1994 and 1995. The commissioner shall notify each health carrier that the commissioner has determined that the carrier exceeded its expenditure target, at least 30 days before publishing the list, and shall provide each carrier 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 regulated by the commissioner of commerce. The commissioner of commerce, in consultation with the commissioner of health, shall enforce compliance by those health carriers.

Subd. 7. [ENFORCEMENT.] The commissioners of health and commerce shall enforce the reserve limits established in subdivision 4, with respect to the health carriers that each commissioner respectively regulates. Each commissioner shall require health carriers under the commissioner's jurisdiction to submit plans of corrective action when the reserve requirement is not met. Each commissioner has under this section all enforcement and rulemaking authority that the commissioner otherwise has with respect to the health carrier. Carriers that exceed the expenditure targets based on two-year average expenditure data or whose reserves exceed the limits established in subdivision 4 shall be required by the appropriate commissioner to pay back the amount overspent through an assessment on the carrier. The appropriate commissioner may approve a different repayment method to take into account the carrier's financial condition.

Subd. 8. [STUDY.] The commissioner of commerce shall study and report to the legislature, no later than December 15, 1993, as to whether the concept of a reserves corridor for purposes of monitoring revenues is adaptable for use with indemnity health insurers that do business in multiple states and that must comply with their domiciliary state's reserves requirement.

Sec. 4. [62O.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 revenue limits for health care providers, for calendar years 1994 and 1995. The revenue limits must be consistent with and developed as part of the annual limits on the rate of growth in health care spending established under section 62J.04, subdivision 1. Health care providers may adjust final revenue figures for case mix complexity, inpatient to outpatient conversion, payer mix, out-of-period settlements, taxes, donations, grants, and legislative initiatives that materially change health care costs. A health care provider's revenues for purposes of these growth limits are net of the contributions, surcharges, taxes, and assessments listed in section 62O.04, subdivision 2, 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 a reduction in the rate of growth of health care spending. The commissioner shall monitor hospital revenue by examining net patient revenue per adjusted admission. 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 average 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 audits conducted by the commissioner. The commissioner shall 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 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, the commissioner may adjust the percentage increase in the fee schedule to account for changes in utilization.

Sec. 5. [APPLICABILITY OF OTHER LAWS.]

Except as expressly provided in rules adopted under this chapter, to the extent that a provider provides services in the regulated all-payer system, the provider is subject to all other statutes and rules that apply to providers of that type on the effective date of this section, including, as applicable, Minnesota Statutes, sections 62J.17 and 62J.23.

Sec. 6. [STUDY OF THE TRANSITION TO AN ALL-PAYER SYSTEM.]

The Minnesota health care commission shall study issues related to the transition to an all-payer system and shall report to the legislature and the governor by February 1, 1994. The report must include, but is not limited to, recommendations to minimize any financial and administrative burden of an all-payer system on providers in areas of the state without integrated service networks, increase the availability of integrated service networks in rural areas of the state, encourage the development of provider-managed integrated service networks, and ensure continued access to necessary health care services in all areas of the state.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment.

ARTICLE 3

DATA COLLECTION AND COST CONTROL INITIATIVES

Section 1. Minnesota Statutes 1992, 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; 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. 2. Minnesota Statutes 1992, section 62J.04, subdivision 1, is amended to read:

Subdivision 1. [~~COMPREHENSIVE BUDGET LIMITS ON THE RATE OF GROWTH.~~] (a) The commissioner of health shall set an annual ~~limit~~ limits on the rate of growth of public and private spending on health care services for Minnesota residents, as provided in paragraph (b). The ~~limit~~ limits on growth must be set at a ~~level~~ levels the commissioner determines to be realistic and achievable but that will ~~slow reduce the current~~ rate of growth in health care spending by at least ten percent per year using the spending growth rate for 1991 as a base year. ~~This limit must be achievable through good faith, cooperative efforts of health care consumers, purchasers, and providers 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 plus .. 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 plus .. 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 plus .. 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 plus .. 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 plus .. 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 limits in the State Register by March 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. 3. Minnesota Statutes 1992, section 62J.04, is amended by adding a subdivision to read:

Subd. 1a. [ENFORCEMENT OF LIMITS ON GROWTH.] (a) The commissioner shall enforce limits on growth in spending and revenues for integrated service networks and for the regulated all-payer system. For purposes of enforcing limits, the commissioner may adjust a growth limit to account for differences between the actual and forecasted change in health care spending. 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.

(b) 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.

(c) 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.

Sec. 4. Minnesota Statutes 1992, section 62J.04, subdivision 2, is amended to read:

Subd. 2. [DATA COLLECTION BY COMMISSIONER.] For purposes of setting forecasting rates of growth in health care spending and setting limits under this section subdivisions 1 and 1a, the commissioner shall may collect from all Minnesota health care providers data on patient revenues and health care spending received during a time period specified by the commissioner. The commissioner shall may also collect data on health care revenues and spending from all group purchasers of health care. All Health care providers and group purchasers doing business in the state shall provide the data requested by the commissioner at the times and in the form specified by the commissioner. Professional licensing boards and state agencies responsible for licensing, registering, or regulating providers shall cooperate fully with the commissioner in achieving compliance with the reporting requirements.

Subd. 2a. [FAILURE TO PROVIDE DATA.] The intentional failure to provide reports the data requested under this section chapter is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider. The commissioner may assess a fine against a provider who refuses to provide information data required by the commissioner under this section. If a provider refuses to provide a report or information the data required under this section, the commissioner may obtain a court order requiring the provider to produce documents and allowing the commissioner to inspect the records of the provider for purposes of obtaining the information data required under this section.

Subd. 2b. [DATA PRIVACY.] All data received is private or nonpublic, ~~trade secret information under section 13.37 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 ~~provided to the Minnesota health care commission released by the commissioner~~ is in a form that does not identify individual 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. 5. Minnesota Statutes 1992, section 62J.09, is amended by adding a subdivision to read:

Subdivision 1a. [DUTIES RELATED TO COST CONTAINMENT.] (a) [ALLOCATION OF REGIONAL SPENDING LIMITS.] Regional coordinating boards may advise the commissioner regarding allocation of annual regional limits on the rate of growth for providers in the regulated all-payer system in order to:

(1) achieve communitywide and regional public health goals consistent with those established by the commissioner; and

(2) promote access to and equitable reimbursement of preventive and primary care providers.

(b) [TECHNICAL ASSISTANCE.] Regional coordinating boards, in cooperation with the commissioner, shall provide technical assistance to parties interested in establishing or operating an integrated service network within the region. This assistance must complement assistance provided by the commissioner under section 62N.23.

Sec. 6. Minnesota Statutes 1992, section 62J.33, is amended to read:

62J.33 [TECHNICAL ASSISTANCE INFORMATION ON COST AND QUALITY FOR PURCHASERS.]

Subdivision 1. [HEALTH CARE ANALYSIS UNIT.] The health care analysis unit shall provide ~~technical assistance information to health plan and health care assist~~ group purchasers and consumers in making informed decisions regarding purchasing of health care services. The unit shall provide information allowing comparisons between integrated service networks and between health care services and systems. The unit shall collect information about:

(1) premiums, benefit levels, patient or enrollee satisfaction, managed care procedures, health care outcomes, and other features of popular ~~popular~~ integrated service networks, health plans, and health carriers; and

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

(3) information on health care services not provided through integrated service networks, including information on prices, costs, expenditures, utilization, quality of care, and outcomes.

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

Subd. 2. [INFORMATION CLEARINGHOUSE.] The commissioner of health shall establish an information clearinghouse within the department of health to facilitate the ability of consumers, employers, providers, health carriers, and others to obtain information on health care costs and quality in Minnesota. The commissioner shall make available through the clearinghouse information developed or collected by the department of health on practice parameters, outcomes data and research, the costs and quality of integrated service networks, reports or recommendations of the health planning advisory committee and other entities on technology assessments, worksite wellness and prevention programs, other wellness programs, consumer education, and other initiatives. The clearinghouse shall, upon request, make available information submitted voluntarily by health plans, providers, employers, and others if the information clearly states that an entity other than the state submitted the information, identifies the entity, and states that distribution by the clearinghouse does not imply endorsement of the entity or the information by the commissioner of health or the state of Minnesota. The clearinghouse shall also refer requesters to sources of further information or assistance. The clearinghouse is subject to chapter 13.

Sec. 7. [62].35] [DATA COLLECTION.]

Subdivision 1. [CONTRACTING.] The commissioner may contract with private organizations to carry out the data collection initiatives required by this chapter. The commissioner shall require in the contract that organizations under contract adhere to the data privacy requirements established under this chapter and chapter 13.

Subd. 2. [EMERGENCY RULES.] The commissioner shall adopt emergency and permanent rules to implement the data collection and reporting requirements in this chapter. The commissioner may combine all data reporting and collection requirements into a unified process so as to minimize duplication and administrative costs.

Sec. 8. [62].37] [DATA FROM INTEGRATED SERVICE NETWORKS.]

The commissioner shall require integrated service networks operating under section 62N.06, subdivision 1, to submit data on health care spending and revenue for calendar year 1994 by February 15, 1995. Each February 15 thereafter, integrated service networks shall submit to the commissioner data on health care spending and revenue for the preceding calendar year. The data must be provided in the form specified by the commissioner. To the extent that an integrated service network is operated by a group purchaser under section 62N.06, subdivision 2, the integrated service network is exempt from this section and the group purchaser must provide data on the integrated service network under section 62].38.

Sec. 9. [62].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, 1994, and each February 15 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, 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. 10. [62].40] [DATA FROM STATE AGENCIES.]

In addition to providing the data required under section 62].38, the commissioners of human services, commerce, labor and industry, and employee relations and all other state departments or agencies that administer one or more health care programs shall provide to the commissioner of health any additional data on the health care programs they administer that is requested by the commissioner of health, including data in unaggregated form, for purposes of developing estimates of spending, setting spending limits, and monitoring actual spending. The data must be provided at the times and in the form specified by the commissioner of health.

Sec. 11. [62].41] [DATA FROM PROVIDERS.]

Subdivision 1. [DATA TO BE COLLECTED FROM PROVIDERS.] The commissioner shall require health care providers to collect and provide both patient specific information and descriptive and financial aggregate data on:

- (1) the total number of patients served;
- (2) the total number of patients served by state of residence and Minnesota county;
- (3) the site or sites where the health care provider provides services;

- (4) the number of individuals employed, by type of employee, by the health care provider;
- (5) the services and their costs for which no payment was received;
- (6) total revenue by type of payer, including but not limited to, revenue from Medicare, medical assistance, MinnesotaCare, nonprofit health service plan corporations, commercial insurers, integrated service networks, health maintenance organizations, and individual patients;
- (7) revenue from research activities;
- (8) revenue from educational activities;
- (9) revenue from out-of-pocket payments by patients;
- (10) revenue from donations; and
- (11) any other data required by the commissioner, including data in unaggregated form, for the purposes of developing spending estimates, setting spending limits, monitoring actual spending, and monitoring costs and quality.

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, 1994. Health care providers shall submit data for the 1994 calendar year by February 15, 1995, and each February 15 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.

Subd. 3. [PUBLIC HEALTH GOALS.] The commissioner shall establish specific public health goals including, but not limited to, increased delivery of prenatal care, improved birth outcomes, and expanded childhood immunizations. The commissioner shall consider the community public health goals and the input of the statewide advisory committee on community health in establishing the statewide goals. The commissioner shall require health care providers and integrated service networks to maintain and periodically report information on changes in health outcomes related to specific public health goals. The information must be provided at the times and in the form specified by the commissioner.

Subd. 4. [REGIONAL PUBLIC HEALTH GOALS.] The regional coordinating boards shall adopt regional public health goals based on the relevant portions of the community health service plans, plans required by the Minnesota comprehensive adult mental health act and the Minnesota comprehensive children's mental health act, and community social service act plans developed by county boards or community health boards in the region under chapters 145A, 245, and 256E.

Sec. 12. [62].42] [QUALITY, UTILIZATION, AND OUTCOME DATA.]

The commissioner shall also require group purchasers and health care providers to maintain and periodically report information on quality of care, utilization, and outcomes. The information must be provided at the times and in the form specified by the commissioner.

Sec. 13. [62].44] [PUBLICATION OF DATA.]

(a) Notwithstanding section 62J.04, subdivision 2b, the commissioner may publish data on health care costs and spending, quality and outcomes, and utilization for health care institutions, individual health care professionals and groups of health care professionals, group purchasers, and integrated service networks, with a description of the methodology used for analysis, in order to provide information to purchasers and consumers of health care. The commissioner shall not reveal the name of an institution, group of professionals, individual health care professional, group purchaser, or integrated service network until after the institution, group of professionals, individual health care professional, group purchaser, or integrated service network has had 15 days to review the data and comment. The commissioner shall include any comments received in the release of the data.

(b) Summary data derived from data collected under this chapter may be provided under section 13.05, subdivision 7, and may be released in studies produced by the commissioner or otherwise in accordance with chapter 13.

Sec. 14. [62].45] [DATA INSTITUTE.]

Subdivision 1. [STATEMENT OF PURPOSE.] It is the intention of the legislature to create a public-private mechanism for the collection of health care expenditures and outcome data, to the extent administratively efficient and effective. This integrated data system will provide clear, usable information on the cost, quality, and structure of health care services in Minnesota.

The health reform initiatives being implemented rely heavily on the availability of valid, objective data that currently are collected in many forms within the health care industry. Data collection needs cannot be efficiently met by undertaking separate data collection efforts.

The data institute created in this section will be a partnership between the commissioner of health and a board of directors representing health carriers and other group purchasers, health care providers, and consumers. These entities will work together to establish a centralized cost and quality data system that will be used by the public and private sectors. The data collection advisory committee and the practice parameter advisory committee shall provide assistance to the institute.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following definitions apply.

(a) "Board" means the board of directors of the data institute.

(b) "Encounter level data" means data related to the provision of health care services to individual patients, enrollees, or insureds, including claims data, abstracts of medical records, and data from patient interviews and patient surveys.

(c) "Health carrier" has the definition provided in section 62A.011, subdivision 2.

Subd. 3. [OBJECTIVES OF THE DATA INSTITUTE.] The data institute shall:

(1) provide direction and coordination for public and private sector data collection efforts;

(2) establish a data system that provides users of data with the data necessary for their specific interests, in order to promote a high quality, cost-effective, consumer-responsive health care system;

(3) use and build upon existing data sources and quality measurement efforts, and improve upon these existing data sources and measurement efforts through the integration of data systems and the standardization of concepts, to the greatest extent possible;

(4) ensure that each segment of the health care industry can obtain data for appropriate purposes in a useful format and timely fashion; and

(5) protect the privacy of individuals and minimize administrative costs.

The institute shall carry out these activities in accordance with the recommendations of the data collection plan developed by the data collection advisory committee, the Minnesota health care commission, and the commissioner of health, under subdivision 4.

Subd. 4. [DATA COLLECTION PLAN.] The commissioner, in consultation with the data collection advisory committee and the Minnesota health care commission, shall develop and implement a plan that:

(1) provides data collection objectives, strategies, priorities, cost estimates, administrative and operational guidelines, and implementation timelines for the data institute; and

(2) identifies the encounter level data needed for the commissioner to carry out the duties assigned in this chapter.

The plan must take into consideration existing data sources and data sources that can easily be made uniform for linkages to other data sets.

Subd. 5. [COMMISSIONER'S DUTIES.] The commissioner shall establish a public/private data institute in conjunction with health care providers, health carriers and other group purchasers, and consumers, to collect and process encounter level data that are required to be submitted to the commissioner under this chapter. The commissioner shall not collect encounter level data from individual health care providers until standardized forms and procedures are available. The commissioner shall establish a board of directors comprised of members of the public and private sector to provide oversight for the administration and operation of the institute. The commissioner may intervene in the direct operation of the institute, if this is necessary in the judgment of the commissioner to accomplish the institute's duties.

Subd. 6. [BOARD OF DIRECTORS.] The institute is governed by a 23-member board of directors consisting of the following members:

(1) two representatives of hospitals, one appointed by the Minnesota Hospital Association and one appointed by the Minnesota Health Care Council;

(2) three representatives of health carriers, one appointed by the Minnesota Council of Health Maintenance Organizations, one appointed by Blue Cross Blue Shield, and one appointed by the Insurance Federation of Minnesota;

(3) three consumer members appointed by the commissioner, at least one of whom must be a labor union representative;

(4) four employer representatives appointed by the Minnesota Chamber of Commerce, two of whom must represent employers with less than 50 employees;

(5) two physicians appointed by the Minnesota Medical Association;

(6) two pharmacists appointed by the Minnesota Pharmacists Association;

(7) one nursing representative appointed by the Minnesota Nurses Association;

(8) four representatives of state agencies, one member representing the department of employee relations, one member representing the department of human services, one member representing the department of commerce, and one member representing the department of health; and

(9) two researchers experienced in the collection and processing of encounter level data to be appointed by the commissioner. No more than 11 members of the board of directors may be of one gender. Appointing authorities shall consult with each other to assure compliance with this requirement. Appointing authorities shall also consult with each other to attempt to assure geographical balance.

Subd. 7. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] The board is governed by section 15.0575.

Subd. 8. [STAFF.] The board may hire an executive director. The executive director is not a state employee but is covered by section 3.736. The executive director may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans. The attorney general shall provide legal services to the board.

Subd. 9. [DUTIES.] The board shall provide assistance to the commissioner in determining what data projects should be pursued and how data will be validated for statistical and clinical significance. If the commissioner intends to depart from the advice and recommendations of the board, the commissioner shall inform the board of the intended departure, provide a written explanation of the reasons for the departure, and give the board the opportunity to comment on the departure. The board shall advise and make recommendations to the commissioner on:

(1) the purpose of initiating a data collection project;

(2) the expected benefit to the state from the project;

(3) the methodology needed to assure the validity of the project without creating an undue burden to providers and payers;

(4) the most appropriate method of collecting the necessary data; and

(5) the projected cost to the state, health care providers, health carriers, and other group purchasers to complete the project.

Subd. 10. [DATA COLLECTION.] The commissioner, in consultation with the data institute board, may select a vendor to:

(1) collect the encounter level data required to be submitted by group purchasers under sections 62J.38 and 62J.42, state agencies under section 62J.40, and health care providers under sections 62J.41 and 62J.42, using, to the greatest extent possible, standardized forms and procedures;

(2) collect the encounter level data required for the initiatives of the health care analysis unit, under sections 62J.30 to 62J.34, using, to the greatest extent possible, standardized forms and procedures;

(3) process the data collected to ensure validity, consistency, accuracy, and completeness, and as appropriate, merge data collected from different sources;

(4) provide unaggregated, encounter level data to the health care analysis unit within the department of health; and

(5) carry out other duties assigned in this section.

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, is responsible for establishing the methodology for the collection and analysis of the data and the development and dissemination of reports.

(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.

Subd. 12. [CONTRACTING.] The commissioner, in consultation with the board, may contract with private sector entities to carry out the duties assigned in this section. The commissioner shall diligently seek to enter into contracts with private sector entities. Any contract must list the specific data to be collected and the methods to be used to collect and validate the data. Any contract must require the private sector entity to maintain the data collected according to the data privacy provisions applicable to the data.

Subd. 13. [DATA PRIVACY.] The board and the institute are subject to chapter 13.

Subd. 14. [STANDARDS FOR DATA RELEASE.] The data institute shall adopt standards for the collection, analysis, and dissemination of data collected on costs, spending, quality, outcomes, and utilization. These standards must be consistent with data privacy requirements. Standards for data on health care costs and spending must ensure that the data are collected, analyzed, and disseminated with consistency, accuracy, and completeness. Standards for data on quality, outcomes, and utilization must ensure that the data are collected, analyzed, and disseminated using scientifically and statistically valid techniques that are accurate and reliable, adjust for severity, and are appropriate for evaluating practice patterns and outcomes.

Subd. 15. [INFORMATION CLEARINGHOUSE.] The commissioner shall coordinate the activities of the data institute with the activities of the information clearinghouse established in section 62J.33, subdivision 2.

Subd. 16. [FEDERAL AND OTHER GRANTS.] The commissioner, in collaboration with the board, shall seek federal funding and funding from private and other nonstate sources for the initiatives required by the board.

Sec. 15. [62J.46] [MONITORING AND REPORTS.]

Subdivision 1. [LONG-TERM CARE COSTS.] The commissioner, with the advice of the interagency long-term care planning committee established under section 144A.31, shall use existing state data resources to monitor trends in public and private spending on long-term care costs and spending in Minnesota. The commissioner shall recommend to the legislature any additional data collection activities needed to monitor these trends. State agencies collecting information on long-term care spending and costs shall coordinate with the interagency long-term care planning committee and the commissioner to facilitate the monitoring of long-term care expenditures in the state.

Subd. 2. [COST SHIFTING.] The commissioner shall monitor the extent to which reimbursement rates for government health care programs lead to the shifting of costs to private payers. By January 1, 1995, the commissioner shall report any evidence of cost shifting to the legislature and make recommendations on adjustments to the cost containment plan that should be made due to cost shifting.

Sec. 16. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall insert section 62J.04, subdivisions 2, 2a, and 2b, as subdivisions 1, 2, and 3 in section 62J.35, and renumber the other subdivisions of section 62J.35 as subdivisions 4 and 5 of that section in the next and subsequent editions of Minnesota Statutes.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following final enactment.

ARTICLE 4

TECHNOLOGY ADVISORY COMMITTEE

Section 1. [16B.1021] [STATE NEGOTIATED VOLUME DISCOUNTS.]

The commissioner of administration, in cooperation with the commissioners of employee relations, health, and human services, shall establish a drug volume purchasing program under which the state will negotiate volume discounts from drug distributors and manufacturers on behalf of those pharmacies, health carriers, integrated service networks, employers, and other organizations that choose to participate in the program. The purpose of the program is to enable small purchasers to obtain lower prices on drugs as a result of the discounts that can be obtained through large volume purchasing.

Sec. 2. Minnesota Statutes 1992, section 62J.03, is amended by adding a subdivision to read:

Subd. 9. [SAFETY.] "Safety" means a judgment of the acceptability or risk of using a technology in a specified situation.

Sec. 3. Minnesota Statutes 1992, section 62J.15, subdivision 1, is amended to read:

Subdivision 1. [~~HEALTH PLANNING TECHNOLOGY ADVISORY COMMITTEE.~~] The ~~Minnesota health care commission~~ commissioner shall convene an advisory committee to ~~make recommendations regarding the use and distribution~~ conduct evaluations of existing technology assessments made by other entities of new and existing health care technologies and procedures and major capital expenditures by providers. The advisory committee may include members of the state commission and other persons appointed by the commission. The advisory committee must include at least one person representing physicians, at least one person representing hospitals, and at least one person representing the health care technology industry. Health care technologies and procedures include high-cost pharmaceuticals, organ and other high-cost transplants, high-cost drugs, devices, procedures, knowledge, or processes applied to human health care procedures and devices excluding United States Food and Drug Administration approved implantable or wearable medical devices, such as high-cost transplants and expensive, large scale technologies such as scanners and imagers. The advisory committee is governed by section 15.0575, subdivision 3, except that members do not receive per diem payments.

Subd. 1a. [DEFINITION.] For purposes of sections 62J.15 to 62J.156, the terms "evaluate," "evaluation," and "evaluating" mean the review or reviewing of technology assessments conducted by other entities of a specific technology and its specific clinical application.

Sec. 4. [62J.152] [DUTIES OF TECHNOLOGY ADVISORY COMMITTEE.]

Subdivision 1. [GENERALLY.] The technology advisory committee established in section 62J.15 shall:

- (1) develop criteria and processes for evaluating health care technology assessments made by other entities;
- (2) conduct evaluations of specific technology and its specific clinical application; and
- (3) report the results of the evaluations to the commissioner and the Minnesota health care commission.

Subd. 2. [PRIORITIES FOR DESIGNATING TECHNOLOGIES FOR ASSESSMENT.] The technology advisory committee shall consider the following criteria in designating technologies for evaluation:

- (1) the level of controversy within the medical or scientific community, including questionable or undetermined efficacy;
- (2) the cost implications;
- (3) the potential for rapid diffusion;
- (4) the impact on a substantial patient population;
- (5) the existence of alternative technologies;
- (6) the impact on patient safety and health outcome;
- (7) the public health importance;
- (8) the level of public and professional demand;
- (9) the social, ethical, and legal concerns; and
- (10) the prevalence of the disease or condition.

The committee may give different weights or attach different importance to each of the criteria, depending on the technology being considered. The committee shall consider any additional criteria approved by the commissioner and the Minnesota health care commission.

Subd. 3. [CRITERIA FOR EVALUATING TECHNOLOGY.] In developing the criteria for evaluating specific technologies, the technology advisory committee shall consider safety, improvement in health outcomes, and the degree to which a technology is clinically effective and cost-effective, and other factors.

Subd. 4. [TECHNOLOGY EVALUATION PROCESS.] (a) The technology advisory committee shall collect and evaluate studies and research findings on the technologies selected for evaluation from as wide of a range of sources as needed, including, but not limited to: federal agencies or other units of government, international organizations conducting health care technology assessments, health carriers, insurers, manufacturers, professional and trade associations, nonprofit organizations, and academic institutions. The technology advisory committee may use consultants or experts and solicit testimony or other input as needed to evaluate a specific technology.

(b) When the evaluation process on a specific technology has been completed, the technology advisory committee shall submit a preliminary report to the information clearinghouse. The preliminary report must include the results of the technology assessment evaluation, studies and research findings considered in conducting the evaluation, and the technology advisory committee's summary statement about the evaluation. Any interested persons or organizations may submit to the technology advisory committee written comments regarding the technology evaluation within 30 days from the date the preliminary report was submitted. The technology advisory committee's final report on its technology evaluation must be submitted to the information clearinghouse. Any written comments received by the technology advisory committee within the 30-day period must be included with the final report.

Subd. 5. [USE OF TECHNOLOGY EVALUATION.] Once the technology advisory committee has evaluated a specific technology, the final report and any written comments shall be provided to the commissioner and the Minnesota health care commission. The final report on the technology evaluation may also be used:

- (1) by the commissioner in retrospective and prospective review of major expenditures;
- (2) by integrated service networks and other group purchasers and by employers, in making coverage, contracting, purchasing, and reimbursement decisions;

(3) by government programs and regulators of the regulated all-payer system, in making coverage, contracting, purchasing, and reimbursement decisions;

(4) by the commissioner and other organizations in the development of practice parameters;

(5) by health care providers in making decisions about adding or replacing technology and the appropriate use of technology;

(6) by consumers in making decisions about treatment;

(7) by medical device manufacturers in developing and marketing new technologies; and

(8) as otherwise needed by health care providers, health care plans, consumers, and purchasers.

Subd. 6. [APPLICATION TO THE REGULATED ALL-PAYER SYSTEM.] The technology advisory committee shall recommend to the Minnesota health care commission and the commissioner methods to control the diffusion and use of technology within the regulated all-payer system for services provided outside of an integrated service network.

Subd. 7. [DATA GATHERING.] In evaluating a specific technology, the technology advisory committee may seek the use of data collected by manufacturers, health plans, professional and trade associations, nonprofit organizations, academic institutions, or any other organization or association that may have data relevant to the committee's technology evaluation. All information obtained under this subdivision shall be considered nonpublic data under section 13.02, subdivision 9, unless the data is already available to the public generally or upon request.

Sec. 5. [62J.153] [CONFLICTS OF INTEREST.]

No member of the technology advisory committee may participate or vote in the committee's proceedings involving an individual provider, purchaser or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the committee's proceedings other than as an individual consumer of health care services.

Sec. 6. [62J.154] [TORT CLAIMS DEFENSE AND INDEMNIFICATION.]

The technology advisory committee established under section 62J.15 is included within the definition of "state" in section 3.732, subdivision 1, clause (1). Members of the technology advisory committee shall be considered "employees of the state" as defined in section 3.732, subdivision 1, clause (2).

Sec. 7. [62J.156] [CLOSED COMMITTEE HEARINGS.]

Notwithstanding section 471.705, the technology advisory committee may meet in closed session to discuss a specific technology or procedure that involves data received under section 62J.152, subdivision 7, that have been classified as nonpublic data, where disclosure of the data would cause harm to the competitive or economic position of the source of the data.

Sec. 8. [REPEALER.]

Minnesota Statutes 1992, section 62J.15, subdivision 2, is repealed.

ARTICLE 5

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 3.732, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the housing finance agency, the higher education coordinating board, the higher education facilities authority, the technology advisory committee, the practice parameter advisory committee, the armory building commission, the zoological board, the iron range resources and rehabilitation board, the state agricultural society, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota national guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor or members of the Minnesota national guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. "Employee of the state" includes a public defender appointed by the state board of public defense, and a member of the technology advisory committee or the practice parameter advisory committee.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

Sec. 2. [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 carrier, 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 carrier" has the meaning given in section 62A.011, subdivision 2, except that for purposes of this section, the term also includes for-profit affiliates of health carriers.

(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 carrier 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.] All health care providers and health carriers 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 carriers 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 carriers subject to subdivision 2 have reported the information required in subdivision 3, and shall verify that all health care providers and health carriers have complied with the salary ratio limitation. The commissioner shall notify all health care providers and health carriers in violation of subdivision 2, and shall provide four years for the health care provider or health carrier to comply with the salary ratio limitation. The commissioner shall require health care providers and health carriers to submit the information necessary to demonstrate compliance. If at the end of four years the health care provider or health carrier has not complied, the commissioner, in conjunction with the appropriate agency commissioner or commissioners, shall prohibit the health care provider or health carrier 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. 3. Minnesota Statutes 1992, section 60A.02, subdivision 1a, is amended to read:

Subd. 1a. [ASSOCIATION OR ASSOCIATIONS.] (a) "Association" or "associations" means an organized body of people who have some interest in common and that has at the onset a minimum of 100 persons; is organized and maintained in good faith for purposes other than that of obtaining insurance except as provided in paragraph (c); and has a constitution and bylaws which provide that: (1) the association or associations hold regular meetings not less frequently than annually to further purposes of the members; (2) except for credit unions, the association or associations collect dues or solicit contributions from members; (3) the members have voting privileges and representation on the governing board and committees, which provide the members with control of the association including the purchase and administration of insurance products offered to members; and (4) the members are not, within the first 30 days of membership, directly solicited, offered, or sold an insurance policy if the policy is available as an association benefit.

(b) An association may apply to the commissioner for a waiver of the 30-day waiting period for that association. The commissioner may grant the waiver upon a finding of all of the following: (1) the association is in full compliance with this subdivision; (2) sanctions have not been imposed against the association as a result of significant disciplinary action by the commissioner; and (3) at least 80 percent of the association's income comes from dues, contributions, or sources other than income from the sale of insurance, or the association meets all requirements of paragraph (c).

(c) An association may be organized for the sole purpose of obtaining insurance or other health care coverage only if the association is organized by one or more employers, community organizations, local governments, or other entities not engaged in the business of providing health insurance or other health care coverage. No member of the association may be a health carrier as defined in section 62A.011, health plan, integrated service network, or other entity that provides a health plan as defined in section 62A.011, or other health care coverage. Any contract for the purchase of a health plan or other health care coverage must be negotiated at arm's length. The association is subject to this chapter and all other applicable statutes and rules.

Sec. 4. Minnesota Statutes 1992, section 62J.04, subdivision 3, is amended to read:

Subd. 3. [COST CONTAINMENT DUTIES.] After obtaining the advice and recommendations of the Minnesota health care commission, the commissioner shall:

(1) establish statewide and regional limits on growth in total health care spending under this section, monitor regional and statewide compliance with the spending limits, and take action to achieve compliance to the extent authorized by the legislature;

(2) divide the state into no fewer than four regions, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area but excluding Chisago, Isanti, Wright, and Sherburne counties, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve spending limits;

(3) provide technical assistance to regional coordinating boards;

(4) monitor the quality of health care throughout the state, conduct consumer satisfaction surveys, and take action as necessary to ensure an appropriate level of quality;

(5) develop issue recommendations regarding uniform billing forms, uniform electronic billing procedures and data interchanges, patient identification cards, and other uniform claims and administrative procedures for health care providers by January 1, 1993 and private and public sector payers. In developing the recommendations, the commissioner shall review the work of the work group on electronic data interchange (WEDI) and the American National Standards Institute (ANSI) at the national level, and the work being done at the state and local level. The commissioner may adopt rules requiring the use of the Uniform Bill 82/92 form, the National Council of Prescription Drug Providers (NCPDP) 3.2 electronic version, the Health Care Financing Administration 1500 form, or other standardized forms or procedures;

(6) undertake health planning responsibilities as provided in section 62J.15;

(7) monitor and promote the development and implementation of practice parameters;

(8) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(9) designate referral centers of excellence for specialized and high-cost procedures and treatment and establish minimum standards and requirements for particular procedures or treatment;

(10) within the limits of appropriations for these purposes, administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services, undertake prevention programs including initiatives to improve birth outcomes, expand childhood immunization efforts, and provide start-up grants for worksite wellness programs;

(11) administer the health care analysis unit under ~~Laws 1992, chapter 549, article 7 sections 62J.30 to 62J.34;~~ and

(12) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans.

Sec. 5. Minnesota Statutes 1992, section 62J.04, subdivision 4, is amended to read:

Subd. 4. [CONSULTATION WITH THE COMMISSION.] ~~Before~~ When the law requires the commissioner of health to consult with the Minnesota health care commission when undertaking any of the duties required under this chapter and chapter 62N, the commissioner of health shall consult with the ~~Minnesota health care~~ commission and obtain the commission's advice and recommendations. If the commissioner intends to depart from the commission's recommendations, the commissioner shall inform the commission of the intended departure, provide a written explanation of the reasons for the departure, and give the commission an opportunity to comment on the intended departure. If, after receiving the commission's comment, the commissioner still intends to depart from the commission's recommendations, the commissioner shall notify each member of the legislative ~~oversight~~ commission on health care access of the commissioner's intent to depart from the recommendations of the Minnesota health care commission. The notice to the legislative ~~oversight~~ commission must be provided at least ten days before the commissioner takes final action. If emergency action is necessary that does not allow the commissioner to obtain the advice and recommendations of the Minnesota health care commission or to provide advance notice and an opportunity for comment as required in this subdivision, the commissioner shall provide a written notice and explanation to the Minnesota health care commission and the legislative ~~oversight~~ commission at the earliest possible time.

Sec. 6. [62].211] [SMALL GROUP PURCHASING POOLS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "purchasing pool" means a group, however organized, of purchasers of health coverage, including purchasers of health plans as defined in section 62A.011, subdivision 3, coverage by integrated service networks, or services in connection with self-insured plans.

Subd. 2. [ASSISTANCE TO PRIVATE PURCHASING POOLS.] The commissioners of health and commerce shall encourage the formation of private small group purchasing pools to enable small groups to benefit from the market advantages and efficiencies of large purchasing groups. Within the limits of appropriations provided for this purpose, the commissioner of health, in consultation with the commissioner of commerce, may provide loans for start-up costs and reserves to assist new purchasing pools.

Subd. 3. [REGIONAL PURCHASING POOLS.] Regional coordinating boards may sponsor the formation of regional purchasing pools to enable small groups in the region to purchase health coverage as a large group. Regional purchasing pools are eligible for assistance and start-up loans under subdivision 2.

Sec. 7. [62].212] [COLLABORATION ON PUBLIC HEALTH GOALS.]

The commissioner of health shall require integrated service networks to collaborate with public health agencies to achieve communitywide and regional public health goals. The commissioner may increase regional spending limits if public health goals for that region are achieved. Within the limits of appropriations provided for this purpose, the commissioner of health may provide grants to integrated service networks and other private organizations or adopt spending limits to collaborate with public health agencies in implementing wellness programs and other initiatives to improve public health outcomes.

Sec. 8. [151.461] [GIFTS TO PRACTITIONERS PROHIBITED.]

It is unlawful for any manufacturer or wholesale drug distributor, or any agent thereof, to offer or give any gift of value to a practitioner or legislator. As used in this section, "gift" does not include:

- (1) professional samples of a drug provided to a prescriber for free distribution to patients;
- (2) items with a total combined retail value, in any calendar year, of not more than \$25;
- (3) a payment to the sponsor of a medical conference, professional meeting, or other educational program, provided the payment is not made directly to a practitioner and is used solely for bona fide educational purposes;
- (4) reasonable honoraria and payment of the reasonable expenses of a practitioner who serves on the faculty at a professional or educational conference or meeting;
- (5) compensation for the substantial professional or consulting services of a practitioner in connection with a genuine research project; or

(6) salaries or other benefits paid to employees.

Violation of this section is a misdemeanor.

Sec. 9. Minnesota Statutes 1992, section 151.47, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] All wholesale drug distributors are subject to the requirements in paragraphs (a) to (e) (f).

(a) No person or distribution outlet shall act as a wholesale drug distributor without first obtaining a license from the board and paying the required fee.

(b) No license shall be issued or renewed for a wholesale drug distributor to operate unless the applicant agrees to operate in a manner prescribed by federal and state law and according to the rules adopted by the board.

(c) The board may require a separate license for each facility directly or indirectly owned or operated by the same business entity within the state, or for a parent entity with divisions, subsidiaries, or affiliate companies within the state, when operations are conducted at more than one location and joint ownership and control exists among all the entities.

(d) As a condition for receiving and retaining a wholesale drug distributor license issued under sections 151.42 to 151.51, an applicant shall satisfy the board that it has and will continuously maintain:

- (1) adequate storage conditions and facilities;
 - (2) minimum liability and other insurance as may be required under any applicable federal or state law;
 - (3) a viable security system that includes an after hours central alarm, or comparable entry detection capability; restricted access to the premises; comprehensive employment applicant screening; and safeguards against all forms of employee theft;
 - (4) a system of records describing all wholesale drug distributor activities set forth in section 151.44 for at least the most recent two-year period, which shall be reasonably accessible as defined by board regulations in any inspection authorized by the board;
 - (5) principals and persons, including officers, directors, primary shareholders, and key management executives, who must at all times demonstrate and maintain their capability of conducting business in conformity with sound financial practices as well as state and federal law;
 - (6) complete, updated information, to be provided to the board as a condition for obtaining and retaining a license, about each wholesale drug distributor to be licensed, including all pertinent corporate licensee information, if applicable, or other ownership, principal, key personnel, and facilities information found to be necessary by the board;
 - (7) written policies and procedures that assure reasonable wholesale drug distributor preparation for, protection against, and handling of any facility security or operation problems, including, but not limited to, those caused by natural disaster or government emergency, inventory inaccuracies or product shipping and receiving, outdated product or other unauthorized product control, appropriate disposition of returned goods, and product recalls;
 - (8) sufficient inspection procedures for all incoming and outgoing product shipments; and
 - (9) operations in compliance with all federal requirements applicable to wholesale drug distribution.
- (e) An agent or employee of any licensed wholesale drug distributor need not seek licensure under this section.

(f) A wholesale drug distributor shall file an annual report with the board, in a form prescribed by the board, identifying all payments, honoraria, reimbursement or other compensation authorized under section 151.461, clauses (3) to (5), paid to practitioners in Minnesota during the preceding calendar year. The report shall identify the nature and value of any payments totaling \$100 or more, to a particular practitioner during the year, and shall identify the practitioner. Reports filed under this provision are public data.

Sec. 10. [REQUESTS FOR FEDERAL ACTION.]

The commissioner of health shall seek changes in or waivers from federal statutes or regulations as necessary to implement the provisions of this act. The commissioner of human services shall request and diligently pursue waivers from the federal laws relating to health coverages provided under the medical assistance and Medicare programs, so as to permit the state to provide medical assistance benefits through integrated service networks and permit Medicare to be provided in Minnesota through integrated service networks.

Sec. 11. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "centers of excellence" to "referral centers" wherever they appear in Minnesota Statutes, chapters 62D and 62J, in the next and subsequent editions of Minnesota Statutes and Minnesota Rules, parts 4685.0100 to 4685.3400.

ARTICLE 6

COST CONTAINMENT AMENDMENTS

Section 1. Minnesota Statutes 1992, section 62J.03, subdivision 8, is amended to read:

Subd. 8. [PROVIDER OR HEALTH CARE PROVIDER.] "Provider" or "health care provider" means a person or organization other than a nursing home that provides health care or medical care services within Minnesota for a fee, ~~as further defined in rules adopted by the commissioner, and is eligible for reimbursement under the medical assistance program under chapter 256B.~~ 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 carrier, 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.

Sec. 2. Minnesota Statutes 1992, section 62J.04, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] A person or organization aggrieved may appeal a decision of the commissioner under sections 62J.17 and 62J.23 through a contested case proceeding under chapter 14. The appeal must be brought within 30 days of receiving notice of the commissioner's decision. For purposes of this subdivision, "person aggrieved" has the meaning given in section 14.63.

Sec. 3. Minnesota Statutes 1992, section 62J.04, subdivision 7, is amended to read:

Subd. 7. [PLAN FOR CONTROLLING GROWTH IN SPENDING.] (a) By January 15, 1993, the Minnesota health care commission shall submit to the legislature and the governor for approval a plan, with as much detail as possible, for slowing the growth in health care spending to the growth rate identified by the commission, beginning July 1, 1993. The goal of the plan shall be to reduce the growth rate of health care spending, adjusted for population changes, so that it declines by at least ten percent per year for each of the next five years. ~~The commission shall use the rate of spending growth in 1991 as the base year for developing its plan.~~ The plan may include tentative targets for reducing the growth in spending for consideration by the legislature.

(b) In developing the plan, the commission shall consider the advisability and feasibility of the following options, but is not obligated to incorporate them into the plan:

(1) data and methods that could be used to calculate regional and statewide spending limits and the various options for expressing spending limits, such as maximum percentage growth rates or actuarially adjusted average per capita rates that reflect the demographics of the state or a region of the state;

(2) methods of adjusting spending limits to account for patients who are not Minnesota residents, to reflect care provided to a person outside the person's region, and to adjust for demographic changes over time;

(3) methods that could be used to monitor compliance with the limits;

(4) criteria for exempting spending on research and experimentation on new technologies and medical practices when setting or enforcing spending limits;

(5) methods that could be used to help providers, purchasers, consumers, and communities control spending growth;

(6) methods of identifying activities of consumers, providers, or purchasers that contribute to excessive growth in spending;

- (7) methods of encouraging voluntary activities that will help keep spending within the limits;
- (8) methods of consulting providers and obtaining their assistance and cooperation and safeguards that are necessary to protect providers from abrupt changes in revenues or practice requirements;
- (9) methods of avoiding, preventing, or recovering spending in excess of the rate of growth identified by the commission;
- (10) methods of depriving those who benefit financially from overspending of the benefit of overspending, including the option of recovering the amount of the excess spending from the greater provider community or from individual providers or groups of providers through targeted assessments;
- (11) methods of reallocating health care resources among provider groups to correct existing inequities, reward desirable provider activities, discourage undesirable activities, or improve the quality, affordability, and accessibility of health care services;
- (12) methods of imposing mandatory requirements relating to the delivery of health care, such as practice parameters, hospital admission protocols, 24-hour emergency care screening systems, or designated specialty providers;
- (13) methods of preventing unfair health care practices that give a provider or group purchaser an unfair advantage or financial benefit or that significantly circumvent, subvert, or obstruct the goals of this chapter;
- (14) methods of providing incentives through special spending allowances or other means to encourage and reward special projects to improve outcomes or quality of care; and
- (15) the advisability or feasibility of a system of permanent, regional coordinating boards to ensure community involvement in activities to improve affordability, accessibility, and quality of health care in each region.

Sec. 4. Minnesota Statutes 1992, section 62J.05, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) [NUMBER.] The Minnesota health care commission consists of ~~25~~ 26 members, as specified in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence. The governor and legislature shall coordinate appointments under this subdivision to ensure gender balance and ensure that geographic areas of the state are represented in proportion to their population.

(b) [HEALTH PLAN COMPANIES.] The commission includes four members representing health plan companies, including one member appointed by the Minnesota Council of Health Maintenance Organizations, one member appointed by the Insurance Federation of Minnesota, one member appointed by Blue Cross and Blue Shield of Minnesota, and one member appointed by the governor.

(c) [HEALTH CARE PROVIDERS.] The commission includes ~~six~~ seven members representing health care providers, including one member appointed by the Minnesota Hospital Association, one member appointed by the Minnesota Medical Association, one member appointed by the Minnesota Nurses' Association, one member appointed by the Minnesota Pharmacists' Association, one rural physician appointed by the governor, and two members appointed by the governor to represent providers other than hospitals, physicians, pharmacists, and nurses.

(d) [EMPLOYERS.] The commission includes four members representing employers, including (1) two members appointed by the Minnesota Chamber of Commerce, including one self-insured employer and one small employer; and (2) two members appointed by the governor.

(e) [CONSUMERS.] The commission includes five consumer members, including three members appointed by the governor, one of whom must represent persons over age 65; one appointed under the rules of the senate; and one appointed under the rules of the house of representatives.

(f) [EMPLOYEE UNIONS.] The commission includes three representatives of labor unions, including two appointed by the AFL-CIO Minnesota and one appointed by the governor to represent other unions.

(g) [STATE AGENCIES.] The commission includes the commissioners of commerce, employee relations, and human services.

(h) [CHAIR.] The governor shall designate the chair of the commission from among the governor's appointees.

Sec. 5. Minnesota Statutes 1992, section 62J.05, is amended by adding a subdivision to read:

Subd. 9. [REPEALER.] This section is repealed effective July 1, 1996.

Sec. 6. Minnesota Statutes 1992, section 62J.09, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) [NUMBER OF MEMBERS.] Each regional ~~health care management~~ coordinating board consists of ~~16~~ 17 members as provided in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence. The governor shall appoint the chair of each regional board from among its members.

(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 ~~three~~ 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 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. 7. Minnesota Statutes 1992, section 62J.09, subdivision 5, is amended to read:

Subd. 5. [CONFLICTS OF INTEREST.] No member may ~~participate or vote in~~ participate or vote in regional coordinating board proceedings involving an individual provider, purchaser, or patient, or a specific activity or transaction, if the member has a direct financial interest in the outcome of the regional coordinating board's proceedings other than as an individual consumer of health care services. A member with a direct financial interest may participate in the proceedings, without voting, provided that the member discloses any direct financial interest to the regional coordinating board at the beginning of the proceedings.

Sec. 8. Minnesota Statutes 1992, section 62J.09, is amended by adding a subdivision to read:

Subd. 6a. [CONTRACTING.] The commissioner, at the request of a regional coordinating board, may contract on behalf of the board with an appropriate regional organization to provide staff support to the board, in order to assist the board in carrying out the duties assigned in this section.

Sec. 9. Minnesota Statutes 1992, section 62J.09, subdivision 8, is amended to read:

Subd. 8. [REPEALER.] This section is repealed effective July 1, ~~1993~~ 1996.

Sec. 10. Minnesota Statutes 1992, section 62J.17, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given.

(a) [ACCESS.] "Access" has the meaning given in section 62J.2912, subdivision 2.

(b) [CAPITAL EXPENDITURE.] "Capital expenditure" means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance.

(c) [COST.] "Cost" means the amount paid by consumers or third party payers for health care services or products.

(d) [DATE OF THE MAJOR SPENDING COMMITMENT.] "Date of the major spending commitment" means the date the provider formally obligated itself to the major spending commitment. The obligation may be incurred by entering into a contract, making a down payment, issuing bonds or entering a loan agreement to provide financing for the major spending commitment, or taking some other formal, tangible action evidencing the provider's intention to make the major spending commitment.

(b) (e) [HEALTH CARE SERVICE.] "Health care service" means:

(1) a service or item that would be covered by the medical assistance program under chapter 256B if provided in accordance with medical assistance requirements to an eligible medical assistance recipient; and

(2) a service or item that would be covered by medical assistance except that it is characterized as experimental, cosmetic, or voluntary.

"Health care service" does not include retail, over-the-counter sales of nonprescription drugs and other retail sales of health-related products that are not generally paid for by medical assistance and other third-party coverage.

(e) (f) [MAJOR SPENDING COMMITMENT.] "Major spending commitment" means:

(1) acquisition of a unit of medical equipment;

(2) a capital expenditure for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment;

(3) offering a new specialized service not offered before;

(4) planning for an activity that would qualify as a major spending commitment under this paragraph; or

(5) a project involving a combination of two or more of the activities in clauses (1) to (4).

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

(e) (g) [MEDICAL EQUIPMENT.] "Medical equipment" means fixed and movable equipment that is used by a provider in the provision of a health care service. "Medical equipment" includes, but is not limited to, the following:

(1) an extracorporeal shock wave lithotripter;

(2) a computerized axial tomography (CAT) scanner;

(3) a magnetic resonance imaging (MRI) unit;

(4) a positron emission tomography (PET) scanner; and

(5) emergency and nonemergency medical transportation equipment and vehicles.

(e) (h) [NEW SPECIALIZED SERVICE.] "New specialized service" means a specialized health care procedure or treatment regimen offered by a provider that was not previously offered by the provider, including, but not limited to:

(1) cardiac catheterization services involving high-risk patients as defined in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;

(2) heart, heart-lung, liver, kidney, bowel, or pancreas transplantation service, or any other service for transplantation of any other organ;

(3) megavoltage radiation therapy;

(4) open heart surgery;

(5) neonatal intensive care services; and

(6) any new medical technology for which premarket approval has been granted by the United States Food and Drug Administration, excluding implantable and wearable devices.

~~(f) [PROVIDER.] "Provider" means an individual, corporation, association, firm, partnership, or other entity that is regularly engaged in providing health care services in Minnesota.~~

Sec. 11. Minnesota Statutes 1992, section 62J.17, is amended by adding a subdivision to read:

Subd. 4a. [EXPENDITURE REPORTING.] (a) [GENERAL REQUIREMENT.] A provider making a major spending commitment after April 1, 1992, that is in excess of \$500,000 shall submit notification of the expenditure to the commissioner and provide the commissioner with any relevant background information.

(b) [REPORT.] Notification must include a report, submitted within 60 days after the date of the major spending commitment, using terms conforming to the definitions in this section and section 62J.03. Each report is subject to retrospective review and must contain:

(1) a detailed description of the major spending commitment and its purpose;

(2) the date of the major spending commitment;

(3) a statement of the expected impact that the major spending commitment will have on charges by the provider to patients and third party payers;

(4) a statement of the expected impact on the clinical effectiveness or quality of care received by the patients that the provider expects to serve;

(5) a statement of the extent to which equivalent services or technology are already available to the provider's actual and potential patient population;

(6) a statement of the distance from which the nearest equivalent services or technology are already available to the provider's actual and potential population;

(7) a statement describing the pursuit of any lawful collaborative arrangements; and

(8) a statement of assurance that the provider will not use, purchase, or perform health care technologies and procedures that are not clinically effective and cost-effective, unless the technology is used for experimental or research purposes to determine whether a technology or procedure is clinically effective and cost-effective.

The provider may submit any additional information that it deems relevant.

(c) [ADDITIONAL INFORMATION.] The commissioner may request additional information from a provider for the purpose of review of a report submitted by that provider, and may consider relevant information from other sources. A provider shall provide any information requested by the commissioner within the time period stated in the request or within 30 days after the date of the request if the request does not state a time.

(d) [FAILURE TO COMPLY.] If the provider fails to submit a complete and timely expenditure report, including any additional information requested by the commissioner, the commissioner may make the provider's subsequent major spending commitments subject to the procedures of prospective review and approval under subdivision 7.

Sec. 12. Minnesota Statutes 1992, section 62J.17, is amended by adding a subdivision to read:

Subd. 5a. [RETROSPECTIVE REVIEW.] (a) The commissioner shall retrospectively review each major spending commitment and notify the provider of the results of the review. The commissioner shall determine whether the major spending commitment was appropriate. In making the determination, the commissioner may consider the following criteria: the major spending commitment's impact on the cost, access, and quality of health care; the clinical effectiveness and cost-effectiveness of the major spending commitment; and the alternatives available to the provider.

(b) The commissioner may not prevent or prohibit a major spending commitment subject to retrospective review. However, if the provider fails the retrospective review, any major spending commitments by that provider for the five-year period following the commissioner's decision are subject to prospective review under subdivision 7.

Sec. 13. Minnesota Statutes 1992, section 62J.17, is amended by adding a subdivision to read:

Subd. 7. [PROSPECTIVE REVIEW AND APPROVAL.] (a) [REQUIREMENT.] No health care provider subject to prospective review under this subdivision shall make a major spending commitment unless:

(1) the provider has filed an application with the commissioner to proceed with the major spending commitment and has provided all supporting documentation and evidence requested by the commissioner; and

(2) the commissioner determines, based upon this documentation and evidence, that the major spending commitment is appropriate under the criteria provided in subdivision 5a in light of the alternatives available to the provider.

(b) [APPLICATION.] A provider subject to prospective review and approval shall submit an application to the commissioner before proceeding with any major spending commitment. The application must address each item listed in subdivision 4a, paragraph (a), and must also include documentation to support the response to each item. The provider may submit information, with supporting documentation, regarding why the major spending commitment should be excepted from prospective review under paragraph (d). The submission may be made either in addition to or instead of the submission of information relating to the items listed in subdivision 4a, paragraph (a).

(c) [REVIEW.] The commissioner shall determine, based upon the information submitted, whether the major spending commitment is appropriate under the criteria provided in subdivision 5a, or whether it should be excepted from prospective review under paragraph (d). In making this determination, the commissioner may also consider relevant information from other sources. At the request of the commissioner, the Minnesota health care commission shall convene an expert review panel made up of persons with knowledge and expertise regarding medical equipment, specialized services, health care expenditures, and capital expenditures to review applications and make recommendations to the commissioner. The commissioner shall make a decision on the application within 60 days after an application is received.

(d) [EXCEPTIONS.] The prospective review and approval process does not apply to:

(1) a major spending commitment to replace existing equipment with comparable equipment, if the old equipment will no longer be used in the state;

(2) a major spending commitment made by a research and teaching institution for purposes of conducting medical education, medical research supported or sponsored by a medical school or by a federal or foundation grant, or clinical trials;

(3) a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided; and

(4) mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

(e) [NOTIFICATION REQUIRED FOR EXCEPTED MAJOR SPENDING COMMITMENT.] A provider making a major spending commitment covered by paragraph (d) shall provide notification of the major spending commitment as provided under subdivision 4a.

(f) [PENALTIES AND REMEDIES.] The commissioner of health has the authority to issue fines, seek injunctions, and pursue other remedies as provided by law.

Sec. 14. Minnesota Statutes 1992, section 62J.23, is amended by adding a subdivision to read:

Subd. 4. [INTEGRATED SERVICE NETWORKS.] (a) The legislature finds that the formation and operation of integrated service networks will accomplish the purpose of the federal Medicare antikickback statute, which is to reduce the overutilization and overcharging that may result from inappropriate provider incentives. Accordingly, it is the public policy of the state of Minnesota to support the development of integrated service networks. The legislature finds that the federal Medicare antikickback laws should not be interpreted to interfere with the development of integrated service networks or to impose liability for arrangements between an integrated service network and its participating entities.

(b) An arrangement between an integrated service network and any or all of its participating entities is not subject to liability under subdivisions 1 and 2.

Sec. 15. [62J.2911] [ANTITRUST EXCEPTIONS; PURPOSE.]

The legislature finds that the goals of controlling health care costs and improving the quality of and access to health care services will be significantly enhanced by cooperative arrangements involving providers or purchasers that might be prohibited by state and federal antitrust laws if undertaken without governmental involvement. The purpose of sections 62J.2911 to 62J.2921 is to create an opportunity for the state to review proposed arrangements and to substitute regulation for competition when an arrangement is likely to result in lower costs, or greater access or quality, than would otherwise occur in the marketplace. The legislature intends that approval of arrangements be accompanied by appropriate conditions, supervision, and regulation to protect against private abuses of economic power, and that an arrangement approved by the commissioner and accompanied by such appropriate conditions, supervision, and regulation shall not be subject to state and federal antitrust liability.

Sec. 16. [62J.2912] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 62J.2911 to 62J.2921, the terms defined in this section have the meanings given them.

Subd. 2. [ACCESS.] "Access" means the financial, temporal, and geographic availability of health care to individuals who need it.

Subd. 3. [APPLICANT.] "Applicant" means the party or parties to an agreement or business arrangement for which the commissioner's approval is sought under this section.

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

Subd. 5. [CONTESTED CASE.] "Contested case" means a proceeding conducted by the office of administrative hearings under sections 14.57 to 14.62.

Subd. 6. [COST OR COST OF HEALTH CARE.] "Cost" or "cost of health care" means the amount paid by consumers or third party payers for health care services or products.

Subd. 7. [CRITERIA.] "Criteria" means the cost, access, and quality of health care.

Subd. 8. [HEALTH CARE PRODUCTS.] "Health care products" means durable medical equipment and "medical equipment" as defined in section 62J.17, subdivision 2, paragraph (g).

Subd. 9. [HEALTH CARE SERVICE.] "Health care service" has the meaning given in section 62J.17, subdivision 2, paragraph (e).

Subd. 10. [PERSON.] "Person" means an individual or legal entity.

Sec. 17. [62J.2913] [SCOPE.]

Subdivision 1. [AVAILABILITY OF EXCEPTION.] Providers or purchasers wishing to engage in contracts, business or financial arrangements, or other activities, practices, or arrangements that might be construed to be violations of state or federal antitrust laws but which are in the best interests of the state and further the policies and goals of this chapter may apply to the commissioner for an exception.

Subd. 2. [STATE ANTITRUST LAW.] Approval by the commissioner is an absolute defense against any action under state antitrust laws, except as provided under section 62J.2921, subdivision 5.

Subd. 3. [APPLICATION CANNOT BE USED TO IMPOSE LIABILITY.] The commissioner may ask the attorney general to comment on an application. The application and any information obtained by the commissioner under sections 62J.2914 to 62J.2916 that is not otherwise available is not admissible in any civil or criminal proceeding brought by the attorney general or any other person based on an antitrust claim, except:

(1) a proceeding brought under section 62J.2921, subdivision 5, based on an applicant's failure to substantially comply with the terms of the application; or

(2) a proceeding based on actions taken by the applicant prior to submitting the application, where such actions are admitted to in the application.

Subd. 4. [OUT-OF-STATE APPLICANTS.] Providers or purchasers not physically located in Minnesota are eligible to seek an exception for arrangements in which they transact business in Minnesota as defined in section 295.51.

Sec. 18. [62J.2914] [APPLICATION.]

Subdivision 1. [DISCLOSURE.] An application for approval must include, to the extent applicable, disclosure of the following:

(1) a descriptive title;

(2) a table of contents;

(3) exact names of each party to the application and the address of the principal business office of each party;

(4) the name, address, and telephone number of the persons authorized to receive notices and communications with respect to the application;

(5) a verified statement by a responsible officer of each party to the application attesting to the accuracy and completeness of the enclosed information;

(6) background information relating to the proposed arrangement, including:

(i) a description of the proposed arrangement, including a list of any services or products that are the subject of the proposed arrangement;

(ii) an identification of any tangential services or products associated with the services or products that are the subject of the proposed arrangement;

(iii) a description of the geographic territory involved in the proposed arrangement;

(iv) if the geographic territory described in item (iii), is different from the territory in which the applicants have engaged in the type of business at issue over the last five years, a description of how and why the geographic territory differs;

(v) identification of all products or services that a substantial share of consumers would consider substitutes for any service or product that is the subject of the proposed arrangement;

(vi) identification of whether any services or products of the proposed arrangement are currently being offered, capable of being offered, utilized, or capable of being utilized by other providers or purchasers in the geographic territory described in item (iii);

(vii) identification of the steps necessary, under current market and regulatory conditions, for other parties to enter the territory described in item (iii) and compete with the applicant;

(viii) a description of the previous history of dealings between the parties to the application;

(ix) a detailed explanation of the projected effects, including expected volume, change in price, and increased revenue, of the arrangement on each party's current businesses, both generally as well as the aspects of the business directly involved in the proposed arrangement;

(x) the present market share of the parties to the application and of others affected by the proposed arrangement, and projected market shares after implementation of the proposed arrangement;

(xi) a statement of why the projected levels of cost, access, or quality could not be achieved in the existing market without the proposed arrangement; and

(xii) an explanation of how the arrangement relates to any Minnesota health care commission or applicable regional coordinating board plans for delivery of health care; and

(7) a detailed explanation of how the transaction will affect cost, access, and quality. The explanation must address the factors in section 62J.2917, subdivision 2, paragraphs (b) to (d), to the extent applicable.

Subd. 2. [STATE REGISTER NOTICE.] In addition to the disclosures required in subdivision 1, the application must contain a written description of the proposed arrangement for purposes of publication in the State Register. The notice must include sufficient information to advise the public of the nature of the proposed arrangement and to enable the public to provide meaningful comments concerning the expected results of the arrangement. The notice must also state that any person may provide written comments to the commissioner, with a copy to the applicant, within 20 days of the notice's publication. The commissioner shall approve the notice before publication. If the commissioner determines that the submitted notice does not provide sufficient information, the commissioner may amend the notice before publication and may consult with the applicant in preparing the amended notice. The commissioner shall not publish an amended notice without the applicant's approval.

Subd. 3. [MULTIPLE PARTIES TO A PROPOSED ARRANGEMENT.] For a proposed arrangement involving multiple parties, one joint application must be submitted on behalf of all parties to the arrangement.

Subd. 4. [FILING FEE.] An application must be accompanied by a filing fee of \$....., which must be deposited in the health care access fund. The total of the deposited application fees is appropriated annually to the commissioner to administer the antitrust exceptions program.

Subd. 5. [TRADE SECRET INFORMATION; PROTECTION.] Trade secret information, as defined in section 13.37, subdivision 1, paragraph (b), must be protected to the extent required under chapter 13.

Subd. 6. [COMMISSIONER'S AUTHORITY TO REFUSE TO REVIEW.] (a) If the commissioner determines that an application is unclear, incomplete, or provides an insufficient basis on which to base a decision, the commissioner may return the application. The applicant may complete or revise the application and resubmit it.

(b) If, upon review of the application and upon advice from the attorney general, the commissioner concludes that the proposed arrangement does not present any potential for liability under the state or federal antitrust laws, the commissioner may decline to review the application and so notify the applicant.

(c) The commissioner may decline to review any application relating to arrangements already in effect before the submission of the application. However, the commissioner shall review any application if the review is expressly provided for in a settlement agreement entered into before the enactment of this section by the applicant and the attorney general.

Subd. 7. [COMMISSIONER'S AUTHORITY TO EXTEND TIME LIMITS.] The commissioner may extend any of the time limits stated in sections 62J.2915 and 62J.2916 at the request of the applicant or another person but may not grant such extension unless good cause is shown.

Sec. 19. [62J.2915] [NOTICE AND COMMENT.]

Subdivision 1. [NOTICE.] The commissioner shall cause the notice described in section 62J.2914, subdivision 2, to be published in the State Register and sent to the Minnesota health care commission, the regional coordinating boards for any regions that include all or part of the territory covered by the proposed arrangement, and any person who has requested to be placed on a list to receive notice of applications. The commissioner may maintain separate notice lists for different regions of the state. The commissioner may also send a copy of the notice to any person together with a request that the person comment as provided under subdivision 2. Copies of the request must be provided to the applicant.

Subd. 2. [COMMENTS.] Within 20 days after the notice is published, any person may mail to the commissioner written comments with respect to the application. Within 30 days after the notice is published, the Minnesota health care commission or any regional coordinating board may mail such comments. Persons submitting comments shall provide a copy of the comments to the applicant. The applicant may mail to the commissioner written responses to any comment within ten days after the deadline for mailing such comment. The applicant shall send a copy of the response to the person submitting the comment.

Sec. 20. [62J.2916] [PROCEDURE FOR REVIEW OF APPLICATIONS.]

Subdivision 1. [CHOICE OF PROCEDURES.] After the conclusion of the period provided in section 62J.2915, subdivision 2, for the applicant to respond to comments, the commissioner shall select one of the three procedures provided in subdivision 2. In determining which procedure to use, the commissioner shall consider the following criteria:

- (1) the size of the proposed arrangement, in terms of number of parties and amount of money involved;
- (2) the complexity of the proposed arrangement;
- (3) the novelty of the proposed arrangement;
- (4) the substance and quantity of the comments received;
- (5) any comments received from the Minnesota health care commission or regional coordinating boards; and
- (6) the presence or absence of any significant gaps in the factual record.

If the applicant demands a contested case hearing no later than the conclusion of the period provided in section 62J.2915, subdivision 2, for the applicant to respond to comments, the commissioner shall not select a procedure. Instead, the applicant shall be given a contested case proceeding as a matter of right.

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 designated by the commissioner. The commissioner or the commissioner's designee 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 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. 21. [62].2917] [CRITERIA FOR DECISION.]

Subdivision 1. [CRITERIA.] The commissioner shall not approve an application unless the commissioner determines that the arrangement is more likely to result in lower costs, increased access, or increased quality of health care, than would otherwise occur under existing market conditions or conditions likely to develop without an exemption from state and federal antitrust law. In the event that a proposed arrangement appears likely to improve one or two of the criteria at the expense of another one or two of the criteria, the commissioner shall not approve the application unless the commissioner determines that the proposed arrangement, taken as a whole, is likely to substantially further the purpose of this chapter. In making such a determination, the commissioner may employ a cost/benefit analysis.

Subd. 2. [FACTORS.] (a) [GENERALLY APPLICABLE FACTORS.] In making a determination about cost, access, and quality, the commissioner may consider the following factors, to the extent relevant:

(1) whether the proposal is compatible with the cost containment plan or other plan of the Minnesota health care commission or the applicable regional plans of the regional coordinating boards;

(2) market structure:

(i) actual and potential sellers and buyers, or providers and purchasers;

(ii) actual and potential consumers;

(iii) geographic market area; and

(iv) entry conditions;

(3) current market conditions;

(4) the historical behavior of the market;

(5) performance of other, similar arrangements;

(6) whether the proposal unnecessarily restrains competition or restrains competition in ways not reasonably related to the purposes of this chapter; and

(7) the financial condition of the applicant.

(b) [COST.] The commissioner's analysis of cost must focus on the individual consumer of health care. Cost savings to be realized by providers, health carriers, group purchasers, or other participants in the health care system are relevant only to the extent that the savings are likely to be passed on to the consumer. However, where an application is submitted by providers or purchasers who are paid primarily by third party payers unaffiliated with the applicant, it is sufficient for the applicant to show that cost savings are likely to be passed on to the unaffiliated third party payers; the applicants do not have the burden of proving that third party payers with whom the applicants are not affiliated will pass on cost savings to individuals receiving coverage through the third party payers. In making determinations as to costs, the commissioner may consider:

- (1) the cost savings likely to result to the applicant;
- (2) the extent to which the cost savings are likely to be passed on to the consumer and in what form;
- (3) the extent to which the proposed arrangement is likely to result in cost shifting by the applicant onto other payers or purchasers of other products or services;
- (4) the extent to which the cost shifting by the applicant is likely to be followed by other persons in the market;
- (5) the current and anticipated supply and demand for any products or services at issue;
- (6) the representations and guarantees of the applicant and their enforceability;
- (7) likely effectiveness of regulation by the commissioner;
- (8) inferences to be drawn from market structure;
- (9) the cost of regulation, both for the state and for the applicant; and
- (10) any other factors tending to show that the proposed arrangement is or is not likely to reduce cost.

(c) [ACCESS.] In making determinations as to access, the commissioner may consider:

(1) the extent to which the utilization of needed health care services or products by the intended targeted population is likely to increase or decrease. When a proposed arrangement is likely to increase access in one geographic area, by lowering prices or otherwise expanding supply, but limits access in another geographic area by removing service capabilities from that second area, the commissioner shall articulate the criteria employed to balance these effects;

(2) the extent to which the proposed arrangement is likely to make available a new service or product to a certain geographic area; and

(3) the extent to which the proposed arrangement is likely to otherwise make health care services or products more financially or geographically available to persons who need them.

If the commissioner determines that the proposed arrangement is likely to increase access and bases that determination on a projected increase in utilization, the commissioner shall also determine and make a specific finding that the increased utilization does not reflect overutilization.

(d) [QUALITY.] In making determinations as to quality, the commissioner may consider the extent to which the proposed arrangement is likely to:

- (1) decrease morbidity and mortality;
- (2) result in faster convalescence;
- (3) result in fewer hospital days;
- (4) permit providers to attain needed experience or frequency of treatment, likely to lead to better outcomes;
- (5) increase patient satisfaction; and
- (6) have any other features likely to improve or reduce the quality of health care.

Sec. 22. [62J.2918] [DECISION.]

Subdivision 1. [APPROVAL OR DISAPPROVAL.] The commissioner shall issue a written decision approving or disapproving the application. The commissioner may condition approval on a modification of all or part of the proposed arrangement to eliminate any restriction on competition that is not reasonably related to the goals of reducing cost or improving access or quality. The commissioner may also establish conditions for approval that are reasonably necessary to protect against abuses of private economic power and to ensure that the arrangement is appropriately supervised and regulated by the state.

Subd. 2. [FINDINGS OF FACT.] The commissioner's decision shall make specific findings of fact concerning the cost, access, and quality criteria, and identify one or more of those criteria as the basis for the decision.

Subd. 3. [DATA FOR SUPERVISION.] A decision approving an application must require the periodic submission of specific data relating to cost, access, and quality, and to the extent feasible, identify objective standards of cost, access, and quality by which the success of the arrangement will be measured. However, if the commissioner determines that the scope of a particular proposed arrangement is such that the arrangement is certain to have neither a positive or negative impact on one or two of the criteria, the commissioner's decision need not require the submission of data or establish an objective standard relating to those criteria.

Sec. 23. [62J.2919] [APPEAL.]

After the commissioner has rendered a decision, the applicant or any other "aggrieved person," as the term is used in section 14.63, may appeal the decision to the Minnesota court of appeals within 30 days after receipt of the commissioner's decision. The appeal is governed by sections 14.63 to 14.69. The appellate process does not include a contested case under sections 14.57 to 14.62. The commissioner's determination, under section 62J.2916, subdivision 1, of which procedure to use may not be raised as an issue on appeal.

Sec. 24. [62J.2920] [SUPERVISION AFTER APPROVAL.]

Subdivision 1. [ACTIVE SUPERVISION.] The commissioner shall actively supervise, monitor, and regulate approved arrangements.

Subd. 2. [PROCEDURES.] The commissioner shall review data submitted periodically by the applicant. The commissioner's order shall set forth the time schedule for the submission of data, which shall be at least once a year. The commissioner's order must identify the data that must be submitted, although the commissioner may subsequently require the submission of additional data or alter the time schedule. Upon review of the data submitted, the commissioner shall notify the applicant of whether the arrangement is in compliance with the commissioner's order. If the arrangement is not in compliance with the commissioner's order, the commissioner shall identify those respects in which the arrangement does not conform to the commissioner's order.

An applicant receiving notification that an arrangement is not in compliance has 30 days in which to respond with additional data. The response may include a proposal and a time schedule by which the applicant will bring the arrangement into compliance with the commissioner's order. If the arrangement is not in compliance and the commissioner and the applicant cannot agree to the terms of bringing the arrangement into compliance, the matter shall be set for a contested case hearing.

The commissioner shall publish notice in the State Register two years after the date of an order approving an application, and at two-year intervals thereafter, soliciting comments from the public concerning the impact that the arrangement has had on cost, access, and quality. The commissioner may request additional oral or written information from the applicant or from any other source.

Subd. 3. [STUDY.] The commissioner shall study and make recommendations by January 15, 1995, on the appropriate length and scope of supervision of arrangements approved for exemption from the antitrust laws.

Sec. 25. [62J.2921] [REVOCATION.]

Subdivision 1. [CONDITIONS.] The commissioner may revoke approval of a cooperative arrangement only if:

- (1) the arrangement is not in substantial compliance with the terms of the application;
- (2) the arrangement is not in substantial compliance with the conditions of approval;
- (3) the arrangement has not and is not likely to substantially achieve the improvements in cost, access, or quality identified in the approval order as the basis for the commissioner's approval of the arrangement; or
- (4) the conditions in the marketplace have changed to such an extent that competition would promote reductions in cost and improvements in access and quality better than does the arrangement at issue. In order to revoke on the basis that conditions in the marketplace have changed, the commissioner's order must identify specific changes in the marketplace and articulate why those changes warrant revocation.

Subd. 2. [NOTICE.] The commissioner shall begin a proceeding to revoke approval by providing written notice to the applicant describing in detail the basis for the proposed revocation. Notice of the proceeding must be published in the State Register and submitted to the Minnesota health care commission and the applicable regional coordinating boards. The notice must invite the submission of comments to the commissioner.

Subd. 3. [PROCEDURE.] A proceeding to revoke an approval must be conducted as a contested case proceeding upon the written request of the applicant. Decisions of the commissioner in a proceeding to revoke approval are subject to judicial review under sections 14.63 to 14.69.

Subd. 4. [ALTERNATIVES TO REVOCATION PREFERRED.] In deciding whether to revoke an approval, the commissioner shall take into account the hardship that the revocation may impose on the applicant and any potential disruption of the market as a whole. The commissioner shall not revoke an approval if the arrangement can be modified, restructured, or regulated so as to remedy the problem upon which the revocation proceeding is based. The applicant may submit proposals for alternatives to revocation. Before approving an alternative to revocation that involves modifying or restructuring an arrangement, the commissioner shall publish notice in the State Register that any person may comment on the proposed modification or restructuring within 20 days after publication of the notice. The commissioner shall not approve the modification or restructuring until the comment period has concluded. An approved modified or restructured arrangement is subject to appropriate supervision under section 62J.2920.

Subd. 5. [IMPACT OF REVOCATION.] An applicant that has had its approval revoked is not required to terminate the arrangement. The applicant cannot be held liable under state or federal antitrust law for acts that occurred while the approval was in effect, except to the extent that the applicant failed to substantially comply with the terms of its application or failed to substantially comply with the terms of the approval. The applicant is fully subject to state and federal antitrust law after the revocation becomes effective and may be held liable for acts that occur after the revocation.

Sec. 26. [UNIVERSAL COVERAGE PLAN.]

The health care commission shall develop and submit to the legislature and the governor by December 15, 1993, a comprehensive plan that will lead to universal health coverage for all Minnesotans by January 1, 1997. The plan must include an implementation plan and time schedule for the coordinated phasing in of health insurance reforms, changes or expansions in government programs, and other actions recommended by the commission. The plan must also include annual targets for expanding coverage to uninsured persons and populations and periodic evaluations of the progress being made toward achieving annual targets and universal coverage.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, section 62J.17, subdivisions 4, 5, and 6, are repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective the day following final enactment. Sections 10 to 13 apply retroactively to any major spending commitment entered into after April 1, 1992, except that the requirements of section 62J.17, subdivision 4a, paragraph (a), that a report be submitted within 60 days after a major spending commitment and that a report include the items specifically listed are not retroactive.

ARTICLE 7

SMALL EMPLOYER INSURANCE REFORM

Section 1. Minnesota Statutes 1992, 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 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 continuation coverage required under state or federal law;

(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 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 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. 2. Minnesota Statutes 1992, section 62L.02, subdivision 26, is amended to read:

Subd. 26. [SMALL EMPLOYER.] "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business who, on at least 50 percent of its working days during the preceding calendar year, employed no fewer than two nor more than 29 eligible employees, the majority of whom were employed in this state. ~~If a small employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other, except that~~ 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. 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 employees ~~or the employees are family members.~~ 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 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. 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 may elect to be considered to be a small employer, even though the association provides coverage to more than 29 employees of its members, so long as each employer that is provided coverage through the association qualifies as a small employer. An association's election to be considered a small employer under this section is not effective unless filed with the commissioner of commerce and unless the association notifies a health carrier of the election before purchasing coverage from the carrier. The association may revoke its election at any time by filing notice of revocation with the commissioner. If an employer has employees covered under a trust established 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, those employees are excluded in determining whether the employer qualifies as a small employer.

Sec. 3. Minnesota Statutes 1992, section 62L.02, subdivision 27, is amended to read:

Subd. 27. [SMALL EMPLOYER MARKET.] (a) "Small employer market" means the market for health benefit plans for small employers.

(b) A health carrier is considered to be participating in the small employer market if the carrier offers, sells, issues, or renews a health benefit plan to: (1) any small employer; or (2) the eligible employees of a small employer offering a health benefit plan if, with the knowledge of the health carrier, ~~both~~ either of the following conditions ~~are~~ is met:

(i) any portion of the premium or benefits is paid for or reimbursed by a small employer; ~~and~~ or

(ii) the health benefit plan is treated by the employer or any of the eligible employees or dependents as part of a plan or program for the purposes of the Internal Revenue Code, section 106, 125, or 162.

Sec. 4. Minnesota Statutes 1992, section 62L.03, subdivision 3, is amended to read:

Subd. 3. [MINIMUM PARTICIPATION.] (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 must be guaranteed coverage 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 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 coverage under another group health plan. If a small employer does not satisfy the 75 percent participation requirement, a health carrier may decline to issue or renew coverage. If a health carrier voluntarily issues or renews a health benefit plan in that situation, the health benefit plan must fully comply with this chapter.

(b) A health carrier may require that small employers contribute a specified minimum percentage toward the cost of the coverage of eligible employees, so long as the requirement is uniformly applied for all small employers and for all types of health benefit plans, except for the small employer plans. If a small employer does not satisfy a health carrier's contribution requirement under this paragraph, the health carrier shall not issue or renew a health benefit plan to the small employer and shall not issue or renew individual coverage to the small employer's employees or their dependents, except as permitted under section 62L.12, subdivision 2.

(c) For the small employer plans, a health carrier ~~must~~ shall require that small employers contribute at least 50 percent of the cost of the coverage of eligible employees. The health carrier ~~must~~ shall impose this small employer plan contribution requirement on a uniform basis for both small employer plans and for all small employers seeking to purchase a small employer plan. If a small employer does not satisfy the contribution requirement under this paragraph, a health carrier shall not issue or renew a small employer plan to the small employer and shall not issue or renew individual coverage to the small employer's employees or their dependents, except as permitted under section 62L.12, subdivision 2.

(e) ~~(d)~~ 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. 5. Minnesota Statutes 1992, 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, "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. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees of small employers. Except as 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. 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. 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. 6. Minnesota Statutes 1992, section 62L.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers who 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.

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 terminate any individual coverage for employees of small employers who satisfy the small employer participation 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.

Sec. 7. Minnesota Statutes 1992, section 62L.05, subdivision 2, is amended to read:

Subd. 2. [DEDUCTIBLE-TYPE SMALL EMPLOYER PLAN.] The benefits of the deductible-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges, as specified in subdivision 10, for health care services, supplies, or other articles covered under the small employer plan, in excess of an annual deductible which must be \$500 per individual and \$1,000 per family.

Sec. 8. Minnesota Statutes 1992, section 62L.05, subdivision 3, is amended to read:

Subd. 3. [COPAYMENT-TYPE SMALL EMPLOYER PLAN.] The benefits of the copayment-type small employer plan offered by a health carrier must be equal to 80 percent of the eligible charges, as specified in subdivision 10, for health care services, supplies, or other articles covered under the small employer plan, in excess of the following copayments:

(1) \$15 per outpatient visit, ~~other than~~ including visits to an urgent care center but not including visits to a hospital outpatient department or emergency room, urgent care center, or similar facility;

(2) \$15 per day visit for the services of a home health agency or private duty registered nurse;

(3) \$50 per outpatient visit to a hospital outpatient department or emergency room, ~~urgent care center~~, or similar facility; and

(4) \$300 per inpatient admission to a hospital.

Sec. 9. Minnesota Statutes 1992, section 62L.05, subdivision 4, is amended to read:

Subd. 4. [BENEFITS.] The medical services and supplies listed in this subdivision are the benefits that must be covered by the small employer plans described in subdivisions 2 and 3:

(1) inpatient and outpatient hospital services, excluding services provided for the diagnosis, care, or treatment of chemical dependency or a mental illness or condition, other than those conditions specified in clauses (10), (11), and (12);

- (2) physician, chiropractor, and nurse practitioner services for the diagnosis or treatment of illnesses, injuries, or conditions;
- (3) diagnostic X-rays and laboratory tests;
- (4) ground transportation provided by a licensed ambulance service to the nearest facility qualified to treat the condition, or as otherwise required by the health carrier;
- (5) services of a home health agency if the services qualify as reimbursable services under Medicare ~~and are directed by a physician or qualify as reimbursable under the health carrier's most commonly sold health plan for insured group coverage;~~
- (6) services of a private duty registered nurse if medically necessary, as determined by the health carrier;
- (7) the rental or purchase, as appropriate, of durable medical equipment, other than eyeglasses and hearing aids;
- (8) child health supervision services up to age 18, as defined in section 62A.047;
- (9) maternity and prenatal care services, as defined in sections 62A.041 and 62A.047;
- (10) inpatient hospital and outpatient services for the diagnosis and treatment of certain mental illnesses or conditions, as defined by the International Classification of Diseases-Clinical Modification (ICD-9-CM), seventh edition (1990) and as classified as ICD-9 codes 295 to 299;
- (11) ten hours per year of outpatient mental health diagnosis or treatment for illnesses or conditions not described in clause (10);
- (12) 60 hours per year of outpatient treatment of chemical dependency; and
- (13) 50 percent of eligible charges for prescription drugs, up to a separate annual maximum out-of-pocket expense of \$1,000 per individual for prescription drugs, and 100 percent of eligible charges thereafter.

Sec. 10. Minnesota Statutes 1992, section 62L.05, subdivision 6, is amended to read:

Subd. 6. [CHOICE PRODUCTS EXCEPTION.] Nothing in subdivision 1 prohibits a health carrier from offering a small employer plan which provides for different benefit coverages based on whether the benefit is provided through a primary network of providers or through a secondary network of providers so long as the benefits provided in the primary network equal the benefit requirements of the small employer plan as described in this section. For purposes of products issued under this subdivision, out-of-pocket costs in the secondary network may exceed the out-of-pocket limits described in subdivision 1. A secondary network must not be used to provide "benefits in addition" as defined in subdivision 5, except in compliance with that subdivision.

Sec. 11. Minnesota Statutes 1992, 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 additional geographic region and a separate index rate for premiums for employees 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. 12. Minnesota Statutes 1992, section 62L.09, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO COMMISSIONER.] A health carrier electing to cease doing business in the small employer market shall notify the commissioner 180 days prior to the effective date of the cessation. ~~The cessation of business does not include the failure of a health carrier to offer or issue new business in the small employer market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current small employer business or other product lines.~~ The health carrier shall simultaneously provide a copy of the notice to each small employer covered by a health benefit plan issued by the health carrier.

Upon making the notification, the health carrier shall not offer or issue new business in the small employer market. The health carrier shall renew its current small employer business due for renewal within 120 days after the date of the notification but shall not renew any small employer business more than 120 days after the date of the notification.

A health carrier that elects to cease doing business in the small employer market shall continue to be governed by this chapter with respect to any continuing small employer business conducted by the health carrier.

Sec. 13. [REPEALER.]

Minnesota Statutes 1992, section 62L.09, subdivision 2, is repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective July 1, 1993.

ARTICLE 8

INDIVIDUAL MARKET REFORM; MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 43A.317, subdivision 5, is amended to read:

Subd. 5. [EMPLOYER ELIGIBILITY.] (a) [PROCEDURES.] All employers are eligible for coverage through the program subject to the terms of this subdivision. The commissioner shall establish procedures for an employer to apply for coverage through the program.

(b) [TERM.] The initial term of an employer's coverage will be two years from the effective date of the employer's application. After that, coverage will be automatically renewed for additional two-year terms unless the employer gives notice of withdrawal from the program according to procedures established by the commissioner or the commissioner gives notice to the employer of the discontinuance of the program. The commissioner may establish conditions under which an employer may withdraw from the program prior to the expiration of a two-year term, including by reason of a midyear increase in health coverage premiums of 50 percent or more. An employer that withdraws from the program may not reapply for coverage for a period of two years from its date of withdrawal.

(c) [MINNESOTA WORK FORCE.] An employer is not eligible for coverage through the program if five percent or more of its eligible employees work primarily outside Minnesota, except that an employer may apply to the program on behalf of only those employees who work primarily in Minnesota.

(d) [EMPLOYEE PARTICIPATION; AGGREGATION OF GROUPS.] An employer is not eligible for coverage through the program unless its application includes all eligible employees who work primarily in Minnesota, except employees who waive coverage as permitted by subdivision 6. Private entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer, except as otherwise approved by the commissioner.

(e) [PRIVATE EMPLOYER.] A private employer is not eligible for coverage unless it has two or more eligible employees in the state of Minnesota. ~~If an employer has only two eligible employees, one employee must not be the spouse, child, sibling, parent, or grandparent of the other.~~ 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.

(f) [MINIMUM PARTICIPATION.] The commissioner must require as a condition of employer eligibility that at least 75 percent of its eligible employees who have not waived coverage participate in the program. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. For purposes of this section, waiver of coverage includes only waivers due to coverage under another group health benefit plan.

(g) [EMPLOYER CONTRIBUTION.] The commissioner must require as a condition of employer eligibility that the employer contribute at least 50 percent toward the cost of the premium of the employee and may require that the contribution toward the cost of coverage is structured in a way that promotes price competition among the coverage options available through the program.

(h) [ENROLLMENT CAP.] The commissioner may limit employer enrollment in the program if necessary to avoid exceeding the program's reserve capacity.

Sec. 2. Minnesota Statutes 1992, section 62A.021, subdivision 1, is amended to read:

Subdivision 1. [LOSS RATIO STANDARDS.] Notwithstanding section 62A.02, subdivision 3, relating to loss ratios, a health care policy form or certificate form shall not be delivered or issued for delivery to an individual or to a small employer as defined in section 62L.02, 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 Minnesota 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 policies issued in the small employer market, as defined in section 62L.02, subdivision 27; and (2) at least 65 percent of the aggregate amount of premiums earned in the case of policies issued in the individual market, 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. ~~A health carrier shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage.~~ Assessments by the reinsurance association created in chapter 62L and any types of taxes, surcharges, or assessments created by Laws 1992, chapter 549, or created on or after April 23, 1992, are included in the calculation of incurred claims experience or incurred health care expenses. The applicable percentage for policy forms and certificate forms issued in the small employer market, as defined in section 62L.02, increases by one percentage point on ~~July~~ January 1 of each year ~~beginning on January 1, 1995, until an 80 percent loss ratio is reached on July January 1, 1998 1999.~~ The applicable percentage for policy forms and certificate forms issued in the individual market increases by one percentage point on ~~July~~ January 1 of each year, until a 70 percent loss ratio is reached on ~~July January 1, 1998 1999.~~ A health carrier that enters a market after July 1, 1993, does not start at the beginning of the phase-in schedule and must instead comply with the loss ratio requirements applicable to other health carriers in that market for each time period. Premiums earned and claims incurred in markets other than the small employer and individual markets are not relevant for purposes of this section.

Notwithstanding section 645.26, any act enacted at the 1992 regular legislative session that amends or repeals section 62A.135 or that otherwise changes the loss ratios provided in that section is void.

All filings of rates and rating schedules shall demonstrate that actual 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 form or certificate form shall equal or exceed the appropriate loss ratio standards.

A health carrier that issues health care policies and certificates to individuals or to small employers, as defined in section 62L.02, in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy form or certificate form 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 policy forms or certificate forms in force less than three years.~~ If the data submitted does not confirm that the health carrier has satisfied the loss ratio requirements of this section,

the commissioner shall notify the health carrier in writing of the deficiency. The health carrier shall have 30 days from the date of the commissioner's notice to file amended rates that comply with this section. If the health carrier fails to file amended rates within the prescribed time, the commissioner shall order that the health carrier's filed rates for the nonconforming policy form or certificate form be reduced to an amount that would have resulted in a loss ratio that complied with this section had it been in effect for the reporting period of the supplement. The health carrier's failure to file amended rates within the specified time or the issuance of the commissioner's order amending the rates does not preclude the health carrier from filing an amendment of its rates at a later time. The commissioner shall annually make the submitted data available to the public at a cost not to exceed the cost of copying. The data must be compiled in a form useful for consumers who wish to compare premium charges and loss ratios.

Each sale of a policy or certificate that does not comply with the loss ratio requirements of this section is an unfair or deceptive act or practice in the business of insurance and is subject to the penalties in sections 72A.17 to 72A.32.

For purposes of this section, health care policies issued as a result of solicitations of individuals through the mail or mass media advertising, including both print and broadcast advertising, shall be treated as individual policies.

For purposes of this section, (1) "health care policy" or "health care certificate" is a health plan as defined in section 62A.011; and (2) "health carrier" has the meaning given in section 62A.011 and includes all health carriers delivering or issuing for delivery health care policies or certificates in this state or offering these policies or certificates to residents of this state.

The first period for which the loss ratio required by this section must be calculated is the 18-month period beginning July 1, 1993. Beginning January 1, 1995, the loss ratio must be calculated on a calendar year basis.

Sec. 3. [62A.61] [DISCLOSURE OF METHODS USED BY HEALTH CARRIERS TO DETERMINE USUAL AND CUSTOMARY FEES.]

(a) A health carrier that bases reimbursement to health care providers upon a usual and customary fee must maintain in its office a copy of a description of the methodology used to calculate fees including at least the following:

- (1) the frequency of the determination of usual and customary fees;
- (2) a general description of the methodology used to determine usual and customary fees; and
- (3) the percentile of usual and customary fees that determines the maximum allowable reimbursement.

(b) A health carrier must provide a copy of the information described in paragraph (a) to a provider, group purchaser, or enrollee upon request.

(c) At the request of a provider, group purchaser, or enrollee, the commissioner of health or commerce, as appropriate, may require health carriers to provide the information required under this section and may use any powers granted under other laws relating to the regulation of health carriers to enforce compliance.

(d) For purposes of this section, "health carrier" has the meaning given in section 62A.011, and "group purchaser" has the meaning given in section 62I.03.

Sec. 4. Minnesota Statutes 1992, section 62A.65, is amended to read:

62A.65 [INDIVIDUAL MARKET REGULATION.]

Subdivision 1. [APPLICABILITY.] No health carrier, as defined in ~~chapter 62L~~ section 62A.011, shall offer, sell, issue, or renew any individual policy of accident and sickness coverage, as defined in section 62A.01, subdivision 1, any individual subscriber contract regulated under chapter 62C, any individual health maintenance contract regulated under chapter 62D, any individual health benefit certificate regulated under chapter 64B, or any individual health coverage provided by a multiple employer welfare arrangement, health plan, as defined in section 62A.011, to a Minnesota resident except in compliance with this section. For purposes of this section, "health benefit plan" has the meaning given in ~~chapter 62L~~, except that the term means individual coverage, including family coverage, rather than employer group coverage. This section does not apply to the comprehensive health association established in section 62E.10 or to coverage described in section 62A.31, subdivision 1, paragraph (h), or to long-term care policies as defined in section 62A.46, subdivision 2.

Subd. 2. [GUARANTEED RENEWAL.] No individual health benefit plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health benefit 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 benefit plan to the person. The premium rate upon renewal must also otherwise comply with this section. A An individual health benefit plan may be subject to refusal to renew only under the conditions provided in chapter 62L for health benefit plans.

Subd. 3. [PREMIUM RATE RESTRICTIONS.] No individual health benefit 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 coverage health plan is as provided in section 62A.021. All provisions rating and premium restrictions of chapter 62L apply to rating and premium restrictions in the individual market, unless clearly inapplicable to the individual market.

Subd. 4. [GENDER RATING PROHIBITED.] No individual health benefit plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, on the gender of any person covered or to be covered under the health benefit plan.

Subd. 5. [PORTABILITY OF COVERAGE.] (a) No individual health benefit plan may be offered, sold, or issued, ~~or renewed~~ to a Minnesota resident that contains a preexisting condition limitation or exclusion, unless the limitation or exclusion would be permitted under chapter 62L, provided that 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 July 1, 1993. The individual may be treated as a late entrant, as defined in chapter 62L, unless the individual has maintained continuous coverage as defined in chapter 62L. 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, at the time that the individual first is covered by under an individual coverage health plan by any health carrier. Thereafter, the person must not be subject to any preexisting condition limitation 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 coverage health plan to any individual previously covered under a group health benefit plan issued by that health carrier, so long as the individual maintained continuous coverage as defined in chapter 62L. Coverage A health plan issued under this paragraph must not contain any preexisting condition limitation or exclusion, except for any unexpired limitation or exclusion under the previous coverage. The initial premium rate for the individual coverage health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2.

Subd. 6. [GUARANTEED ISSUE NOT REQUIRED.] Nothing in this section requires a health carrier to initially issue a health benefit plan to a Minnesota resident, except as otherwise expressly provided in subdivision 4 or 5.

Sec. 5. 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; fraternal benefit societies regulated under chapter 64B; the private employers insurance program established in section 43A.317, effective July 1, 1993; integrated service networks operating under chapter 62N; 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 shall be considered to be accident and health insurance premiums.

Sec. 6. 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; fraternal; joint self-insurance plans regulated under chapter 62H; the private employers insurance program established in section 43A.317, effective July 1, 1993; integrated service networks operating under chapter 62N; and health maintenance organizations 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. 7. 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, integrated service network, or health maintenance organization 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. 8. Minnesota Statutes 1992, section 62E.11, subdivision 12, is amended to read:

Subd. 12. [FUNDING.] Notwithstanding subdivision 5, the claims expenses and operating and administrative expenses of the association incurred on or after January 1, 1994, to the extent that they exceed the premiums received, shall be paid from the health care access account established in section 16A.724, to the extent appropriated for that purpose by the legislature. Any such expenses not paid from that account shall be paid as otherwise provided in this section. All contributing members shall adjust their premium rates to fully reflect funding provided under this subdivision. The commissioner of commerce or the commissioner of health, as appropriate, shall require contributing members to prove compliance with this rate adjustment requirement.

Sec. 9. 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; an integrated service network; 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 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 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 carrier.

Sec. 10. [EFFECTIVE DATE.]

Sections 1, 2, 4, and 8 are effective July 1, 1993. Sections 5 to 7 and 9 are effective January 1, 1994.

ARTICLE 9

MINNESOTACARE PROGRAM

Section 1. Minnesota Statutes 1992, section 256.9351, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROVIDERS.] "Eligible providers" means those health care providers who provide covered health services to medical assistance recipients under rules established by the commissioner for that program. ~~Reimbursement under this section shall be at the same rates and conditions established for medical assistance.~~

Sec. 2. Minnesota Statutes 1992, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] 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 appropriations 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.

~~If the commissioner determines that, despite adjustments made as authorized under this subdivision, estimated costs will exceed the forecasted amount of available revenues other than the reserve, the commissioner may, with the approval of the commissioner of finance, use all or part of the reserve to cover the costs of the program. 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.~~

Sec. 3. Minnesota Statutes 1992, section 256.9353, is amended to read:

256.9353 [COVERED HEALTH SERVICES.]

Subdivision 1. [COVERED HEALTH SERVICES.] "Covered health services" means the health services reimbursed under chapter 256B, with the exception of inpatient hospital services, special education services, private duty nursing services, orthodontic services, medical transportation services, personal care assistant and case management services, hospice care services, nursing home or intermediate care facilities services, inpatient mental health services, outpatient mental health services in excess of \$1,000 per adult enrollee and \$2,500 per child enrollee per 12-month eligibility period, and chemical dependency services. Outpatient mental health services covered under the health right plan are limited to diagnostic assessments, psychological testing, explanation of findings, day treatment, partial hospitalization, and individual, family, and group psychotherapy. Medication management by a physician is not subject to the \$1,000 and \$2,500 limitations on outpatient mental health services. Covered health services shall be expanded as provided in this section.

Subd. 2. [ALCOHOL AND DRUG DEPENDENCY.] Beginning ~~October~~ July 1, 1992 ~~1993~~, covered health services shall include ~~up to ten hours per year of individual outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient program. Two hours of group treatment count as one hour of individual treatment.~~

Persons who may need chemical dependency services under the provisions of this chapter shall be assessed by a local agency as defined under section 254B.01, and under the assessment provisions of section 254A.03, subdivision 3. A local agency or managed care plan under contract with the department of human services must place a person in need of chemical dependency services as provided in Minnesota Rules, parts 9530.6600 to 9530.6660. Persons who are recipients of medical benefits under the provisions of this chapter and who are financially eligible for consolidated chemical dependency treatment fund services provided under the provisions of chapter 254B shall receive chemical dependency treatment services under the provisions of chapter 254B only if:

- (1) they have exhausted the chemical dependency benefits offered under this chapter; or
- (2) an assessment indicates that they need a level of care not provided under the provisions of this chapter.

Subd. 3. [INPATIENT HOSPITAL SERVICES.] (a) Beginning July 1, 1993, covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spend-down. The inpatient hospital benefit for adult enrollees ~~not eligible for medical assistance~~ is subject to an annual benefit limit of \$10,000. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.

(b) Enrollees shall apply for and cooperate with the requirements of medical assistance by the last day of the third month following admission to an inpatient hospital for nonmental health services. If an enrollee fails to apply for medical assistance within this time period, the enrollee and the enrollee's family shall be disenrolled from the plan within one calendar month. Enrollees and enrollees' families disenrolled for not applying for or not cooperating with medical assistance may not reenroll.

Subd. 4. [EMERGENCY MEDICAL TRANSPORTATION SERVICES.] Beginning July 1, 1993, covered health services shall include emergency medical transportation services.

Subd. 5. [~~FEDERAL WAIVERS AND APPROVALS~~ COORDINATION WITH MEDICAL ASSISTANCE.] The commissioner shall coordinate the provision of hospital inpatient services under the health right plan with enrollee eligibility under the medical assistance spend-down, and shall apply to the secretary of health and human services for any necessary federal waivers or approvals.

Subd. 6. [~~COPAYMENTS AND COINSURANCE.~~] The ~~health right~~ MinnesotaCare benefit plan shall include the following copayments and coinsurance requirements:

- (1) ten percent of the charges submitted for inpatient hospital services for adult enrollees not eligible for medical assistance, subject to an annual out-of-pocket maximum of ~~\$2,000~~ \$1,000 per individual and \$3,000 per family;
- (2) 50 percent for adult dental services, except for preventive services;
- (3) \$3 per prescription for adult enrollees; and
- (4) \$25 for eyeglasses for adult enrollees.

Enrollees who would be eligible for medical assistance with a spend-down shall be financially responsible for the coinsurance amount up to the spend-down limit or the coinsurance amount, whichever is less, in order to become eligible for the medical assistance program.

Sec. 4. Minnesota Statutes 1992, section 256.9354, subdivision 1, is amended to read:

Subdivision 1. [~~CHILDREN.~~] "Eligible persons" means children who are ~~one-year~~ 18 months of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 185 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B and who are not otherwise insured for the covered services. The period of eligibility extends from the first day of the month in which the ~~child's first birthday occurs~~ child becomes 18 months old to the last day of the month in which the child becomes 18 years old. Eligibility for ~~the health right plan~~ MinnesotaCare shall be expanded as provided in subdivisions 2 to 5, but children who meet the criteria in this subdivision shall continue to be enrolled pursuant to this subdivision. Under subdivisions ~~2~~ 1 to 5, parents who enroll in the health right plan must also enroll their children and dependent siblings, if the children and their dependent siblings are eligible. Children and dependent siblings may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. Families cannot choose to enroll only certain uninsured members. For purposes of this section, a "dependent sibling" means an unmarried child who is a full-time student under the age of 25 years who is financially dependent upon a parent. Proof of school enrollment will be required.

Sec. 5. Minnesota Statutes 1992, section 256.9354, subdivision 4, is amended to read:

Subd. 4. [~~FAMILIES WITH CHILDREN; ELIGIBILITY BASED ON PERCENTAGE OF INCOME PAID FOR HEALTH COVERAGE.~~] Beginning January 1, 1993, "eligible persons" means children, parents, and dependent siblings residing in the same household who are not eligible for medical assistance under chapter 256B. ~~These persons are eligible for coverage through the health right plan but~~ Children who meet the criteria in subdivision 1 shall continue to be enrolled pursuant to subdivision 1. Persons who are eligible under this subdivision or subdivision 2, 3, or 5 must pay a premium as determined under sections 256.9357 and 256.9358, and children eligible under subdivision 1 must pay the premium required under section 256.9356, subdivision 1. Individuals and families whose income is greater than the limits established under section 256.9358 may not enroll in ~~the health right plan~~ MinnesotaCare. Individuals who initially enroll in ~~the health right plan~~ MinnesotaCare under the eligibility criteria in this subdivision remain eligible for ~~the health right plan~~ MinnesotaCare, regardless of age, place of residence within Minnesota, or the presence or absence of children in the same household, as long as all other eligibility requirements are met and continuous enrollment in ~~the health right plan~~ MinnesotaCare or medical assistance is maintained.

Sec. 6. Minnesota Statutes 1992, section 256.9354, subdivision 5, is amended to read:

Subd. 5. [~~ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.~~] Beginning July 1, 1994, "eligible persons" means all families and individuals who are not eligible for medical assistance under chapter 256B. These persons are eligible for coverage through ~~the health right plan~~ MinnesotaCare 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 health right plan~~ MinnesotaCare.

Sec. 7. Minnesota Statutes 1992, section 256.9356, subdivision 1, is amended to read:

Subdivision 1. ~~[ENROLLMENT FEE ANNUAL PREMIUM FOR CERTAIN CHILDREN.]~~ ~~Until October 1, 1992,~~ An annual enrollment fee of \$25, not to exceed \$150 per family, premium of \$60 is required from eligible persons for covered health services all enrollees eligible under section 256.9354, subdivision 1.

Sec. 8. Minnesota Statutes 1992, section 256.9356, subdivision 2, is amended to read:

Subd. 2. ~~[PREMIUM PAYMENTS.]~~ ~~Beginning October 1, 1992,~~ The commissioner shall require health right plan MinnesotaCare enrollees eligible under section 256.9354, subdivisions 2 to 5 to pay a premium based on a sliding scale, as established under section ~~256.9357~~ 256.9358. Applicants who are eligible under section 256.9354, subdivision 1, are exempt from this requirement ~~until July 1, 1993, if the application is received by the health right plan staff on or before September 30, 1992. Before July 1, 1993,~~ These individuals shall continue to pay the annual enrollment fee premium required by subdivision 1.

Sec. 9. Minnesota Statutes 1992, section 256.9357, subdivision 1, is amended to read:

Subdivision 1. ~~[GENERAL REQUIREMENTS.]~~ Families and individuals ~~who enroll on or after October 1, 1992,~~ are eligible for subsidized premium payments based on a sliding scale under section 256.9358 only if the family or individual meets the requirements in subdivisions 2 and 3. ~~Children already enrolled in the health right plan as of September 30, 1992, are eligible for subsidized premium payments without meeting these requirements, as long as they maintain continuous coverage in the health right plan or medical assistance.~~

Families and individuals who initially enrolled in the health right MinnesotaCare plan under section 256.9354, and whose income increases above the limits established in section 256.9358, may continue enrollment and pay the full cost of coverage.

Sec. 10. [256.9362] [PROVIDER PAYMENT.]

Subdivision 1. ~~[MEDICAL ASSISTANCE RATE TO BE USED.]~~ Payment to providers under sections 256.9351 to 256.9362 shall be at the same rates and conditions established for medical assistance, except as provided in subdivisions 2 to 6.

Subd. 2. ~~[PAYMENT OF CERTAIN PROVIDERS.]~~ Services provided by federally qualified health centers, rural health clinics, and facilities of the Indian health service shall be paid for according to the same rates and conditions applicable to the same service provided by providers that are not federally qualified health centers, rural health clinics, or facilities of the Indian health service.

Subd. 3. ~~[INPATIENT HOSPITAL SERVICES.]~~ Inpatient hospital services provided under section 256.9353, subdivision 3, shall be paid for as provided in subdivisions 4 to 6.

Subd. 4. ~~[DEFINITION OF MEDICAL ASSISTANCE RATE FOR INPATIENT HOSPITAL SERVICES.]~~ The "medical assistance rate," as used in this section to apply to rates for providing inpatient hospital services, means the rates established under sections 256.9685 to 256.9695 for providing inpatient hospital services to medical assistance recipients who receive aid to families with dependent children.

Subd. 5. ~~[ENROLLEES YOUNGER THAN 18.]~~ Payment for inpatient hospital services provided to MinnesotaCare enrollees who are younger than 18 years old on the date of admission to the inpatient hospital shall be at the medical assistance rate.

Subd. 6. ~~[ENROLLEES 18 OR OLDER.]~~ Payment by the MinnesotaCare program for inpatient hospital services provided to MinnesotaCare enrollees who are 18 years old or older on the date of admission to the inpatient hospital must be in accordance with paragraphs (a) and (b).

(a) If the medical assistance rate is less than or equal to the amount remaining in the enrollee's benefit limit under section 256.9353, subdivision 3, payment must be the medical assistance rate minus any copayment required under section 256.9353, subdivision 6. The hospital must not seek payment from the enrollee in addition to the copayment. The MinnesotaCare payment plus the copayment must be treated as payment in full.

(b) If the medical assistance rate is greater than the amount remaining in the enrollee's benefit limit under section 256.9353, subdivision 3, payment must be the lesser of:

(1) the amount remaining in the enrollee's benefit limit; or

(2) charges submitted for the inpatient hospital services less any copayment established under section 256.9353, subdivision 6.

The hospital may seek payment from the enrollee for the amount by which usual and customary charges exceed the payment under this paragraph.

Sec. 11. [256.9363] [MANAGED CARE.]

Subdivision 1. [SELECTION OF VENDORS.] In order to contain costs for the MinnesotaCare program, the commissioner shall select vendors of medical care who can provide the most economical care consistent with high medical standards. Where possible, the commissioner shall contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for managed care plans. These plans may include: prepaid capitation programs, competitive bidding programs, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Managed care plans may include integrated service networks established under article 1.

Subd. 2. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which MinnesotaCare enrollees must receive services through managed care plans.

Subd. 3. [LIMITATION OF CHOICE.] The commissioner shall require MinnesotaCare enrollees who reside in the designated geographic areas to enroll in a managed care plan to receive their health care services. The commissioner shall require these enrollees to receive their health care services only from health care providers who are part of the provider network of the managed care plan, except as otherwise authorized by the managed care plan, in cases of medical emergency, or when otherwise required by law or by contract.

If only one managed care option is available in a geographic area, the commissioner shall require enrollees to designate a primary care physician or clinic from which to receive their health care. Enrollees may change their designated primary care provider upon request to the managed care plan. The commissioner may prohibit enrollees from changing primary care providers more than once annually. If more than one managed care plan is offered in a geographic area, enrollees shall enroll in a managed care plan for a minimum of one year from the date of enrollment but shall have the right to change to another managed care plan once within the first year of initial enrollment, at any time during that year. Enrollees may also change to another managed care plan during an annual 30-day open enrollment period. The commission shall notify enrollees of the opportunity to change to another managed care plan before the start of each annual open enrollment period.

Enrollees may change managed care plans or primary care providers at other than the above designated times for cause as determined through an appeal pursuant to section 256.045.

Subd. 4. [EXEMPTIONS TO LIMITATION ON CHOICE.] All contracts between the department of human services and prepaid health plans or integrated service networks to serve medical assistance, general assistance medical care, and MinnesotaCare recipients, that are executed after June 30, 1994, must allow for freedom of choice of family planning provider.

Subd. 5. [ELIGIBILITY FOR OTHER STATE PROGRAMS.] MinnesotaCare enrollees who become eligible for medical assistance or general assistance medical care shall remain in the same managed care plan through which they received services under MinnesotaCare. Contracts between the commissioner and managed care plans must include MinnesotaCare and medical assistance and may also include general assistance medical care.

Subd. 6. [COPAYMENTS AND BENEFIT LIMITS.] Enrollees are responsible for all copayments under 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.

Subd. 7. [MANAGED CARE PLAN VENDOR REQUIREMENTS.] The following requirements apply to all counties or vendors who contract with the commissioner to serve MinnesotaCare recipients. Managed care plan contractors:

(a) shall authorize and arrange for the provision of the full range of services listed in section 256.9353 in order to ensure that appropriate health care is delivered to enrollees;

(b) 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;

(c) may contract with other health care and social service providers to provide services to enrollees;

(d) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(e) shall retain all revenue from enrollee copayments;

(f) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(g) 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 by those chapters;

(h) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

(i) shall submit to the commissioner claims in the format specified by the commissioner for all hospital services provided to enrollees for the purpose of determining whether enrollees meet medical assistance spenddown 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 spenddown requirements.

Subd. 8. [CHEMICAL DEPENDENCY ASSESSMENTS.] The managed care plan shall be responsible for assessing the need and placement for chemical dependency services according to criteria set forth in Minnesota Rules, parts 9530.6600 to 9530.6660.

Subd. 9. [RATE SETTING.] To the greatest extent possible, the commissioner shall establish rates on a prospective, per capita basis. The commissioner shall include payment for only the covered benefit package. The commissioner shall consult with an independent actuary to determine appropriate rates.

Sec. 12. Minnesota Statutes 1992, section 256B.04, subdivision 1, is amended to read:

Subdivision 1. The state agency shall: Supervise the administration of medical assistance for eligible recipients by the county agencies hereunder, except that medical assistance eligibility determinations may be completed by the state agency for pregnant women and families with children born on or after October 1, 1983, when other family members are eligible for MinnesotaCare.

Sec. 13. Minnesota Statutes 1992, section 256B.057, subdivision 1, is amended to read:

Subdivision 1. [PREGNANT WOMEN AND INFANTS.] An infant less than one-year 18 months of age or a pregnant woman who has written verification of a positive pregnancy test from a physician or licensed registered nurse, is eligible for medical assistance if countable family income is equal to or less than 185 275 percent of the federal poverty guideline for the same family size. Eligibility for a pregnant woman or infant less than one-year of age 18 months old under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3.

An infant born on or after January 1, 1991, to a woman who was eligible for and receiving medical assistance on the date of the child's birth shall continue to be eligible for medical assistance without redetermination until the child's first birthday child is 18 months of age, as long as the child remains in the woman's household.

Women and infants who are eligible under this subdivision and whose countable family income is equal to or greater than 185 percent of the federal poverty guideline for the same family size shall be required to pay a premium for medical assistance coverage based on a sliding scale as established under section 256.9358.

For purposes of this subdivision, "countable income" means the amount of income considered available using the methodology of the AFDC program, except for the earned income disregard and employment deductions. An amount equal to the amount of earned income exceeding 275 percent of federal poverty, up to a maximum of the combined total of 185 percent of federal poverty plus the earned income disregards and deductions of the AFDC program, will be deducted for pregnant women and infants under age one.

Sec. 14. Minnesota Statutes 1992, section 256B.057, subdivision 2, is amended to read:

Subd. 2. [CHILDREN.] A child ~~one~~ 18 months through five years of age in a family whose countable income is less than 133 percent of the federal poverty guidelines for the same family size, is eligible for medical assistance. A child six through 18 years of age, who was born after September 30, 1983, in a family whose countable income is less than 100 percent of the federal poverty guidelines for the same family size is eligible for medical assistance. Eligibility for children under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3.

Sec. 15. Minnesota Statutes 1992, section 256B.057, subdivision 2a, is amended to read:

Subd. 2a. [NO ASSET TEST FOR CHILDREN AND THEIR PARENTS.] Eligibility for medical assistance for a person under age 21, and the person's parents who are eligible under section 256B.055, subdivision 3, and who live in the same household as the person eligible under age 21, must be determined without regard to asset standards established in section 256B.056.

Sec. 16. Minnesota Statutes 1992, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from the Minnesota Medical Association and the Minnesota Pharmacists Association, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for

the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual estimated acquisition cost of a drug ~~may be estimated by the commissioner~~ is the lesser of the average wholesale price minus eight percent, or the current maximum allowable cost, increased by two percent. For reimbursement purposes, the actual acquisition cost equals the estimated acquisition cost. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(c) Until January 4, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 17. Minnesota Statutes 1992, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. No asset test shall be applied to children and their parents living in the same household. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 18. [DEMONSTRATION WAIVER.]

The commissioner of human services shall seek a demonstration waiver to allow the state to charge the premium described in section 13, increase the income standard to 275 percent of the federal poverty guideline, and continue eligibility without redetermination for infants 13 to 18 months of age.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 12, and sections 14 to 17 are effective July 1, 1993. Section 18 is effective the day following final enactment. Section 13 is effective July 1, 1993, or after the effective date of the waiver referred to in section 18, whichever is later.

ARTICLE 10

RURAL HEALTH INITIATIVE

Section 1. Minnesota Statutes 1992, section 144.147, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION OF GRANTS.] (a) Eligible hospitals must apply to the commissioner no later than September 1 of each fiscal year for grants awarded for the that fiscal year beginning the following July 1. A grant may be awarded upon signing of a grant contract.

(b) The commissioner must make a final decision on the funding of each application within 60 days of the deadline for receiving applications.

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

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

(1) Description of the problem, description of the project, and the likelihood of successful outcome of the project. The applicant must explain clearly the nature of the health services problems in their service area, how the grant funds will be used, what will be accomplished, and the results expected. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations.

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

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

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

(f) A grant to a hospital, including hospitals that submit applications as consortia, may not exceed ~~\$50,000~~ \$37,500 a year and may not exceed a term of two years. Prior to the receipt of any grant, the hospital must certify to the commissioner that at least one-half of the amount, which may include in-kind services, is available for the same purposes from nonstate sources. A hospital receiving a grant under this section may use the grant for any expenses incurred in the development of strategic plans or the implementation of transition projects with respect to which the grant is made. Project grants may not be used to retire debt incurred with respect to any capital expenditure made prior to the date on which the project is initiated.

(g) The commissioner may adopt rules to implement this section.

Sec. 2. Minnesota Statutes 1992, section 144.1484, subdivision 1, is amended to read:

Subdivision 1. [SOLE COMMUNITY HOSPITAL FINANCIAL ASSISTANCE GRANTS.] The commissioner of health shall award financial assistance grants to rural hospitals in isolated areas of the state. To qualify for a grant, a hospital must: (1) be eligible to be classified as a sole community hospital according to the criteria in Code of Federal Regulations, title 42, section 412.92 or be located in a community with a population of less than 5,000 and located more than 25 miles from a like hospital currently providing acute short-term services; (2) have experienced net income losses in the two most recent consecutive hospital fiscal years for which audited financial information is available; (3) consist of ~~30~~ 40 or fewer licensed beds; and (4) ~~have exhausted local sources of support. Before applying for a grant, the hospital must have developed a strategic plan. The commissioner shall award grants in equal amounts. demonstrate to the commissioner that it has obtained local support for the hospital and that any state support awarded under this program will not be used to supplant local support for the hospital. The commissioner shall~~

review audited financial statements of the hospital to assess the extent of local support. Evidence of local support may include bonds issued by a local government entity such as a city, county, or hospital district for the purpose of financing hospital projects; and loans, grants, or donations to the hospital from local government entities, private organizations, or individuals. The commissioner shall determine the amount of the award to be given to each eligible hospital based on the hospital's financial need and the total amount of funding available.

Sec. 3. Minnesota Statutes 1992, section 144.1484, subdivision 2, is amended to read:

Subd. 2. [GRANTS TO AT-RISK RURAL HOSPITALS TO OFFSET THE IMPACT OF THE HOSPITAL TAX.] (a) The commissioner of health shall award financial assistance grants to rural hospitals that would otherwise close as a direct result of the hospital tax in section 295.52. To be eligible for a grant, a hospital must have 50 or fewer beds and must not be located in a city of the first class. To receive a grant, the hospital must demonstrate to the satisfaction of the commissioner of health that the hospital will close in the absence of state assistance under this subdivision and that the hospital tax is the principal reason for the closure.

(b) At a minimum the hospital must demonstrate that:

(1) it has had a net margin of minus ten percent or below in at least one of the last two years or a net margin of less than zero percent in at least three of the last four years. For purposes of this subdivision, "net margin" means the ratio of net income from all hospital sources to total revenues generated by the hospital;

(2) it has had a negative cash flow in at least three of the last four years. For purposes of this subdivision, "cash flow" means the total of net income plus depreciation; and

(3) its fund balance has declined by at least 25 percent over the last two years, and its fund balance at the end of its last fiscal year was equal to or less than its accumulated net loss during the last two years. For purposes of this subdivision, "fund balance" means the excess of assets of the hospital's fund over its liabilities and reserves.

(c) A hospital seeking a grant shall submit the following with its application:

(1) a statement of the projected dollar amount of tax liability for the current fiscal year, projected monthly disbursements, and projected net patient revenue base for the current fiscal year, broken down by payer categories including Medicare, medical assistance, MinnesotaCare, general assistance medical care, and others. The figures must be certified by the hospital administrator;

(2) a statement of all rate increases, listing the date and percentage of each increase during the last three years and the date and percentage of any increases for the current fiscal year. The statement must be certified by the hospital administrator and must include a narrative explaining whether or not the rate increase incorporates a pass-through of the hospital tax;

(3) a statement certified by the chair or equivalent of the hospital board, and by an independent auditor, that the hospital will close within the next 12 months as a result of the hospital tax unless it receives a grant; and

(4) a statement certified by the chair or equivalent of the hospital board that the hospital will not close for financial reasons within the next 12 months if it receives a grant.

The amount of the grant must not exceed the amount of the tax the hospital would pay under section 295.52, based on the previous year's hospital revenues. A hospital that closes within 12 months after receiving a grant under this subdivision must refund the amount of the grant to the commissioner of health.

ARTICLE 11

HEALTH PROFESSIONAL EDUCATION

Section 1. Minnesota Statutes 1992, section 136A.1355, subdivision 1, is amended to read:

Subdivision 1. [CREATION OF ACCOUNT.] A rural physician education account is established in the health care access fund. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for medical students agreeing to practice in designated rural areas, as defined by the board.

Sec. 2. Minnesota Statutes 1992, section 136A.1355, subdivision 3, is amended to read:

Subd. 3. [LOAN FORGIVENESS.] ~~Prior to June 30, 1992, the higher education coordinating board may accept up to eight applicants who are fourth year medical students, up to eight applicants who are first year residents, and up to eight applicants who are second year residents for participation in the loan forgiveness program. For the period July 1, 1992 1993 through June 30, 1995 1997, the higher education coordinating board may accept up to eight four applicants who are fourth year medical students and up to eight applicants who are residents in training, per fiscal year for participation in the loan forgiveness program. The eight resident applicants can be in any year of training.~~ Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated rural area to another remain eligible for loan repayment. In addition, if a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of rural practice commitments to enable the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of rural practice commitments, the participating resident may designate up to an additional \$2,000, above the \$10,000 maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.

Sec. 3. Minnesota Statutes 1992, section 136A.1355, subdivision 4, is amended to read:

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the required three-year minimum commitment of service in a designated rural area, the higher education coordinating board shall collect from the participant the amount paid by the board under the loan forgiveness program. The higher education coordinating board shall deposit the money collected in the rural physician education account established in subdivision 1. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the three-year service commitment.

Sec. 4. Minnesota Statutes 1992, section 136A.1355, is amended by adding a subdivision to read:

Subd. 5. [LOAN FORGIVENESS; UNDERSERVED URBAN COMMUNITIES.] For the period July 1, 1993 to June 30, 1995, the higher education coordinating board may accept up to three applicants who are fourth year medical students, two applicants who are pediatric residents, two applicants who are family practice residents, and one applicant who is an internal medicine resident per fiscal year for participation in the urban primary care physician loan forgiveness program. The five resident applicants may be in any year of residency training. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of medical school, up to a maximum of four years, an agreed amount, not to exceed \$10,000, as a qualified loan. For each year that a participant serves as a physician in a designated underserved urban area, up to a maximum of four years, the higher education coordinating board shall annually pay an amount equal to one year of qualified loans. Participants who move their practice from one designated underserved urban community to another remain eligible for loan repayment.

Sec. 5. Minnesota Statutes 1992, section 136A.1356, subdivision 2, is amended to read:

Subd. 2. [CREATION OF ACCOUNT.] A midlevel practitioner education account is established in the health care access fund. The higher education coordinating board shall use money from the account to establish a loan forgiveness program for midlevel practitioners agreeing to practice in designated rural areas.

Sec. 6. Minnesota Statutes 1992, section 136A.1356, subdivision 4, is amended to read:

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to ~~eight~~ 12 applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment.

Sec. 7. Minnesota Statutes 1992, section 136A.1356, subdivision 5, is amended to read:

Subd. 5. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 4 for full repayment of all qualified loans, the higher education coordinating board shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The higher education coordinating board shall deposit the money collected in the midlevel practitioner education account established in subdivision 2. The board shall allow waivers of all or part of the money owed the board if emergency circumstances prevented fulfillment of the required service commitment.

Sec. 8. Minnesota Statutes 1992, section 136A.1357, is amended to read:

136A.1357 [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME OR INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the general health care access fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or intermediate care facility for persons with mental retardation or related conditions. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed practical nurse must submit a letter of interest to the board before completing the first year of study completion of a nursing education program. Before completing the first year of study completion of the program, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or intermediate care facility for persons with mental retardation or related conditions.

Subd. 3. [LOAN FORGIVENESS.] The board may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home or intermediate care facility for persons with mental retardation or related conditions, up to a maximum of two years, the board shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home or intermediate care facility for persons with mental retardation or related conditions to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the commissioner shall collect from the participant 100 percent of any payments made for qualified loans and interest at a rate established according to section 270.75. The board shall deposit the collections in the general health care access fund to be credited to the account established in subdivision 1. The board may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The board shall adopt rules to implement this section.

Sec. 9. [136A.1358] [RURAL CLINICAL SITES FOR NURSE PRACTITIONER EDUCATION.]

Subdivision 1. [DEFINITION.] For purposes of this section, "rural" means any area of the state outside of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and outside the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

Subd. 2. [ESTABLISHMENT.] A grant program is established under the authority of the higher education coordinating board to provide grants to colleges or schools of nursing located in Minnesota that operate programs of study designed to prepare registered nurses for advanced practice as nurse practitioners.

Subd. 3. [PROGRAM GOALS.] Colleges and schools of nursing shall use grants received to provide rural students with increased access to programs of study for nurse practitioners, by:

(1) developing rural clinical sites;

- (2) allowing students to remain in their rural communities for clinical rotations; and
- (3) providing faculty to supervise students at rural clinical sites.

The overall goal of the grant program is to increase the number of graduates of nurse practitioner programs who work in rural areas of the state.

Subd. 4. [RESPONSIBILITY OF NURSING PROGRAMS.] (a) Colleges or schools of nursing interested in participating in the grant program must apply to the higher education coordinating board according to the policies established by the board. Applications submitted by colleges or schools of nursing must include a detailed proposal for achieving the goals listed in subdivision 3, a plan for encouraging sufficient applications from rural applicants to meet the requirements of paragraph (b), and any additional information required by the board.

(b) Each college or school of nursing, as a condition of accepting a grant, shall make at least 25 percent of the openings in each nurse practitioner entering class available to applicants who live in rural areas and desire to practice as a nurse practitioner in rural areas. This requirement is effective beginning with the fall 1994 entering class and remains in effect for each biennium thereafter for which a college or school of nursing is awarded a grant renewal. The board may exempt colleges or schools of nursing from this requirement if the college or school can demonstrate, to the satisfaction of the board, that the nurse practitioner program did not receive enough applications or acceptance letters from qualified rural applicants to meet the requirement.

(c) Colleges or schools of nursing participating in the grant program shall report to the higher education coordinating board on their program activity as requested by the board.

Subd. 5. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] (a) The board shall establish an application process for interested colleges and schools of nursing and shall require colleges and schools of nursing to submit grant applications to the board by November 1, 1993. The board may award up to two grants for the biennium ending June 30, 1995.

(b) In selecting grant recipients, the board shall consider:

(1) the likelihood that an applicant's grant proposal will be successful in achieving the program goals listed in subdivision 3;

(2) the potential effectiveness of the college's or school's plan to encourage applications from rural applicants; and

(3) the academic quality of the college's or school's program of education for nurse practitioners.

(c) The board shall notify grant recipients of an award by December 1, 1993, and shall disburse the grants by January 1, 1994. The board may renew grants if a college or school of nursing demonstrates that satisfactory progress has been made during the past biennium toward achieving the goals listed in subdivision 3.

Sec. 10. Minnesota Statutes 1992, section 137.38, subdivision 2, is amended to read:

Subd. 2. [PRIMARY CARE.] For purposes of sections 137.38 to 137.40, "primary care" means a type of medical care delivery that assumes ongoing responsibility for the patient in both health maintenance and illness treatment. It is personal care involving a unique interaction and communication between the patient and the physician. It is comprehensive in scope, and includes all the overall coordination of the care of the patient's health care problems including biological, behavioral, and social problems. The appropriate use of consultants and community resources is an important aspect of effective primary care. Primary care physicians include family practitioners, general pediatricians, and general internists.

Sec. 11. Minnesota Statutes 1992, section 137.38, subdivision 3, is amended to read:

Subd. 3. [GOALS.] The board of regents of the University of Minnesota, through the University of Minnesota medical school, is requested to implement the initiatives required by sections 137.38 to 137.40 in order to increase the number of graduates of residency programs of the medical school who practice primary care by 20 percent over an eight-year period. The initiatives must be designed to encourage newly graduated primary care physicians to establish practices in areas of rural and urban Minnesota that are medically underserved.

Sec. 12. Minnesota Statutes 1992, section 137.38, subdivision 4, is amended to read:

Subd. 4. [GRANTS.] The board of regents is requested to seek grants from private foundations and other nonstate sources, including community provider organizations, for the medical school initiatives outlined in sections 137.38 to 137.40.

Sec. 13. Minnesota Statutes 1992, section 137.39, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF CURRICULUM.] The medical school is requested to ensure that its curriculum provides students with early exposure to primary care physicians and primary care practice, and to address other primary care curriculum issues such as public health, preventive medicine, and health care delivery. The medical school is requested to also support premedical school educational initiatives that provide students with greater exposure to primary care physicians and practices.

Sec. 14. Minnesota Statutes 1992, section 137.39, subdivision 3, is amended to read:

Subd. 3. [CLINICAL EXPERIENCES IN PRIMARY CARE.] The medical school, ~~in consultation with medical school faculty at the University of Minnesota, Duluth,~~ is requested to develop a program to provide students with clinical experiences in primary care settings in internal medicine and pediatrics. The program must provide training experiences in medical clinics in rural Minnesota communities, as well as in community clinics and health maintenance organizations in the Twin Cities metropolitan area.

Sec. 15. Minnesota Statutes 1992, section 137.40, subdivision 3, is amended to read:

Subd. 3. [CONTINUING MEDICAL EDUCATION.] The medical school is requested to develop continuing medical education programs for primary care physicians that are comprehensive, community-based, ~~and~~ accessible to primary care physicians in all areas of the state, and which enhance primary care skills.

Sec. 16. [144.1487] [LOAN REPAYMENT PROGRAM FOR HEALTH PROFESSIONALS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of sections 144.1487 to 144.1492, the following definitions apply.

(b) "Board" means the higher education coordinating board.

(c) "Health professional shortage area" means an area designated as such by the federal secretary of health and human services, as provided under Code of Federal Regulations, title 42, part 5, and United States Code, title 42, section 254E.

Subd. 2. [ESTABLISHMENT AND PURPOSE.] The commissioner shall establish a National Health Services Corps state loan repayment program authorized by section 388I of the Public Health Service Act, United States Code, title 42, section 254q-1, as amended by Public Law Number 101-597. The purpose of the program is to assist communities with the recruitment and retention of health professionals in federally designated health professional shortage areas.

Sec. 17. [144.1488] [PROGRAM ADMINISTRATION AND ELIGIBILITY.]

Subdivision 1. [DUTIES OF THE COMMISSIONER OF HEALTH.] The commissioner shall administer the state loan repayment program. The commissioner shall:

(1) ensure that federal funds are used in accordance with program requirements established by the federal National Health Services Corps;

(2) notify potentially eligible loan repayment sites about the program;

(3) develop and disseminate application materials to sites;

(4) review and rank applications using the scoring criteria approved by the federal department of health and human services as part of the Minnesota department of health's National Health Services Corps state loan repayment program application;

(5) select sites that qualify for loan repayment based upon the availability of federal and state funding;

- (6) provide the higher education coordinating board with a list of qualifying sites; and
- (7) carry out other activities necessary to implement and administer sections 144.1487 to 144.1492.

The commissioner shall enter into an interagency agreement with the higher education coordinating board to carry out the duties assigned to the board under sections 144.1487 to 144.1492.

Subd. 2. [DUTIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board, through an interagency agreement with the commissioner of health, shall:

- (1) verify the eligibility of program participants;
- (2) sign a contract with each participant that specifies the obligations of the participant and the state;
- (3) arrange for the payment of qualifying educational loans for program participants;
- (4) monitor the obligated service of program participants;
- (5) waive or suspend service or payment obligations of participants in appropriate situations;
- (6) place participants who fail to meet their obligations in default;
- (7) enforce penalties for default; and
- (8) report regularly to the commissioner.

Subd. 3. [ELIGIBLE LOAN REPAYMENT SITES.] Private, nonprofit, and public entities located in and providing health care services in federally designated primary care health professional shortage areas are eligible to apply for the program. The commissioner shall develop a list of Minnesota health professional shortage areas in greatest need of health care professionals and shall select loan repayment sites from that list. The commissioner shall ensure, to the greatest extent possible, that the geographic distribution of sites within the state reflects the percentage of the population living in rural and urban health professional shortage areas.

Subd. 4. [ELIGIBLE HEALTH PROFESSIONALS.] (a) To be eligible to apply to the higher education coordinating board for the loan repayment program, health professionals must be citizens or nationals of the United States, must not have any unserved obligations for service to a federal, state, or local government, or other entity, and must be ready to begin full-time clinical practice upon signing a contract for obligated service.

(b) In selecting physicians for participation, the board shall give priority to physicians who are board certified or have completed a residency in family practice, osteopathic general practice, obstetrics and gynecology, internal medicine, or pediatrics. A physician selected for participation is not eligible for loan repayment until the physician has an employment agreement or contract with an eligible loan repayment site and has signed a contract for obligated service with the higher education coordinating board.

Sec. 18. [144.1489] [OBLIGATIONS OF PARTICIPANTS.]

Subdivision 1. [CONTRACT REQUIRED.] Before starting the period of obligated service, a participant must sign a contract with the higher education coordinating board that specifies the obligations of the participant and the board.

Subd. 2. [OBLIGATED SERVICE.] A participant shall agree in the contract to fulfill the period of obligated service by providing primary health care services in full-time clinical practice. The service must be provided in a private, nonprofit, or public entity that is located in and providing services to a federally designated health professional shortage area and that has been designated as an eligible site by the commissioner under the state loan repayment program.

Subd. 3. [LENGTH OF SERVICE.] Participants must agree to provide obligated service for a minimum of two years. A participant may extend a contract to provide obligated service for a third year, subject to board approval and the availability of federal and state funding.

Subd. 4. [AFFIDAVIT OF SERVICE REQUIRED.] Within 30 days of the start of obligated service, and by February 1 of each succeeding calendar year, a participant shall submit an affidavit to the board stating that the participant is providing the obligated service and which is signed by a representative of the organizational entity in which the service is provided. Participants must provide written notice to the board within 30 days of: a change in name or address, a decision not to fulfill a service obligation, or cessation of clinical practice.

Subd. 5. [TAX RESPONSIBILITY.] The participant is responsible for reporting on federal income tax returns any amount paid by the state on designated loans, if required to do so under federal law.

Subd. 6. [NONDISCRIMINATION REQUIREMENTS.] Participants are prohibited from charging a higher rate for professional services than the usual and customary rate prevailing in the area where the services are provided. If a patient is unable to pay this charge, a participant shall charge the patient a reduced rate or not charge the patient. Participants must agree not to discriminate on the basis of ability to pay or status as a Medicare or medical assistance enrollee. Participants must agree to accept assignment under the Medicare program and to serve as an enrolled provider under medical assistance.

Sec. 19. [144.1490] [RESPONSIBILITIES OF THE LOAN REPAYMENT PROGRAM.]

Subdivision 1. [LOAN REPAYMENT.] Subject to the availability of federal and state funds for the loan repayment program, the higher education coordinating board shall pay all or part of the qualifying education loans up to \$20,000 annually for each primary care physician participant that fulfills the required service obligation. For purposes of this provision, "qualifying educational loans" are government and commercial loans for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the graduate or undergraduate education of a health care professional.

Subd. 2. [PROCEDURE FOR LOAN REPAYMENT.] Program participants, at the time of signing a contract, shall designate the qualifying loan or loans for which the higher education coordinating board is to make payments. The participant shall submit to the board all payment books for the designated loan or loans or all monthly billings for the designated loan or loans within five days of receipt. The board shall make payments in accordance with the terms and conditions of the designated loans, in an amount not to exceed \$20,000 when annualized. If the amount paid by the board is less than \$20,000 during a 12-month period, the board shall pay during the 12th month an additional amount towards a loan or loans designated by the participant, to bring the total paid to \$20,000. The total amount paid by the board must not exceed the amount of principal and accrued interest of the designated loans.

Sec. 20. [144.1491] [FAILURE TO COMPLETE OBLIGATED SERVICE.]

Subdivision 1. [PENALTIES FOR BREACH OF CONTRACT.] A program participant who fails to complete two years of obligated service shall repay the amount paid, as well as a financial penalty based upon the length of the service obligation not fulfilled. If the participant has served at least one year, the financial penalty is the number of unserved months multiplied by \$1,000. If the participant has served less than one year, the financial penalty is the total number of obligated months multiplied by \$1,000.

Subd. 2. [SUSPENSION OR WAIVER OF OBLIGATION.] Payment or service obligations cancel in the event of a participant's death. The board may waive or suspend payment or service obligations in case of total and permanent disability or long-term temporary disability lasting for more than two years. The board shall evaluate all other requests for suspension or waivers on a case-by-case basis.

Sec. 21. Laws 1990, chapter 591, article 4, section 9, is amended to read:

Sec. 9. [SUNSET.]

Sections 1 to 4, and 6 are repealed on June 30, 1995.

Section 5 is repealed June 30, 1997.

Sec. 22. [NURSE PRACTITIONER PROMOTION TEAMS.]

The commissioner of health, through the office of rural health, shall establish nurse practitioner promotion teams, consisting of one nurse practitioner and one physician who are practicing jointly. The promotion teams shall travel to rural communities and provide physicians, medical clinic administrators, and other interested parties with

information on: the benefits of joint practices between nurse practitioners and physicians and methods of establishing and maintaining joint practices. The office of rural health shall contract with promotion teams to visit up to 20 rural communities during the biennium ending June 30, 1995. The office of rural health shall provide members of promotion teams with stipends for their time and travel expenses.

Sec. 23. [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of education shall award grants to eligible districts or groups of districts to establish a summer health care intern program in the summer of 1994 for pupils who intend to complete high school graduation requirements and who are between their junior year and senior year of high school. The purpose of the program is to expose interested high school pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] The commissioner, with the advice of the Minnesota Medical Association and the Minnesota Hospital Association, shall establish criteria for awarding grants to districts or groups of districts that have juniors enrolled in high school who are interested in pursuing a career in the health care profession. The criteria must include, among other things:

- (1) the proximity of a district or districts to a hospital or clinic willing to participate in the program;
- (2) the kinds of formal exposure to the health care profession a hospital or clinic can provide to a pupil;
- (3) the need for health care professionals in a particular area; and
- (4) the willingness of a hospital or clinic to pay one-half the costs of employing a pupil.

The Minnesota Medical Association and the Minnesota Hospital Association jointly must provide the commissioner by January 31, 1994, with a list of hospitals and clinics willing to participate in the program and what provisions those hospitals or clinics will make to ensure a pupil's adequate exposure to the health care profession and indicate whether a hospital or clinic is willing to pay one-half the costs of employing a pupil.

Subd. 3. [GRANTS.] The commissioner shall award grants to districts or groups of districts meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school 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.

Sec. 24. [EFFECTIVE DATE.]

Sections 16 to 20 related to the National Health Services Corps loan repayment program are effective the day following final enactment.

ARTICLE 12

DATA RESEARCH INITIATIVES

Section 1. Minnesota Statutes 1992, section 62J.30, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of sections 62J.30 to 62J.34, the following definitions apply:

(a) "Practice parameter" means a statement intended to guide the clinical decision making of health care providers and patients that is supported by the results of appropriately designed outcomes research studies, ~~including those studies sponsored or that has been approved~~ by the federal agency for health care policy and research, or ~~has been~~ adopted for use by a national medical society, national medical specialty society, or a nationally recognized health care related society.

(b) "Outcomes research" means research designed to identify and analyze the outcomes and costs of alternative interventions for a given clinical condition, in order to determine the most appropriate and cost-effective means to prevent, diagnose, treat, or manage the condition, or in order to develop and test methods for reducing inappropriate or unnecessary variations in the type and frequency of interventions.

Sec. 2. Minnesota Statutes 1992, section 62J.30, subdivision 6, is amended to read:

Subd. 6. [DATA COLLECTION PROCEDURES.] The health care analysis unit shall collect data from health care providers, health carriers, and individuals in the most cost-effective manner, which does not unduly burden providers ~~them~~. The unit may require health care providers and health carriers to collect and provide all patient health records and claim files, provide mailing lists of patients who have consented to release of data, and cooperate in other ways with the data collection process. ~~For purposes of this chapter, the health care analysis unit shall assign, or require health care providers and health carriers to assign, a unique identification number to each patient to safeguard patient identity. The unit may also require health care providers and health carriers to provide mailing lists of patients who have consented to release of data. The commissioner shall require all health care providers, group purchasers, and state agencies to use a standard patient identifier, which may be the patient's social security number, and a standard identifier for providers and health plans when reporting data under this chapter. Patient identifiers will be coded to enable release of otherwise private data to researchers, providers, and group purchasers in a manner consistent with chapter 13.~~

Sec. 3. Minnesota Statutes 1992, section 62J.30, subdivision 7, is amended to read:

Subd. 7. [DATA CLASSIFICATION.] (a) Data collected through the large-scale data base initiatives of the health care analysis unit required by section 62J.31 that identify individuals are private data on individuals. Data not on individuals are nonpublic data. The commissioner may release private data on individuals and nonpublic data to researchers affiliated with university research centers or departments who are conducting research on health outcomes, practice parameters, and medical practice style; researchers working under contract with the commissioner; and individuals purchasing health care services for health carriers and groups. ~~Prior to releasing any nonpublic or private data under this paragraph that identify or relate to a specific health carrier, medical provider, or health care facility, the commissioner shall provide at least 30 days' notice to the subject of the data, including a copy of the relevant data, and allow the subject of the data to provide a brief explanation or comment on the data which must be released with the data. The commissioner shall require any person or organization receiving under this subdivision either private data on individuals or nonpublic data to sign an agreement to maintain the data that it receives according to the statutory provisions applicable to the data. The agreement shall not limit the preparation and dissemination of summary data as permitted under section 13.05, subdivision 7.~~ To the extent reasonably possible, release of private or confidential data under this chapter shall be made without releasing data that could reveal the identity of individuals and should instead be released using the identification numbers required by subdivision 6.

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

(c) The commissioner shall adopt rules to establish criteria and procedures to govern access to and the use of data collected through the initiatives of the health care analysis unit.

Sec. 4. Minnesota Statutes 1992, section 62J.30, subdivision 8, is amended to read:

Subd. 8. [DATA COLLECTION ADVISORY COMMITTEE.] The commissioner shall convene a 15-member data collection advisory committee consisting of health service researchers, health care providers, health carrier representatives, representatives of businesses that purchase health coverage, and consumers. Six members of this committee must be health care providers. The advisory committee shall evaluate methods of data collection and shall recommend to the commissioner methods of data collection that minimize administrative burdens, address data privacy concerns, and meet the needs of health service researchers. The committee may convene advisory panels as needed to assist the committee in carrying out these duties. The advisory committee is governed by section 15.059, but does not expire.

Sec. 5. Minnesota Statutes 1992, section 62J.32, subdivision 4, is amended to read:

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] 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. 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 committee may convene advisory panels as needed to assist the committee in carrying out these duties. The advisory committee is governed by section 15.059, but does not expire.

Sec. 6. Minnesota Statutes 1992, section 62J.34, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] The commissioner of health, after receiving the advice and recommendations of the Minnesota health care commission, may approve practice parameters that are endorsed, developed, or revised by the health care analysis unit. The commissioner is exempt from the rulemaking requirements of chapter 14 when approving practice parameters approved by the federal agency for health care policy and research, practice parameters adopted for use by a national medical society, ~~or a national medical specialty society,~~ or a nationally recognized health care related society. The commissioner shall use rulemaking to approve practice parameters that are newly developed or substantially revised by the health care analysis unit. Practice parameters adopted without rulemaking must be published in the State Register.

Sec. 7. Minnesota Statutes 1992, section 144.335, is amended by adding a subdivision to read:

Subd. 3b. [RELEASE OF RECORDS TO COMMISSIONER OF HEALTH OR DATA INSTITUTE.] Subdivision 3a does not apply to the release of health records to the commissioner of health or the data institute under chapter 62J, provided that the data are not in individually identifiable form.

Sec. 8. Minnesota Statutes 1992, section 214.16, subdivision 3, is amended to read:

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action, which may include license revocation, against a regulated person for:

(1) intentional failure to provide the commissioner of health or the health care analysis unit established under section 62J.30 with the data ~~on gross patient revenue as required under section 62J.04 chapter 62J;~~

(2) ~~failure to provide the health care analysis unit with data as required under Laws 1992, chapter 549, article 7;~~

(3) intentional failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.58; and

(4) (3) intentional failure to pay the health care provider tax required under section 295.52;

Sec. 9. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall change the words "health care analysis unit" to "data analysis unit," as appropriate, wherever they appear in Minnesota Statutes.

Sec. 10. [REPEALER.]

Minnesota Statutes 1992, section 62J.29, is repealed.

ARTICLE 13

FINANCING

Section 1. Minnesota Statutes 1992, section 295.50, subdivision 3, is amended to read:

Subd. 3. [GROSS REVENUES.] (a) "Gross revenues" are total amounts received in money or otherwise by:

(1) a resident hospital for ~~inpatient or outpatient patient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29;~~

(2) a resident surgical center for patient services;

(3) a nonresident hospital for ~~inpatient or outpatient patient services as defined in Minnesota Rules, part 4650.0102, subparts 21 and 29,~~ provided to patients domiciled in Minnesota;

(3) (4) a nonresident surgical center for patient services provided to patients domiciled in Minnesota;

(5) a resident health care provider, other than a health maintenance organization, for ~~covered patient services listed in section 256B.0625;~~

~~(4) (6) a nonresident health care provider for covered patient services listed in section 256B.0625 provided to an individual domiciled in Minnesota;~~

~~(5) (7) a wholesale drug distributor for sale or distribution of prescription drugs that are delivered in Minnesota to Minnesota residents by nonresident pharmacies or by the distributor or a common carrier, unless the prescription drugs are delivered to another wholesale drug distributor. Prescription drugs do not include nutritional products as defined in Minnesota Rules, part 9505.0325; and~~

~~(6) (8) a health maintenance organization as gross premiums for enrollees, carrier copayments, and fees for covered patient services listed in section 256B.0625.~~

~~(b) Cross revenues do not include governmental, foundation, or other grants or donations to a hospital or health care provider for operating or other costs.~~

Sec. 2. Minnesota Statutes 1992, section 295.50, subdivision 4, is amended to read:

Subd. 4. [HEALTH CARE PROVIDER.] (a) "Health care provider" is a vendor of medical care qualifying for reimbursement under the medical assistance program provided under chapter 256B, and includes health maintenance organizations but excludes hospitals and pharmacies. 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 good or service not listed above that qualifies for reimbursement under the medical assistance program provided under chapter 256B;

(2) a health maintenance organization;

(3) an integrated service network; or

(4) a licensed ambulance service.

(b) Health care provider does not include hospitals, nursing homes licensed under chapter 144A, surgical centers, and pharmacies as defined in section 151.01.

Sec. 3. Minnesota Statutes 1992, section 295.50, subdivision 7, is amended to read:

Subd. 7. [HOSPITAL.] "Hospital" is means a hospital licensed under chapter 144, or a hospital providing inpatient or outpatient services licensed by any other state or province or territory of Canada or a surgical center.

Sec. 4. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 9a. [PATIENT SERVICES.] "Patient services" means inpatient and outpatient services and other goods and services provided by hospitals, surgical centers, or health care providers. They include the following health care goods and services provided to a patient or consumer:

(1) bed and board;

(2) nursing services and other related services;

(3) use of hospitals, surgical centers, or health care provider facilities;

(4) medical social services;

(5) drugs, biologicals, supplies, appliances, and equipment;

(6) other diagnostic or therapeutic items or services;

(7) medical or surgical services;

(8) items and services furnished to ambulatory patients not requiring emergency care;

(9) emergency services; and

(10) covered services listed in section 256B.0625 and in Minnesota Rules, parts 9505.0170 to 9505.0475.

Sec. 5. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 9b. [PERSON.] "Person" means an individual, partnership, limited liability company, corporation, association, governmental unit or agency, or public or private organization of any kind.

Sec. 6. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 10a. [REGIONAL TREATMENT CENTER.] "Regional treatment center" means a regional center as defined in section 253B.02, subdivision 18, and named in sections 252.025, subdivision 1; 253.015, subdivision 1; 253.201; and 254.05.

Sec. 7. Minnesota Statutes 1992, section 295.50, subdivision 14, is amended to read:

Subd. 14. [WHOLESALE DRUG DISTRIBUTOR.] "Wholesale drug distributor" means a wholesale drug distributor required to be licensed under sections 151.42 to 151.51 or a nonresident pharmacy required to be registered under section 151.19.

Sec. 8. Minnesota Statutes 1992, section 295.51, subdivision 1, is amended to read:

Subdivision 1. [BUSINESS TRANSACTIONS IN MINNESOTA.] A hospital, surgical center, or health care provider is subject to tax under sections 295.50 to 295.58 if it is "transacting business in Minnesota." A hospital, surgical center, or health care provider is transacting business in Minnesota only if it:

(1) maintains an office in Minnesota used in the trade or business of providing patient services;

(2) has employees, representatives, or independent contractors conducting business in Minnesota related to the trade or business of providing patient services;

(3) regularly ~~sells covered~~ provides patient services to customers that receive the ~~covered~~ services in Minnesota;

(4) regularly solicits business from potential customers in Minnesota. A hospital, surgical center, or health care provider is presumed to regularly solicit business within Minnesota if it receives gross receipts for patient services from 20 or more patients domiciled in Minnesota in a calendar year;

(5) regularly performs services outside Minnesota the benefits of which are consumed in Minnesota;

(6) owns or leases tangible personal or real property physically located in Minnesota and used in the trade or business of providing patient services; or

(7) receives medical assistance payments from the state of Minnesota.

Sec. 9. Minnesota Statutes 1992, section 295.52, is amended by adding a subdivision to read:

Subd. 1a. [SURGICAL CENTER TAX.] A tax is imposed on each surgical center equal to two percent of its gross revenues.

Sec. 10. Minnesota Statutes 1992, section 295.52, is amended by adding a subdivision to read:

Subd. 5. [REGIONAL TREATMENT CENTERS.] Regional treatment centers are not subject to tax under this section.

Sec. 11. Minnesota Statutes 1992, section 295.52, is amended by adding a subdivision to read:

Subd. 6. [VOLUNTEER AMBULANCE SERVICES.] Licensed ambulance services for which a majority of staff meet the definition of "volunteer ambulance attendant" in section 144.8091, subdivision 2, are not subject to the tax under this section.

Sec. 12. Minnesota Statutes 1992, 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 from the federal government for services provided under the Medicare program, including payments received from the government, and Medicare coordinated health plans, excluding and enrollee deductible deductibles, coinsurance, and coinsurance payments 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 services performed by nursing homes licensed under chapter 144A, services provided in supervised living facilities and home health care services;~~

(4) payments received from hospitals or surgical centers for goods and services that are subject to tax under section 295.52;

(5) payments received from health care providers for goods and services that are subject to tax under section 295.52;

(6) amounts paid for prescription 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 health right MinnesotaCare program under Laws 1992, chapter 549, article 4 including payments received directly from the government or from a prepaid plan; and~~

(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; and

(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.

Sec. 13. Minnesota Statutes 1992, section 295.53, subdivision 3, is amended to read:

Subd. 3. [RESTRICTION ON ITEMIZATION.] A hospital, surgical center, or health care provider must not separately state the tax obligation under section 295.52 on bills provided to individual patients.

Sec. 14. Minnesota Statutes 1992, section 295.53, is amended by adding a subdivision to read:

Subd. 4. [DEDUCTION FOR RESEARCH AND EDUCATION.] In addition to the exemptions allowed under subdivision 1, a hospital or health care provider which is exempt under section 501(c)(3) of the Internal Revenue Code of 1986 or is owned and operated under authority of a governmental unit, may deduct from its gross revenues subject to the hospital or health care provider taxes under sections 295.50 to 295.57 revenues equal to expenditures for allowable research programs and education programs.

(a) For purposes of this subdivision, expenditures for allowable education programs are the direct and general service cost of approved educational activities, less any reimbursement from grants, tuition, or donations received for educational purposes, which qualify program participants for entry level or advanced certification as a health care provider. Approved educational activities are those defined as an approved educational activity as an allowable cost under the Medicare program. Costs of "on-the-job," "in-service," or similar work-learning programs are excluded from this exemption.

(b) For purposes of this subdivision, expenditures for allowable research programs are the direct and general program costs for activities which are part of a formal program of medical and health care research approved by the governing body of the hospital or health care provider which also includes active solicitation of research funds from government and private sources. Any allowable research on humans or animals must be subject to review by appropriate regulatory committees operating in conformity with federal regulations such as an institutional review board or an institutional animal care and use committee. Costs of clinical research activities paid directly for the benefit of an individual patient are excluded from this exemption. Basic research in fields including biochemistry, molecular biology, and physiology are also included if such programs are subject to a peer review process.

(c) No deduction shall be allowed under this subdivision for any revenue received by the hospital or health care provider in the form of a grant, gift, or otherwise, whether from a government or nongovernment source, that is not subject to the tax imposed by section 295.52 or for which the tax liability under section 295.52 has been received from a third party as provided for in Laws 1992, chapter 549, article 9, section 19.

Sec. 15. Minnesota Statutes 1992, section 295.54, is amended to read:

295.54 [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

A resident hospital, resident surgical center, 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.

Sec. 16. Minnesota Statutes 1992, section 295.55, subdivision 4, is amended to read:

Subd. 4. [ELECTRONIC FUNDS TRANSFER PAYMENTS.] A taxpayer with an aggregate tax liability of \$60,000 \$30,000 or more during a calendar quarter ending the last day of March, June, September, or December of the first year the taxpayer is subject to the tax must thereafter remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a), for the remainder of the year. A taxpayer with an aggregate tax liability of \$120,000 or more during a calendar year, must remit all liabilities by means of a funds transfer as defined in section 336.4A-104, paragraph (a), in the subsequent calendar year. The funds transfer payment date, as defined in section 336.4A-401, is on or before the date the tax is due. If the date the tax is due is not a funds-transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date is on or before the first funds-transfer business day after the date the tax is due.

Sec. 17. Minnesota Statutes 1992, section 295.57, is amended to read:

295.57 [COLLECTION AND ENFORCEMENT; REFUNDS; RULEMAKING; APPLICATION OF OTHER CHAPTERS.]

Unless specifically provided otherwise by sections 295.50 to 295.58, the enforcement, interest, and penalty provisions under chapter 294, appeal and, criminal penalty, and refund provisions under chapter 289A, and collection and rulemaking provisions under chapter 270, apply to a liability for the taxes imposed under sections 295.50 to 295.58.

Sec. 18. Minnesota Statutes 1992, 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 and nonprofit health service 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.

Sec. 19. [295.582] [AUTHORITY.]

A hospital, health care provider, or surgical center that is subject to a tax under section 295.52 may transfer additional expenses generated by section 295.52 obligations on to third party contracts regulated under chapter 60A, 62A, 62C, 62D, 62H, or 64B or 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

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. Such third party purchasers must pay the transferred expense in addition to any payments due under existing or future contracts with the hospital, health care provider, or surgical center. Nothing in this subdivision limits the ability of a hospital, health care provider, or surgical center to recover all or part of the section 295.52 obligation by other methods, including increasing fees or charges. The authority to transfer additional expenses generated by section 295.52 also applies to pharmacies, to the extent their product is subject to the wholesale drug distributor tax.

Sec. 20. Minnesota Statutes 1992, section 295.59, is amended to read:

295.59 [SEVERABILITY.]

If any section, subdivision, clause, or phrase of sections 295.50 to 295.58 295.582 is for any reason held to be unconstitutional or in violation of federal law, the decision shall not affect the validity of the remaining portions of sections 295.50 to 295.58 295.582. The legislature declares that it would have passed sections 295.50 to 295.58 295.582 and each section, subdivision, sentence, clause, and phrase thereof, irrespective of the fact that any one or more sections, subdivisions, sentences, clauses, or phrases is declared unconstitutional.

Sec. 21. [APPROPRIATION.]

Notwithstanding Laws 1992, chapter 549, article 10, section 1, subdivision 1, the amount appropriated to the commissioner of revenue in Laws 1992, chapter 549, article 10, section 1, subdivision 8, is available until June 30, 1994.

Sec. 22. [REPEALER.]

Minnesota Statutes 1992, section 295.50, subdivision 10, is repealed.

Minnesota Statutes 1992, section 295.51, subdivision 2, is repealed.

Laws 1992, chapter 549, article 9, section 19, subdivision 2, is repealed.

Sec. 23. [EFFECTIVE DATES.]

Sections 1; 3; 4, clauses (1) to (9); 6; 8; 9; 10; 12; 13; 15; 17; and 18 are effective retroactively to gross revenues generated by services performed and goods sold after December 31, 1992.

Sections 4, clause (10); 7; 11; and 15 are effective for services performed and goods sold after December 31, 1993.

Sections 2, 5, 19, 20, and 21 are effective the day following final enactment.

For hospitals, section 14 is effective for gross revenues generated after December 31, 1992. For health care providers, section 14 is effective for revenues generated after December 31, 1993.

Section 16 is effective for payments due in calendar year 1994, and thereafter, based on payments made in the fiscal year ending June 30, 1993.

ARTICLE 14

APPROPRIATIONS

Section 1. APPROPRIATIONS

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the health care access fund, or any other fund named, to the agencies and for the purposes specified in the following sections of 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.

136A.1357; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.147, subdivision 4; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 151.47, subdivision 1; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9352, subdivision 3; 256.9353; 256.9354, subdivisions 1, 4, and 5; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3, and by adding a subdivision; 256B.04, subdivision 1; 256B.057, subdivisions 1, 2, and 2a; 256B.0625, subdivision 13; 256D.03, subdivision 3; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1, 3, and by adding a subdivision; 295.54; 295.55, subdivision 4; 295.57; 295.58; 295.59; Laws 1990, chapter 591, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 62A; 62J; 136A; 144; 151; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; repealing Minnesota Statutes 1992, sections 62J.15, subdivision 2; 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2."

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1247, A bill for an act relating to motor vehicles; establishing automobile theft prevention program and creating board; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reported the same back with the following amendments:

Page 1, line 10, before the period insert "in the department of commerce"

Page 1, line 14, after the period insert "No more than four members of the board may be of one gender."

Page 1, line 18, after the period insert "The commissioner of commerce shall provide office space and administrative support to the board and shall oversee its operations."

Page 4, after line 4, insert:

"This act shall expire on January 1, 1999."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1750, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative 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 duties of the department of administration agencies and functions; amending Minnesota Statutes 1992, sections 3.971, by adding a subdivision; 3A.02, by adding a subdivision; 13.02, by adding a subdivision; 13.05, subdivision 2; 13.06, subdivisions 1, 4, 5, 6, and 7; 13.07; 15.17, subdivision 1; 15.171; 15.172; 15.173; 15.174; 16A.011, subdivisions 5, 6, and 14; 16A.04, subdivision 1; 16A.055, subdivision 1; 16A.06, subdivision 4; 16A.065; 16A.10, subdivisions 1 and 2; 16A.105; 16A.11, subdivisions 1 and 3; 16A.128, as amended; 16A.129, by adding a subdivision; 16A.15, subdivisions 1, 5, and 6; 16A.17, subdivision 3; 16A.28; 16A.281; 16A.30; 16A.58; 16A.69, subdivision 2; 16A.72; 16B.04, subdivision 2; 16B.24, subdivision 9; 16B.40; 16B.41, as amended; 16B.43; 16B.44; 16B.92; 43A.045; 116.03, subdivision 3; 116J.617, subdivisions 2, 3, and by adding a subdivision; 240A.02, subdivision 1; 240A.03, by adding

a subdivision; 270.063; 309.501; 349A.02, subdivision 1; 349A.03, subdivision 2; 352.96, subdivision 3; 354B.05; and 356.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 11A; 13; 15; 15B; 16A; 116J; and 116M; repealing Minnesota Statutes 1992, sections 3.3005; 13.02, subdivision 2; 16A.095, subdivision 3; 16A.123; 16A.1281; 16A.35; 16A.45, subdivisions 2 and 3; 16A.80; 16B.41, subdivisions 3 and 4; 290A.24; 309.502; and 349A.03, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 40, delete "259,942,000" and insert "249,530,000" and delete "248,952,000" and insert "238,394,000" and delete "508,894,000" and insert "487,924,000"

Page 2, lines 4 and 34, delete "395,000" and insert "430,000" in both places and delete "790,000" and insert "860,000"

Page 2, line 12, delete "278,421,000" and insert "268,044,000" and delete "267,014,000" and insert "256,491,000" and delete "545,435,000" and insert "524,535,000"

Page 2, line 25, delete "207,102,000" and insert "196,690,000" and delete "208,142,000" and insert "197,584,000" and delete "415,244,000" and insert "394,274,000"

Page 2, line 36, delete "224,204,000" and insert "213,827,000" and delete "225,327,000" and insert "214,804,000" and delete "449,531,000" and insert "428,631,000"

Page 4, delete lines 13 to 32, and insert:

"The second 50 percent of the appropriation to the department of finance for the statewide systems project is available only if the commissioner of finance seeks and receives a recommendation from the legislative commission on planning and fiscal policy on the degree to which the project will improve legislative access to information on the systems. Failure of the commission to make a recommendation within 30 days of the commissioner's request shall be considered a positive recommendation. The commissioner shall seek a recommendation no later than October 1, 1993."

Page 11, after line 2, insert:

"By October 1, 1994, the commissioner of finance shall coordinate the preparation of a report which identifies the estimated direct and indirect budget savings anticipated from the enacted funding of investment initiatives within the fiscal year 1994-1995 budget. The report shall identify current and estimated future funding requirements as well as direct and indirect benefits by year covering the current and two future biennia. The commissioner shall subsequently report to the legislative commission on planning and fiscal policy by November 1 of each year documented costs and savings compared to original estimates. Each agency shall retain responsibility for monitoring and documenting savings. If actual savings and benefits vary from original estimates, the report must include agency plans to ensure ongoing savings."

Page 11, delete lines 39 to 44, and insert:

"Seventy percent of the amount used each year to fund grants to the government training service must be subtracted from the amount that would otherwise be payable to local government aid under Minnesota Statutes, chapter 477A."

Page 14, line 20, delete "74,396,000" and insert "63,984,000" and delete "74,952,000" and insert "64,394,000"

Page 14, line 22, delete "72,311,000" and insert "61,899,000" and delete "72,867,000" and insert "62,309,000"

Page 14, line 31, delete "37,332,000" and insert "31,242,000" and delete "37,767,000" and insert "31,677,000"

Page 14, delete lines 38 to 40

Page 14, line 42, delete "5,818,000" and insert "4,656,000" and delete "5,806,000" and insert "4,644,000"

Page 14, delete lines 43 to 45

Page 14, line 47, delete "25,293,000" and insert "22,133,000" and delete "25,411,000" and insert "22,105,000"

Page 14, line 49, delete "23,233,000" and insert "20,073,000" and delete "23,351,000" and insert "20,045,000"

Page 15, delete lines 4 to 7

Page 15, after line 10, insert:

"General	6,028,000	6,043,000"
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Page 15, after line 29, insert:

"Subd. 7. Reporting

The commissioner shall report quarterly to the chairs of the senate finance and tax committees and house of representatives ways and means and tax committees and to the commissioner of finance on all funds expended and corresponding revenues received in the audit and collection divisions."

Page 18, delete lines 31 and 32, and insert "For any"

Page 18, line 33, before the comma insert "assigned base cuts in this act"

Page 64, line 5, after "activities" insert "and the collection division"

Page 64, lines 17 and 18, delete "up to \$20,970,000 per biennium"

Page 64, line 20, after "activities" insert "in the audit division" and after the period insert "Compliance-related activities must include business tax audit and collection of past due tax obligations."

Page 64, line 23, after the period insert "The amount of the open appropriation under this subdivision may not exceed \$2,400,000 in fiscal year 1994 and \$2,859,000 in fiscal year 1995."

Page 65, lines 20 and 24, after "designated" insert "or"

Page 69, line 7, before "A" insert "This subdivision applies only to the 1993 state employee combined charitable organization fund drive."

Page 79, delete lines 41 to 49

Page 80, delete lines 1 to 4

Page 82, line 24, delete "\$205,000" and insert "\$190,000" in both places.

Page 82, after line 45, insert:

"\$50,000 in fiscal year 1994 and \$50,000 in fiscal year 1995 are for a grant to the North Metro Business Retention and Development Commission for the second and third stages of the multicomunity business retention and market expansion pilot project. This appropriation is available only upon demonstration of a dollar-for-dollar cash match from the commission. The commission shall share all results and written reports with the department of trade and economic development."

Page 84, delete lines 10 and 11 and insert "For any"

Page 84, line 12, before the comma insert "assigned base cuts in this act"

Amend the title as follows:

Page 1, line 8, delete everything after the semicolon

Page 1, line 9, delete everything before the semicolon and insert "transferring certain duties and functions"

Page 1, line 30, after "chapters" insert "3;"

Page 1, line 32, after the second semicolon insert "13.072;"

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. 1073 was read for the second time.

MOTIONS AND RESOLUTIONS

Carruthers moved that the name of Bauerly be added as an author on H. F. No. 554. The motion prevailed.

Anderson, I., moved that the name of Long be stricken and the name of Evans be added as an author on H. F. No. 980. The motion prevailed.

Limmer moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Wednesday, April 21, 1993, when the vote was taken on the final passage of S. F. No. 1570, as amended." The motion prevailed.

Hasskamp moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Tuesday, April 20, 1993, when the vote was taken on the Abrams amendment to H..F. No. 1735, as amended." The motion prevailed.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 1:00 p.m., Friday, April 23, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Friday, April 23, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

FORTY-SECOND DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 23, 1993

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

Prayer was offered by Father Dan Ward, St. John's Abbey, Collegeville, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Clark, Girard and Sarna were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Mosel 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. 44 and H. F. No. 483, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 44 be substituted for H. F. No. 483 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 163 and H. F. No. 573, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Stanius moved that S. F. No. 163 be substituted for H. F. No. 573 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 181 and H. F. No. 181, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 181 be substituted for H. F. No. 181 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 207 and H. F. No. 489, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lourey moved that the rules be so far suspended that S. F. No. 207 be substituted for H. F. No. 489 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 225 and H. F. No. 606, 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. 225 be substituted for H. F. No. 606 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 376 and H. F. No. 378, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Reding moved that S. F. No. 376 be substituted for H. F. No. 378 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 384 and H. F. No. 499, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejzman moved that the rules be so far suspended that S. F. No. 384 be substituted for H. F. No. 499 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 414 and H. F. No. 403, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 414 be substituted for H. F. No. 403 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 560 and H. F. No. 665, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 560 be substituted for H. F. No. 665 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 737 and H. F. No. 746, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ostrom moved that the rules be so far suspended that S. F. No. 737 be substituted for H. F. No. 746 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 981 and H. F. No. 1117, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Gutknecht moved that the rules be so far suspended that S. F. No. 981 be substituted for H. F. No. 1117 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1141 and H. F. No. 1251, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Mahon moved that S. F. No. 1141 be substituted for H. F. No. 1251 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1199 and H. F. No. 1187, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Perlt moved that the rules be so far suspended that S. F. No. 1199 be substituted for H. F. No. 1187 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1400 and H. F. No. 1541, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 1400 be substituted for H. F. No. 1541 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 50, A bill for an act relating to agriculture; changing the apiary laws; amending Minnesota Statutes 1992, sections 19.50, by adding a subdivision; 19.52, subdivision 1; 19.55; 19.56; 19.58, subdivisions 1, 2, and 4; 19.59; 19.64, subdivisions 1 and 4a; and 19.65; proposing coding for new law in Minnesota Statutes, chapter 19; repealing Minnesota Statutes 1992, sections 19.51, subdivision 3; 19.54; 19.58, subdivisions 3, 7, and 8; 19.60; 19.61, subdivision 2; 19.62; and 19.64, subdivisions 2, 3, and 4.

Reported the same back with the following amendments:

Page 6, after line 32, insert:

"Sec. 13. [APPROPRIATION REDUCTION.]

The general fund appropriation to the commissioner of agriculture is reduced by \$15,000 in the first year and \$15,000 in the second year of the biennium ending June 30, 1995."

Page 6, line 33, delete "13" and insert "14"

Page 7, line 2, delete "14" and insert "15"

Page 7, line 3, delete "to 13" and insert ", 12, and 14"

Amend the title as follows:

Page 1, line 2, after the second semicolon insert "reducing an appropriation;"

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. 272, A bill for an act relating to state departments; abolishing department of public safety and transferring certain responsibilities and personnel to other agencies; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 13.99, subdivision 82; 15.01; 15A.081, subdivision 1; 16B.14; 16B.46; 16B.54, subdivision 2; 43A.05, subdivision 4; 43A.34, subdivision 4; 65B.28, subdivision 2; 161.125, subdivision 3; 161.20, subdivision 4; 161.465; 168.011, by adding subdivisions; 168.126, subdivision 3; 168.325; 169.751; 169.783, subdivision 1; 170.23; 170.24; 171.015; 216C.19, subdivision 1; 218.031, subdivision 2; 270.73, subdivision 1; 297B.01, subdivision 3; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.30; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01; 299C.03; 299C.06; 299C.13; 299C.50; 299F.01; 299F.05, subdivision 2; 299L.01, subdivision 1; 340A.201; 347.51, subdivision 2a; 349.151, subdivision 2; 352B.01, subdivision 2; 360.0752, subdivision 7; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16; repealing Minnesota Statutes 1992, sections 168.325, subdivision 4; 171.015, subdivisions 1 and 5; 270B.12, subdivision 4; and 299A.01; Laws 1987, chapter 315, section 4, subdivision 2; Laws 1990, chapters 571, section 39; and 594, article 3, sections 6 and 7.

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.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 299, A bill for an act relating to elections; changing requirements and procedures for maintaining precinct boundary data; appropriating money; amending Minnesota Statutes 1992, sections 204B.14, subdivisions 5 and 6; and 204B.146.

Reported the same back with the following amendments:

Page 4, line 3, delete "\$....." and insert "\$63,000"

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. 514, A bill for an act relating to the environment; providing for passive bioremediation; providing for review of agency employee decisions; increasing membership of petroleum tank release compensation board; establishing a fee schedule of costs or criteria for evaluating reasonableness of costs submitted for reimbursement; modifying petroleum tank release cleanup fee; modifying reimbursements; modifying consultant and contractor registration requirements; authorizing board to delegate its reimbursement powers and duties to the commissioner of commerce; authorizing rulemaking; appropriating money; amending Minnesota Statutes 1992, sections 115C.02, subdivision 10; 115C.03, by adding subdivisions; 115C.07, subdivisions 1, 2, and 3; 115C.08, subdivisions 1, 2, 3, and 4; 115C.09, subdivisions 1, 3, 3a, 3c, and by adding a subdivision; and 115C.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1992, sections 115C.01; 115C.02; 115C.021; 115C.03; 115C.04; 115C.045; 115C.05; 115C.06; 115C.065; 115C.07; 115C.08; 115C.09; 115C.10; 115C.11; and 115C.12.

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.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 948, A bill for an act relating to commerce; modifying the definition of business license; regulating residential building contractors and remodelers; providing licensing requirements; prescribing the powers and duties of the commissioner; establishing a contractor's recovery fund; amending Minnesota Statutes 1992, sections 116J.70, subdivision 2a; 326.83, subdivisions 4, 6, 7, 8, 10, and by adding subdivisions; 326.84, subdivisions 1 and 3; 326.85, subdivision 1; 326.86; 326.87, subdivision 2; 326.88; 326.89, subdivisions 2, 3, and by adding subdivisions; 326.90; 326.91, subdivisions 1 and 2; 326.92, subdivisions 1 and 3; 326.93, subdivision 1; 326.94, subdivision 2; 326.97, subdivision 1, and by adding a subdivision; 326.99; and 326.991; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 1992, sections 326.84, subdivision 2; and 326.94, subdivision 1.

Reported the same back with the following amendments:

Page 8, line 18, delete "lease" and insert "least"

Page 16, line 13, delete ", (7), and" and insert "to"

Page 18, line 2, delete "or"

Page 18, line 5, before the period insert "; or"

(11) has engaged in bad faith, unreasonable delays, or frivolous claims in defense of a civil lawsuit arising out of their activities as a licensee under this chapter"

Page 20, line 3, before "(a)" insert "Subdivision 1. [GENERALLY.]"

Page 21, after line 11, insert:

"(c) All money in the contractor's recovery fund is appropriated annually to the commissioner for the purposes of this section.

Subd. 2. [ACCELERATED CLAIMS PAYMENT.] Recovery fund claims that do not exceed the jurisdiction limits for conciliation court matters as specified in section 487.30 shall be paid on an accelerated basis if all of the following requirements have been satisfied:

(a) When any aggrieved person obtains a judgment in any court of competent jurisdiction, regardless of whether the judgment has been discharged by a bankruptcy court against a residential building contractor or residential remodeler on grounds specified in subdivision 1, paragraph (a), clause (2), the aggrieved person may file a verified application with the commissioner for payment out of the fund of the amount of actual and direct out-of-pocket loss in the transaction, but excluding any attorney fees, interest on the loss and on any judgment obtained as a result of the loss, up to the conciliation court jurisdiction limits, of the amount unpaid upon the judgment. For purposes of this section, persons who are joint tenants or tenants in common are deemed to be a single claimant.

(b) The commissioner has sent the licensee a copy of the verified application by first-class mail to the licensee's address as it appears in the records of the department of commerce with a notice that the claim will be paid 15 days from the date of the notice unless the licensee notifies the commissioner prior to that date of the commencement of an appeal of the judgment, if the time for appeal has not expired, and that payment of the claim will result in automatic suspension of the licensee's license.

(c) If the licensee does not notify the commissioner of the commencement of an appeal, the commissioner shall pay the claim at the end of the 15-day period.

(d) If an appeal is commenced, the payment of the claim is stayed until the conclusion of the appeal.

(e) The commissioner may pay claims which total no more than \$15,000 against the licensee under this accelerated process. The commissioner may prorate the amount of claims paid under this subdivision if claims in excess of \$15,000 against the licensee are submitted. Any unpaid portions of such claims shall be satisfied in the manner set forth in subdivision 1."

Page 22, line 17, delete everything after "Laws"

Page 22, line 18, delete "18" and insert "1993, chapter 9"

Amend the title as follows:

Page 1, line 7, 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.

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

H. F. No. 994, A bill for an act relating to children; foster care and adoption placement; specifying time limits for compliance with placement preferences; setting standards for changing out-of-home placement; requiring notice of certain adoptions; clarifying certain language; requiring compliance with certain law; amending Minnesota Statutes 1992, sections 257.071, subdivisions 1 and 1a; 257.072, subdivision 7; 259.255; 259.28, subdivision 2, and by adding a subdivision; 259.455; 260.012; 260.181, subdivision 3; and 260.191, subdivisions 1a, 1d, and 1e; proposing coding for new law in Minnesota Statutes, chapters 257; and 259.

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

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1094, A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 5; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62L.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 45; 60A; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

Reported the same back with the following amendments:

Page 2, delete section 4

Page 15, line 16, before the period insert ";

(9) for issuing duplicate licenses, \$10;

(10) for issuing licensing histories, \$20"

Page 55, after line 30, insert:

"Sec. 71. [APPROPRIATION.]

\$39,000 for fiscal year 1994 and \$45,000 for fiscal year 1995 are appropriated from the general fund to the commissioner of commerce."

Page 56, line 11, delete "37" and insert "36"

Page 56, line 13, delete "69 to 72" and insert "68 to 70, 72,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, 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.

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

H. F. No. 1114, A bill for an act relating to game and fish; stamp design; training of hunting dogs; clothing requirements; raccoon season; rough fish taking by nonresidents; muskie size limits; taking of mussels; advance of matching funds; financing waterfowl development; defining "undressed bird"; seasons on muskrat, mink, otter, and beaver; amending Minnesota Statutes 1992, sections 84.085, by adding a subdivision; 97A.015, subdivision 49; 97A.045, subdivision 7; 97B.005, subdivisions 2 and 3; 97B.071; 97B.621, subdivision 1; 97B.911; 97B.915; 97B.921; 975.925; 97C.375; 97C.405; and 97C.701, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 97A; repealing Minnesota Statutes 1992, sections 97A.541; 97C.701, subdivisions 3, 4, and 5; 97C.705; and 97C.711.

Reported the same back with the following amendments:

Page 2, after line 7, insert:

"Sec. 2. Minnesota Statutes 1992, section 97A.015, is amended by adding a subdivision to read:

Subd. 26a. [IN-THE-ROUND.] "In-the-round" means fish with heads, tails, fins, skins, and scales intact."

Page 3, after line 5, insert:

"Sec. 6. Minnesota Statutes 1992, section 97A.531, is amended to read:

97A.531 [SHIPMENT OF WILD ANIMALS TAKEN IN CANADA.]

Subdivision 1. [SHIPPING COUPONS.] (a) A person may ship, within or out of the state, wild animals lawfully taken and possessed in Canada and that have lawfully entered the state. The shipment must have the shipping coupons required for a shipment originating in the province where the animals were taken.

(b) The commissioner of natural resources may suspend the requirement of a Minnesota angling license to transport Canadian fish whenever Canadian laws imposing fees and work permits on nonresident anglers and guides are repealed.

Subd. 2. [CONDITION OF FISH.] Fish that are lawfully taken and possessed in Canada may must be brought into the state in-the-round for filleting and packing and may be transported within the state or out of the state only by a resident or nonresident possessing a Minnesota angling license. A violation of this subdivision is a misdemeanor, and in addition to any criminal penalty imposed, fish brought into or transported within the state contrary to this subdivision must be confiscated, and a penalty of \$10 for each fish must be imposed.

Subd. 3. [NOTICE.] Any advertisement of fishing resorts or facilities in Canada in printed or broadcast form originating or distributed within the state must contain a summary of the requirement of subdivision 2, and penalty for noncompliance.

Subd. 4. [CONDITIONS SUSPENDED.] The commissioner of natural resources may suspend the requirement of transporting fish in-the-round when brought into Minnesota from Canada whenever Canadian laws imposing fees and work permits on nonresident anglers and guides are repealed."

Page 5, after line 25, insert:

"Sec. 20. [EFFECTIVE DATE.]

The provisions of sections 2 and 6 are effective January 1, 1994."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "beaver," insert "required license to take and condition of fish brought into the state from Canada; authorizing suspension of requirements upon action by Canadian authorities;"

Page 1, line 9, after "49" insert ", and by adding a subdivision"

Page 1, line 10, after "subdivision 7;" insert "97A.531;"

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. 1137, A bill for an act relating to real estate; regulating fees, licenses, and agreements; requiring certain disclosures; providing for meetings of the real estate appraiser advisory board; changing terms; regulating fees and licenses; amending Minnesota Statutes 1992, sections 82.17, subdivision 4, and by adding subdivisions; 82.19, subdivision 5, and by adding subdivisions; 82.20, subdivision 15; 82.21, subdivision 1, and by adding a subdivision; 82.22, subdivisions 6 and 13; 82.24, subdivision 1; 82.27, subdivision 1; 82.33, subdivision 2, and by adding subdivisions; 82.34, subdivisions 3 and 7; 82B.02, by adding a subdivision; 82B.05, subdivision 5; 82B.11; 82B.14; 82B.19, subdivision 2; and 507.45, subdivision 4; Laws 1992, chapter 555, article 1, section 12; proposing coding for new law in Minnesota Statutes, chapter 82; repealing Minnesota Statutes 1992, sections 82.22, subdivision 7; and 462A.201, subdivision 5; Minnesota Rules, part 2805.1200.

Reported the same back with the following amendments:

Page 27, after line 20, insert:

"Sec. 29. [APPROPRIATION.]

\$27,000 for fiscal year 1994 and \$27,000 for fiscal year 1995 are appropriated from the general fund to the commissioner of commerce for implementation of sections 1 to 28."

Page 27, line 31, delete "30" and insert "31"

Page 27, line 33, delete "29" and insert "30"

Renumber the remaining sections

Amend the title as follows:

Page 1, line 6, 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.

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

H. F. No. 1225, A bill for an act relating to agriculture; authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; exempting certain pesticides from the ACRRA surcharge; requiring a report; appropriating money; repealing the hazardous substance labeling act; amending Minnesota Statutes 1992, sections 18B.01, by adding subdivisions; 18B.135; 18B.14, subdivision 2; 18B.31, subdivision 1; 18B.36, subdivision 2; 18B.37, subdivision 2; 18C.005, subdivisions 13 and 35; 18C.115, subdivision 2; 18C.211, subdivision 1; 18C.215, subdivision 2; 18C.305, subdivision 2; 18E.03, subdivisions 2 and 5; 21.85, subdivision 10; 325F.19, subdivision 7; repealing Minnesota Statutes 1992, sections 18B.07, subdivision 3; 18C.211, subdivision 3; 18C.215, subdivision 3; 24.32; 24.33; 24.34; 24.35; 24.36; 24.37; 24.38; 24.39; 24.40; 24.41; 24.42; 25.46; and 25.47.

Reported the same back with the following amendments:

Page 4, after line 25, insert:

"Sec. 5. Minnesota Statutes 1992, section 18B.26, subdivision 3, is amended to read:

Subd. 3. [APPLICATION FEE.] (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at one-tenth of one percent for calendar year 1990, at one-fifth of one percent for calendar year 1991, and at two-fifths of one percent for calendar year 1992 and thereafter of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250 ~~plus an additional one-tenth of one percent for each pesticide for which the United States Environmental Protection Agency, Office of Water, has published a Health Advisory Summary by December 1 of the previous year.~~ The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for

registration is made. Of the amount collected after calendar year 1990, \$600,000 per fiscal year must be credited to the waste pesticide account under section 18B.065, subdivision 5, ~~and the additional amount collected for pesticides with Health Advisory Summaries shall be credited to the agricultural project utilization account under section 116O.13 to be used for pesticide use reduction grants by the agricultural utilization research institute.~~

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report."

Page 13, delete lines 19 to 22, and insert:

"\$200,000 in fiscal year 1994 and \$200,000 in fiscal year 1995 is appropriated from the pesticide regulatory account to the agricultural project utilization account to be used for pesticide use reduction grants, pesticide best management practice evaluation grants, or agricultural chemical spill site remediation research grants by the agricultural utilization research institute in consultation with the department of agriculture."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 9, after the second semicolon insert "18B.26, 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.

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

H. F. No. 1436, A bill for an act relating to the environment; appropriating money from the metropolitan landfill contingency trust fund to the commissioner of the pollution control agency for reimbursement to the city of Hopkins for remediation of methane at the city landfill; amending Laws 1991, chapter 182, section 7.

Reported the same back with the following amendments:

Page 1, line 15, strike "1993" and insert "1994"

Page 1, line 17, delete the new language

Page 1, delete line 18

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. 1751, A bill for an act relating to human services; organization and operation of state government; appropriating money for human services, the department of health, health-related boards, jobs and training, housing finance, veterans affairs and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 8.15; 16A.45, by adding a subdivision; 16B.06, subdivision 2a; 116.76, subdivision 14; 116.78, subdivisions 4 and 7; 116.79, subdivisions 1 and 4; 116.80, subdivisions 1 and 2; 116.81, subdivision 1; 116.82, subdivision 3; 116.83, subdivisions 1 and 3; 116L.03, subdivision 7; 144.122; 144.123, subdivision 1; 144.215, subdivision 3, and by adding a subdivision; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.8091, subdivision 1; 144.871, subdivisions 2, 6, 7a, 7b, 9, and by adding subdivisions; 144.872, subdivisions 2, 3, 4, and by adding a subdivision; 144.873; 144.874, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 144.876, by adding a subdivision; 144.878, subdivisions 2, 2a, and 5; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 145.883, subdivision 5; 145.925, by adding a subdivision; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.01, subdivision 2; 214.04, subdivision 1; 214.06, subdivision 1; 245.462, subdivisions 4 and 20; 245.484; 245.4871, subdivision 4; 245.4873, subdivision 2; 245.4882, subdivision 5; 245.73, subdivisions 2, 3, and by adding a subdivision; 245.765, subdivision 1; 245A.14, by adding a subdivision; 246.0135; 246.18, subdivision 4; 252.275, subdivisions 1 and 8; 252.40; 252.41, subdivisions 1 and 3; 252.43; 252.46; 252A.101, subdivision 7; 252A.111, subdivision 4; 254A.17, subdivisions 1 and 3; 254B.03, subdivision 1; 254B.06, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 1a, 2, 3, 7, and by adding subdivisions; 256.969, subdivisions 1, 8, and by adding a subdivision; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.03, by adding a subdivision; 256B.04, subdivision 16; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0625, subdivisions 3, 6a, 7, 11, 13, 13a, 14, 15, 17, 19a, 20, 28, 29, and by adding subdivisions; 256B.0627, subdivisions 1, 4, and 5; 256B.0628, subdivision 2; 256B.0911, subdivisions 2, 3, 4, 6, 7, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 9, 12, 13, and 14; 256B.0915, subdivisions 1, 3, and by adding subdivisions; 256B.0917, subdivisions 1, 2, 3, 4, 5, 11, and 12; 256B.093, subdivisions 1 and 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.431, subdivisions 2b, 13, 14, 15, 21, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1 and 2; 256B.49, by adding a subdivision; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 3g, 3i, 12, and by adding a subdivision; 256D.01, subdivision 1a; 256D.02, subdivision 5; 256D.03, subdivisions 3, 3, 4, and 8; 256D.04; 256D.05, by adding a subdivision; 256D.051, subdivision 1; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256H.03, subdivision 4; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.59, subdivision 3; 257.73, subdivision 1; 257.74, subdivision 1; 257.803, subdivision 1; 259.40, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9; 259.431, subdivision 5; 268.022, subdivisions 1 and 2; 268.361, subdivisions 6 and 7; 268.362; 268.363; 268.364, subdivisions 1, 3, and by adding a subdivision; 268.365, subdivision 2; 268.55; 268.914, subdivision 1; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 349.2125, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 462A.03, subdivision 15; 462A.057, subdivision 1; 462A.21, by adding subdivisions; 469.011, subdivision 4; 518.156, subdivision 1; 518.551, subdivision 5; 518.611, subdivisions 1, 2, 6, and by adding a subdivision; 518.613, subdivisions 2, 3, and 4; 518.64, subdivision 2; 525.539, subdivision 2; 525.551, subdivision 7; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 54, subdivision 1; and section 57, subdivisions 1 and 3; Laws 1992, chapter 513, article 7, section 131; and article 9, section 41; Laws 1993, chapter 20, sections 2, 5, 7, and by adding a section; proposing coding for new law in Minnesota Statutes, chapter 115C; 116; 144; 145; 197; 198; 214; 245; 252; 252B; 254A; 256; 256B; 256E; 256F; 257; 268; 462A; 514; proposing coding for new law as Minnesota Statutes, chapter 144C; repealing Minnesota Statutes 1992, sections 116.76, subdivision 7; 116.79, subdivision 3; 116.81, subdivision 2; 116.83, subdivision 2; 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; 148B.72; 214.141; 245.711; 245.712; 252.46, subdivisions 12, 13, and 14; 252.47; 252.478, subdivisions 1, 2, and 3; 256.969, subdivision 20; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 268.365, subdivision 1; 268.914, subdivision 2; 268.977; 268.978, subdivision 3; 273.1398, subdivisions 5a and 5c; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; and Laws 1991, chapter 208, section 2; Minnesota Rules, parts 4622.0100; 4622.0300; 4622.0400; 4622.0600; 4622.0700, subparts 10 and 12; 4622.0900; 4622.1000; 4622.1050; 4622.1100; 4622.1150; and 4622.1200.

Reported the same back with the following amendments:

Page 309, delete section 29

Page 339, line 16, delete "40" and insert "39"

Page 339, line 22, delete "53 and 54" and insert "52 and 53"

Page 339, line 28, delete "33 to 39, and 47" and insert "32 to 38, and 46"

Page 397, line 3, delete "\$56,551,000" and insert "\$56,701,000" and delete "\$56,920,000" and insert "\$57,070,000" and delete "\$113,471,000" and insert "\$113,771,000"

Page 397, line 8, delete "\$147,498,000" and insert "\$79,234,000" and delete "\$146,301,000" and insert "\$78,826,000" and delete "\$293,799,000" and insert "\$158,060,000"

Page 397, line 16, delete "39,021,000" and insert "39,171,000" and delete "38,594,000" and insert "38,744,000"

Page 459, line 32, delete "45,744,000" and insert "45,594,000" and delete "45,314,000" and insert "45,164,000"

Renumber the sections in sequence

Amend the title as follows:

Page 2, line 26, delete "3,"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 994 and 1751 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 44, 163, 181, 207, 225, 376, 384, 414, 560, 737, 981, 1141, 1199 and 1400 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Mosel and Kalis introduced:

H. F. No. 1755, A bill for an act relating to human services; requiring health care facilities to provide transportation for disabled residents or patients on public funded disabled-accessible vehicles; amending Minnesota Statutes 1992, section 144.651, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 846, A bill for an act relating to civil commitment; authorizing new procedures for return of certain patients who are absent from treatment facilities without authorization; amending Minnesota Statutes 1992, section 253B.23, subdivision 1a.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 163, A bill for an act relating to campaign reform; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain "friends of" committees; requiring reports by certain solicitors of campaign contributions; limiting use of contributions carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public subsidy to match in-district contributions; clarifying filing requirements for candidate agreements and the duration of the agreements; requiring return of public subsidies under certain conditions; imposing contribution limits on candidates for local offices; prohibiting political contributions by certain nonprofit corporations and partnerships; requiring a report of candidates on whose behalf political contributions have been refunded by the state; defining certain terms; clarifying certain language; appropriating money; amending Minnesota Statutes 1992, sections 10A.01, subdivision 10c, and by adding a subdivision; 10A.04, by adding a subdivision; 10A.065, subdivision 1; 10A.14, subdivision 2; 10A.15, by adding subdivisions; 10A.19, subdivision 1; 10A.20, subdivision 3, and by adding a subdivision; 10A.25, by adding subdivisions; 10A.27, subdivisions 1, 2, 9, and by adding subdivisions; 10A.31, subdivisions 6, 8, and by adding a subdivision; 10A.322, subdivisions 1 and 2; 10A.324, subdivisions 1 and 3; 211B.15; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; 211A; and 211B.

The Senate has appointed as such committee:

Messrs. Marty; Johnson, D. E.; Luther; Chandler and Ms. Reichgott.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 79, A bill for an act relating to courts; grandparent visitation; clarifying that visitation may be sought after completion of proceedings for dissolution, custody, legal separation, annulment, or parentage; amending Minnesota Statutes 1992, sections 257.022, subdivision 2; and 518.175, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Peterson moved that the House concur in the Senate amendments to H. F. No. 79 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 79, A bill for an act relating to courts; grandparent visitation; clarifying that visitation may be sought after completion of proceedings for dissolution, custody, legal separation, annulment, or parentage; amending Minnesota Statutes 1992, sections 257.022, subdivision 2; and 518.175, subdivision 7.

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 121 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Madam Speaker:

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

H. F. No. 461, A bill for an act relating to local government; authorizing cities to offer rewards for information leading to the apprehension, arrest, or conviction of alleged felons; proposing coding for new law in Minnesota Statutes, chapter 471.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 461 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 461, A bill for an act relating to local government; authorizing cities to offer rewards for information leading to the apprehension and charging or conviction of alleged felons; proposing coding for new law in Minnesota Statutes, chapter 471.

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

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

Madam Speaker:

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

H. F. No. 70, A bill for an act relating to state lands; authorizing a conveyance to the city of St. Cloud of certain land owned by the state as a part of St. Cloud State University.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Opatz moved that the House concur in the Senate amendments to H. F. No. 70 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 70, A bill for an act relating to state lands; authorizing a conveyance to the city of St. Cloud of certain land owned by the state as a part of St. Cloud State University.

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	Bergson	Carlson	Dehler	Frerichs	Hasskamp	Jaros
Anderson, I.	Bertram	Carruthers	Delmont	Garcia	Haukoos	Jefferson
Anderson, R.	Bettermann	Commers	Dempsey	Goodno	Hausman	Jennings
Asch	Bishop	Cooper	Dorn	Greenfield	Holsten	Johnson, A.
Battaglia	Blatz	Dauner	Erhardt	Greiling	Hugoson	Johnson, R.
Bauerly	Brown, C.	Dauids	Farrell	Gruenes	Huntley	Johnson, V.
Beard	Brown, K.	Dawkins		Gutknecht	Jacobs	Kahn

Kalis	Lindner	Mosel	Orfield	Rhodes	Steensma	Weaver
Kelley	Lourey	Munger	Osthoff	Rice	Sviggum	Wejcman
Kelso	Luther	Murphy	Ostrom	Rodosovich	Swenson	Welle
Kinkel	Lynch	Neary	Ozment	Rukavina	Tomassoni	Wenzel
Klinzing	Macklin	Nelson	Pauly	Seagren	Tompkins	Winter
Koppendraye	Mahon	Ness	Pawlenty	Sekhon	Trimble	Wolf
Krinkie	Mariani	Olson, E.	Pelowski	Simoneau	Tunheim	Worke
Krueger	McCollum	Olson, K.	Perlt	Skoglund	Van Dellen	Workman
Lasley	McGuire	Olson, M.	Peterson	Smith	Vellenga	Spk. Long
Leppik	Milbert	Onnen	Pugh	Solberg	Vickerman	
Lieder	Molnau	Opatz	Reding	Sparby	Wagenius	
Limmer	Morrison	Orenstein	Rest	Stanius	Waltman	

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

Beard was excused between the hours of 1:45 p.m. and 3:00 p.m.

Madam Speaker:

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

H. F. No. 661, A bill for an act relating to agriculture; regulating dairy trade practices; providing for fees; changing enforcement procedures; amending Minnesota Statutes 1992, sections 32A.01; 32A.02; 32A.04; 32A.05, subdivisions 1, 4, and by adding subdivisions; 32A.07; 32A.071; 32A.08; and 32A.09, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 32A; repealing Minnesota Statutes 1992, sections 32A.03; 32A.05, subdivision 3; and 32A.09, subdivisions 5 and 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wenzel moved that the House concur in the Senate amendments to H. F. No. 661 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 661, A bill for an act relating to agriculture; regulating dairy trade practices and minimum pricing; abolishing the Dairy Industry Unfair Trade Practices Act; changing enforcement procedures; imposing an assessment on certain class I milk; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 17.983, subdivision 1; 17.984, subdivision 1; and 32.394, subdivisions 8d and 9; proposing coding for new law in Minnesota Statutes, chapter 32; repealing Minnesota Statutes 1992, sections 32A.01; 32A.02; 32A.03; 32A.04; 32A.05; 32A.07; 32A.071; 32A.08; and 32A.09.

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

The question was taken on the repassage of the bill and the roll was called. There were 111 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Brown, C.	Dawkins	Greenfield	Huntley	Kalis	Lasley
Anderson, R.	Brown, K.	Dehler	Greiling	Jacobs	Kelley	Lieder
Battaglia	Carlson	Delmont	Gruenes	Jaros	Kelso	Limmer
Bauerly	Carruthers	Dempsey	Gutknecht	Jefferson	Kinkel	Lindner
Bergson	Commers	Dorn	Hasskamp	Jennings	Klinzing	Lourey
Bertram	Cooper	Farrell	Haukoos	Johnson, A.	Koppendraye	Luther
Bettermann	Dauner	Frerichs	Holsten	Johnson, R.	Krinkie	Lynch
Blatz	Davids	Garcia	Hugoson	Johnson, V.	Krueger	Mahon

Mariani	Ness	Ostrom	Rest	Smith	Trimble	Wejcman
McGuire	Olson, E.	Ozment	Rhodes	Solberg	Tunheim	Welle
Milbert	Olson, K.	Pawlenty	Rice	Sparby	Van Dellen	Wenzel
Molnau	Olson, M.	Pelowski	Rodosovich	Steensma	Vellenga	Winter
Mosel	Onnen	Perlt	Rukavina	Sviggum	Vickerman	Worke
Munger	Opatz	Peterson	Sekhon	Swenson	Wagenius	Workman
Murphy	Orenstein	Pugh	Simoneau	Tomassoni	Waltman	Spk. Long
Nelson	Orfield	Reding	Skoglund	Tompkins	Weaver	

Those who voted in the negative were:

Abrams	Erhardt	Knickerbocker	McCollum	Osthoff	Stanius
Asch	Evans	Leppik	Morrison	Pauly	Wolf
Bishop	Goodno	Macklin	Neary	Seagren	

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

Madam Speaker:

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

H. F. No. 1735, A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax valuations, classifications, and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41, and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections

1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rest moved that the House refuse to concur in the Senate amendments to H. F. No. 1735, that the Speaker appoint a Conference Committee of 5 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.

Madam Speaker:

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

S. F. No. 1407, A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating an instructional telecommunications network; providing for grants from the higher education coordinating board for regional linkages, regional coordination, courseware development and usage, and faculty training; authorizing the state board of community colleges to use higher education facilities authority revenue bonds to construct student residences; creating three accounts in the permanent university fund and making allocations from the accounts; providing tuition exemptions at technical colleges for Southwest Asia veterans; prescribing changes in eligibility and in duties and responsibilities for certain financial assistance programs; establishing grant programs to promote recruitment and retention initiatives by nurses training and teacher education programs directed toward persons of color; establishing grant programs for nursing students and students in teacher education programs who are persons of color; establishing an education to employment transitions system; amending Minnesota Statutes 1992, sections 136A.101, subdivisions 1 and 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; 136A.233, subdivisions 2 and 3; 136C.13, subdivision 4; 136C.61, subdivision 7; and 137.022, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; proposing coding for new law as Minnesota Statutes, chapter 126B; repealing Minnesota Statutes 1992, sections 136A.121, subdivision 17; and 136A.134.

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

Mr. Stumpf; Ms. Wiener; Mr. Price; Mrs. Benson, J. E., and Mr. Solon.

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

Rodosovich moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 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. 1407. The motion prevailed.

Madam Speaker:

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

S. F. No. 1570; A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator

tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; providing for membership on the legislative commission on Minnesota resources; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.05, subdivision 1; 116P.10; 116P.11; 160.265; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

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

Messrs. Morse; Merriam; Laidig; Ms. Johnson, J. B., and Mr. Lessard.

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

Battaglia moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 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. 1570. The motion prevailed.

Madam Speaker:

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

S. F. Nos. 429, 1221, 167, 240, 653, 672, 1368, 122, 1060, 1129 and 1161.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 636, 1152, 1171, 105, 639, 872, 1006, 1315 and 1496.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 429, A bill for an act relating to alcoholic beverages; reciprocity in interstate transportation of wine; changing definitions of licensed premises, restaurant, and wine; authorizing an investigation fee on denied licenses; disqualifying felons from licensing; revising authority for suspensions and civil penalties; making rule violations and false or incomplete statements in license applications misdemeanors; providing instructions to the revisor; penalties for importation of excess quantities; proof of age for purchase or consumption; opportunity for a hearing for license revocation or suspension; prohibiting certain transactions; authorizing the dispensing of intoxicating liquor at the Como Park lakeside pavilion; authorizing dispensing of liquor by an on-sale licensee at the National Sports Center in Blaine; authorizing the city of Apple Valley to issue on-sale licenses on zoological gardens property and to allow

an on-sale license to dispense liquor on county-owned property within the city; authorizing Houston county to issue an on-sale intoxicating liquor license to establishments in Crooked Creek and Brownsville townships; authorizing the town of Schroeder in Cook county to issue an off-sale license to an exclusive liquor store; authorizing an on-sale liquor license in Dalbo township of Isanti county; authorizing Stillwater to issue an additional on-sale intoxicating liquor license to a hotel in the city; authorizing Aitkin county to issue one off-sale liquor license to a premises located in Farm Island township; authorizing Pine county to issue one Sunday on-sale intoxicating liquor license to a licensed premises located in Barry township; amending Minnesota Statutes 1992, sections 297C.09; 340A.101, subdivisions 15, 25, and 29; 340A.301, subdivision 3; 340A.302, subdivision 3; 340A.308; 340A.402; 340A.415; 340A.503, subdivision 6; 340A.703; and 340A.904, subdivision 1; Laws 1983, chapter 259, section 8; Laws 1992, chapter 486, section 11; proposing coding for new law in Minnesota Statutes, chapters 297C; and 340A; repealing Minnesota Statutes 1992, section 340A.903.

The bill was read for the first time.

Jacobs moved that S. F. No. 429 and H. F. No. 825, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1221, A bill for an act relating to motor vehicles; requiring license plates to stay with motor carrier on prorated truck; changing the registration period for prorated vehicles; excepting prorated vehicles from renewal notice requirements; making owner-operator subject to suspension of plates and international fuel tax agreement license for certain delinquent filings or payments; authorizing warning lamps on solid waste collection vehicles; amending Minnesota Statutes 1992, sections 168.09, subdivisions 3 and 5; 168.12, subdivision 1; 168.187, subdivision 26; 168.31, subdivision 4a; and 169.64, by adding a subdivision.

The bill was read for the first time.

Osthoff moved that S. F. No. 1221 and H. F. No. 1001, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 167, A bill for an act relating to insurance; health; modifying eligibility for the private employers insurance program and small employer insurance coverages; amending Minnesota Statutes 1992, sections 43A.317, subdivision 5; and 62L.02, subdivision 26.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 240, A bill for an act relating to health; changing the membership requirements of the board of nursing; amending Minnesota Statutes 1992, section 148.181, subdivision 1.

The bill was read for the first time.

Simoneau moved that S. F. No. 240 and H. F. No. 1174, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 653, A bill for an act relating to town roads; permitting cartways to be established on alternative routes; amending Minnesota Statutes 1992, section 164.08, subdivision 2.

The bill was read for the first time.

Anderson, I., moved that S. F. No. 653 and H. F. No. 720, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 672, A bill for an act relating to traffic regulations; providing for the traffic offense of failure to maintain control of a vehicle; providing penalty; proposing coding for new law in Minnesota Statutes, chapter 169.

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

S. F. No. 1368, A bill for an act relating to the environment; imposing criminal penalties for knowing violations of air pollution requirements; amending Minnesota Statutes 1992, section 609.671, subdivisions 9 and 12.

The bill was read for the first time.

Orfield moved that S. F. No. 1368 and H. F. No. 1494, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 122, A bill for an act relating to human services; requiring a minimum funding level for each grantee under the Head Start program which is no less than that of fiscal year 1993; amending Minnesota Statutes 1992, section 268.914, subdivision 1; repealing Minnesota Statutes 1992, section 268.914, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 1060, A bill for an act relating to crime; sentencing; clarifying that a misdemeanor conviction in which the court stays imposition of sentence is nevertheless counted as a misdemeanor for purposes of determining the penalty for a subsequent offense; amending Minnesota Statutes 1992, section 609.13, by adding a subdivision.

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

S. F. No. 1129, A bill for an act relating to financial institutions; regulating institutions, deposits, rates and charges, enforcement provisions; modifying the definition of insurance premium finance licensee; amending Minnesota Statutes 1992, sections 45.025, by adding a subdivision; 46.044; 46.048, subdivision 1; 46.09; 47.0156; 47.096; 47.20, subdivision 4a; 47.52; 47.54, subdivision 4; 47.55, subdivision 1; 47.56; 48.04; 48.05; 48.09; 48.194; 48.24, subdivisions 1, 7, and 8; 48.61, subdivisions 2, 3, and 4; 49.35; 49.36, subdivisions 1 and 4; 51A.02, subdivision 43; 52.04, subdivision 1, and by adding a subdivision; 52.12; 53.03, subdivision 5; 53.04, by adding a subdivision; 53.09, by adding a subdivision; 56.10; 56.131, subdivision 1; 56.155, subdivision 1; 59A.06, subdivision 3; 82B.03, subdivision 2; 300.20, subdivision 2; 300.21; 336.4-104; proposing coding for new law in Minnesota Statutes, chapter 56; repealing Minnesota Statutes 1992, sections 46.048, subdivision 2; and 48.24, subdivision 4.

The bill was read for the first time.

Stanius moved that S. F. No. 1129 and H. F. No. 1096, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1161, A bill for an act relating to crime; expanding definition of domestic abuse to include terroristic threats; allowing child abuse interviews to be conducted at a designated location; amending Minnesota Statutes 1992, sections 518B.01, subdivision 2; and 626.556, subdivision 10.

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

S. F. No. 636, A bill for an act relating to pollution control; requiring a study of the feasibility of including the city of Red Wing in the state financial assistance program for combined sewer overflow.

The bill was read for the first time.

Dempsey moved that S. F. No. 636 and H. F. No. 863, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1152, A bill for an act relating to metropolitan government; setting conditions for tax equivalent payments; amending Minnesota Statutes 1992, section 473.341.

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

S. F. No. 1171, A bill for an act relating to crime; creating a commission on nonfelony enforcement to review the proportionality and enforcement of petty misdemeanor, misdemeanor, and gross misdemeanor offenses; requiring a report.

The bill was read for the first time.

Skoglund moved that S. F. No. 1171 and H. F. No. 1439, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 105, A bill for an act relating to crime; repealing authority of conference of chief judges to establish a schedule of misdemeanors to be treated as petty misdemeanors; amending Minnesota Statutes 1992, section 609.101, subdivision 4; repealing Minnesota Statutes 1992, section 609.131, subdivision 1a.

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

S. F. No. 639, A bill for an act relating to the environment; providing for the disposal of ash from incinerators operated by the Western Lake Superior Sanitary District; amending Minnesota Statutes 1992, section 458D.07, subdivision 3.

The bill was read for the first time.

Huntley moved that S. F. No. 639 and H. F. No. 805, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 872, A bill for an act relating to game and fish; abolishing the nonresident bear guide license; repealing Minnesota Statutes 1992, section 97A.475, subdivision 17.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 1006, A bill for an act relating to veterans; authorizing the veterans homes board to define residency by board rule; amending Minnesota Statutes 1992, section 198.022.

The bill was read for the first time.

Sparby moved that S. F. No. 1006 and H. F. No. 1273, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1315, A bill for an act relating to burial grounds; creating a council of traditional Indian practitioners to make recommendations regarding the management, treatment, and protection of Indian burial grounds and of human remains or artifacts contained in or removed from those grounds; proposing coding for new law in Minnesota Statutes, chapter 307.

The bill was read for the first time.

Clark moved that S. F. No. 1315 and H. F. No. 922, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1496, A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a

subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2o, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7, section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

The bill was read for the first time.

Greenfield moved that S. F. No. 1496 and H. F. No. 1751, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

H. F. No. 1720, A bill for an act relating to metropolitan government; requiring at least one member of metropolitan transit commission to be disabled user of transit system; amending Minnesota Statutes 1992, section 473.404, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Frerichs	Jaros	Koppendrayar	McCollum	Onnen
Anderson, I.	Commers	Garcia	Jefferson	Krueger	McGuire	Opatz
Anderson, R.	Cooper	Goodno	Jennings	Lasley	Milbert	Orenstein
Asch	Dauner	Greenfield	Johnson, A.	Leppik	Molnau	Orfield
Battaglia	Dauids	Greiling	Johnson, R.	Lieder	Morrison	Osthoff
Bauerly	Dawkins	Gruenes	Johnson, V.	Limmer	Mosel	Ozment
Bergson	Dehler	Gutknecht	Kahn	Lindner	Munger	Pauly
Bertram	Delmont	Hasskamp	Kalis	Lourey	Murphy	Pawlenty
Bettermann	Dempsey	Haukoos	Kelley	Luther	Neary	Pelowski
Bishop	Dorn	Hausman	Kelso	Lynch	Nelson	Perlt
Blatz	Erhardt	Holsten	Kinkel	Macklin	Ness	Peterson
Brown, C.	Evans	Hugoson	Klinzing	Mahon	Olson, E.	Pugh
Brown, K.	Farrell	Jacobs	Knickerbocker	Mariani	Olson, K.	Reding

Rest	Seagren	Solberg	Tomassoni	Vellenga	Welle	Spk. Long
Rhodes	Sekhon	Sparby	Tompkins	Vickerman	Wenzel	
Rice	Simoneau	Stanius	Trimble	Wagenius	Winter	
Rodosovich	Skoglund	Steensma	Tunheim	Waltman	Wolf	
Rukavina	Smith	Swenson	Van Dellen	Wejzman	Worke	

Those who voted in the negative were:

Huntley	Krinkie	Olson, M.	Ostrom	Sviggum	Weaver	Workman
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The bill was passed and its title agreed to.

Rice was excused for the remainder of today's session.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. No. 1503 and H. F. No. 350.

S. F. No. 1503 was reported to the House.

Murphy moved to amend S. F. No. 1503, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. APPROPRIATION SUMMARY - ALL ARTICLES

	1994	1995	TOTAL
General	\$ 330,521,000	\$ 349,018,000	\$ 679,539,000
Special Revenue	4,314,000	4,314,000	8,628,000
State Government Special Revenue	2,066,000	2,066,000	4,132,000
Workers' Compensation	1,284,000	1,294,000	2,578,000
Environmental	115,000	115,000	230,000
TOTAL	\$ 338,300,000	\$ 356,807,000	\$ 695,107,000

ARTICLE 2

Section 1. CRIMINAL JUSTICE; 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	\$ 221,961,000	\$ 237,771,000	\$ 459,732,000
Special Revenue	4,136,000	4,136,000	8,272,000
TOTAL	\$ 226,097,000	\$ 241,907,000	\$ 468,004,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 2. BOARD OF PEACE OFFICER STANDARDS AND
TRAINING

\$ 4,136,000

\$ 4,136,000

This appropriation is from the peace officers training account in the special revenue fund. Any funds deposited into the peace officer training account in the special revenue fund in fiscal years 1994 and 1995 in excess of \$4,136,000 must be transferred and credited to the general fund.

By February 1, 1994, the peace officer standards and training board shall report and make recommendations regarding reimbursements to local units of government for continuing education. This report shall include state and local goals for peace officer education, curriculum requirements for reimbursement, and an analysis of the current availability and quality of programs. The board shall develop a recommendation regarding a methodology for reimbursement that allocates resources equitably across the state and within a local unit of government; that reimburses for actual expenses incurred; and that ensures accountability for the use of reimbursement funds.

The board also shall make recommendations regarding the use of appropriations from penalty assessments for the improvement of law enforcement education, such as development of graduate programs, scholarships, research programs, and degree incentive programs.

Sec. 3. BOARD OF PUBLIC DEFENSE

Subdivision 1. Total Appropriation

26,058,000

26,280,000

None of this appropriation shall be used to pay for lawsuits against public agencies or public officials to change social or public policy.

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

Subd. 2. State Public Defender

2,258,000

2,319,000

During the biennium, legal assistance to Minnesota prisoners shall serve the civil legal needs of persons confined to state institutions.

Subd. 3. Board of Public Defense

1,495,000

1,509,000

Subd. 4. District Public Defense

22,305,000

22,452,000

Sec. 4. CORRECTIONS

195,097,000

210,706,000

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The amounts that may be spent from the appropriation for each program and activity are more specifically described in the following subdivisions.

Any unencumbered balances remaining in the first year do not cancel but are available for the second year of the biennium.

For the biennium ending June 30, 1995, and notwithstanding Minnesota Statutes, section 243.51, the commissioner of corrections may enter into agreements with the appropriate officials of any state, political subdivision, or the United States, for housing prisoners in Minnesota correctional facilities. Money received under the agreements is appropriated to the commissioner for correctional purposes.

During the biennium ending June 30, 1995, whenever offenders are assigned for the purpose of work under agreement with a state department or agency, local unit of government, or other government subdivision, the state department or agency, local unit of government, or other government subdivision must certify to the appropriate bargaining agent that the work performed by inmates will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

The commissioner of corrections shall discuss with the office of tourism the feasibility of using prison inmates in the office's tourism promotion program to respond to telephone inquiries concerning Minnesota's tourism and recreational opportunities.

The commissioner of corrections shall meet with the chairs of the house judiciary committee and judiciary finance division and the senate crime prevention committee and crime prevention finance division or their designees, and with representatives of community corrections agencies in order to: (1) develop a long-range plan for adequately incarcerating convicted offenders who have failed to abide by their conditions of probation; and (2) consider whether per diem fees should be assessed to counties for the costs of confining juveniles at the Minnesota correctional facilities at Sauk Centre and Red Wing.

The representatives of community corrections agencies shall be selected as follows: two persons selected by the Minnesota association of community corrections act counties, one from a metropolitan county and one from a nonmetropolitan county; and two persons selected by the Minnesota association of county probation officers, one from a metropolitan county and one from a nonmetropolitan county.

The commissioner shall report the findings and recommendations of this group to the legislature by February 1, 1994.

Subdivision 1. Correctional Institutions

131,835,000

140,578,000

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The commissioner of corrections shall develop criteria and prepare guidelines for policymakers to be used by the department of corrections in future planning for (1) the capacities, needs, location, and security level of correctional facilities; (2) the proximity of correctional facilities to the origin of the inmate population; and (3) the recruitment and retention of a qualified workforce. The criteria and guidelines shall include the potential and projected availability of state-owned facilities, the potential use of vacant governmental facilities for use as state-owned or managed correctional facilities, the cost effectiveness of converting these facilities compared with new construction, and the availability of state employees from other state agencies as a potential workforce pool. The commissioner may consult with staff from the department of administration, building construction division, in the development of the guidelines. The guidelines shall be presented to the house judiciary committee, the senate crime prevention committee, and their finance divisions by February 1, 1994.

The advisory task force on the juvenile justice system is requested to assess the state's need for juvenile correctional facilities. The task force is requested to include its recommendations on this issue in the report it submits to the legislature on December 1, 1993.

Subd. 2. Community Services

47,580,000

53,948,000

Of this amount, \$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.

This appropriation includes funding to contract with counties and other local units of government for the purpose of confining in local correctional facilities felony offenders who have less than 12 months remaining in their prison sentences to serve.

\$594,000 shall be transferred in fiscal year 1995 from this appropriation to the community corrections act for base level funding for Stearns county.

The commissioner of corrections shall consider and make recommendations to the legislature regarding the feasibility of having nonviolent state prison inmates work in community service programs.

A working group is created to study the funding and delivery of correctional services at the community level. The working group will consist of representatives from and appointed by the following agencies and organizations: the governor's office, four members of the legislature (one senator and one state representative appointed by the majority caucuses in each body; and one senator and one state representative appointed by the minority caucus in each body); the department of corrections, the Minnesota association of county probation officers, the Minnesota association of community corrections act counties, the association of Minnesota counties, the metropolitan inter-county association, and the conference of chief judges.

APPROPRIATIONS
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The working group shall study whether:

- (1) community corrections service delivery systems should be based at the county or state level;
- (2) a single funding system should be instituted for county operations;
- (3) the community corrections act funding formula should be changed; and
- (4) whether small counties under a new funding system should be required to regionalize their service delivery systems.

Subd. 3. Management Services

15,682,000	16,180,000
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Of this amount, \$100,000 in fiscal year 1994 shall be allocated to funding the new International Women's Shelter in Rochester, and \$300,000 in fiscal year 1995 shall be allocated to shelters in Rochester (International Women's Shelter), suburban Ramsey/Washington counties, and Dakota county.

When awarding grants for victim's programs and services, the commissioner shall give priority to geographic areas that are unserved or underserved by programs or services.

Of this amount, \$500,000 is appropriated to the commissioner of corrections for mini-computer upgrades. Before the department may purchase the upgrades, the department must demonstrate to the information policy office that the upgrades will meet processing needs.

Sec. 5. SENTENCING GUIDELINES COMMISSION	337,000	316,000
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Sec. 6. OMBUDSMAN FOR CORRECTIONS	469,000	469,000
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Sec. 7. Minnesota Statutes 1992, section 43A.02, subdivision 25, is amended to read:

Subd. 25. [JUDICIAL BRANCH.] "Judicial branch" means all judges of the appellate courts, all employees of the appellate courts, including commissions, boards, and committees established by the supreme court, the board of law examiners, the law library, the office of the state public defender, district public defenders and their employees, all judges of all courts of law, district court referees, judicial officers, court reporters, law clerks, district administration employees under section 484.68, court administrator or employee of the court and guardian ad litem program employees in the eighth judicial district, and other agencies placed in the judicial branch by law. Judicial branch does not include district administration or public defenders or their employees in the second and fourth judicial districts, court administrators or their staff under chapter 485, guardians ad litem, or other employees within the court system whose salaries are paid by the county, other than employees who remain on the county payroll under section 480.181, subdivision 2.

Sec. 8. Minnesota Statutes 1992, section 43A.24, subdivision 2, is amended to read:

Subd. 2. [OTHER ELIGIBLE PERSONS.] The following persons are eligible for state paid life insurance and hospital, medical, and dental benefits as determined in applicable collective bargaining agreements or by the commissioner or by plans pursuant to section 43A.18, subdivision 6, or by the board of regents for employees of the University of Minnesota not covered by collective bargaining agreements. Coverages made available, including optional coverages, are as contained in the plan established pursuant to section 43A.18, subdivision 2.

(a) a member of the state legislature, provided that changes in benefits resulting in increased costs to the state shall not be effective until expiration of the term of the members of the existing house of representatives. An eligible member of the state legislature may decline to be enrolled for state paid coverages by filing a written waiver with the commissioner. The waiver shall not prohibit the member from enrolling the member or dependents for optional coverages, without cost to the state, as provided for in section 43A.26. A member of the state legislature who returns from a leave of absence to a position previously occupied in the civil service shall be eligible to receive the life insurance and hospital, medical, and dental benefits to which the position is entitled;

(b) a permanent employee of the legislature or a permanent employee of a permanent study or interim committee or commission or a state employee on leave of absence to work for the legislature, during a regular or special legislative session;

(c) a judge of the appellate courts or an officer or employee of these courts; a judge of the district court, a judge of county court, a judge of county municipal court, or a judge of probate court; a district court referee, judicial officer, court reporter, or law clerk; a district administrator; an employee of the office of the district administrator that is not in the second or fourth judicial district; a court administrator or employee of the court administrator in the eighth judicial district, and a guardian ad litem program administrator in the eighth judicial district;

(d) a salaried employee of the public employees retirement association;

(e) a full-time military or civilian officer or employee in the unclassified service of the department of military affairs whose salary is paid from state funds;

(f) a salaried employee of the Minnesota historical society, whether paid from state funds or otherwise, who is not a member of the governing board;

(g) an employee of the regents of the University of Minnesota;

(h) notwithstanding section 43A.27, subdivision 3, an employee of the state of Minnesota or the regents of the University of Minnesota who is at least 60 and not yet 65 years of age on July 1, 1982, who is otherwise eligible for employee and dependent insurance and benefits pursuant to section 43A.18 or other law, who has at least 20 years of service and retires, earlier than required, within 60 days of March 23, 1982; or an employee who is at least 60 and not yet 65 years of age on July 1, 1982, who has at least 20 years of state service and retires, earlier than required, from employment at Rochester state hospital after July 1, 1981; or an employee who is at least 55 and not yet 65 years of age on July 1, 1982, and is covered by the Minnesota state retirement system correctional employee retirement plan or the state patrol retirement fund, who has at least 20 years of state service and retires, earlier than required, within 60 days of March 23, 1982. For purposes of this clause, a person retires when the person terminates active employment in state or University of Minnesota service and applies for a retirement annuity. Eligibility shall cease when the retired employee attains the age of 65, or when the employee chooses not to receive the annuity that the employee has applied for. The retired employee shall be eligible for coverages to which the employee was entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established pursuant to section 43A.18, for employees in positions equivalent to that from which retired, provided that the retired employee shall not be eligible for state-paid life insurance. Coverages shall be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program; and

(i) An employee of an agency of the state of Minnesota identified through the process provided in this paragraph who is eligible to retire prior to age 65. The commissioner and the exclusive representative of state employees shall enter into agreements under section 179A.22 to identify employees whose positions are in programs that are being permanently eliminated or reduced due to federal or state policies or practices. Failure to reach agreement identifying

these employees is not subject to impasse procedures provided in chapter 179A. The commissioner must prepare a plan identifying eligible employees not covered by a collective bargaining agreement in accordance with the process outlined in section 43A.18, subdivisions 2 and 3. For purposes of this paragraph, a person retires when the person terminates active employment in state service and applies for a retirement annuity. Eligibility ends as provided in the agreement or plan, but must cease at the end of the month in which the retired employee chooses not to receive an annuity, or the employee is eligible for employer-paid health insurance from a new employer. The retired employees shall be eligible for coverages to which they were entitled at the time of retirement, subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees shall not be eligible for state-paid life insurance; and

(i) employees of the state public defender's office, and district public defenders and their employees other than in the second and fourth judicial districts, with eligibility determined by the state board of public defense, in consultation with the commissioner of employee relations.

Sec. 9. Minnesota Statutes 1992, section 169.1265, subdivision 1, is amended to read:

Subdivision 1. [GRANT APPLICATION.] The commissioner of ~~public safety corrections~~, in cooperation with the commissioners of human services and ~~corrections~~ public safety, shall administer a program to provide grants to counties to establish and operate programs of intensive probation for repeat violators of the driving while intoxicated laws. The commissioner shall adopt an application form on which a county or a group of counties may apply for a grant to establish and operate a DWI repeat offender program.

Sec. 10. [242.39] [JUVENILE PAID WORK CREW GRANT PROGRAM; VICTIM RESTITUTION.]

Subdivision 1. [GRANT PROGRAM.] A paid work crew grant program is established under the commissioner of corrections to provide and finance work crews for eligible juveniles. Juveniles eligible to participate in paid work crew programs are juveniles who have monetary restitution obligations to victims.

Subd. 2. [ADMINISTERING PROGRAM.] The department of corrections shall administer the grant program. The commissioner shall award grants to community correction agencies, other state and local agencies, and nonprofit agencies that meet the criteria developed by the commissioner relating to paid work crew programs. The criteria developed by the commissioner may include a requirement that the agency provide a match to the grant amount consisting of in-kind services, money, or both.

Subd. 3. [COOPERATION; TYPES OF PROGRAMS.] The commissioner of corrections shall work with the commissioner of natural resources, the commissioner of jobs and training, local government and nonprofit agencies, educational institutions, and the courts to design and develop suitable juvenile paid work crew programs. Programs must provide services to communities, including but not necessarily limited to, park maintenance, recycling, and other related work. Work performed by eligible juveniles must not result in the displacement of currently employed full- or part-time workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

Subd. 4. [REFERRAL TO PROGRAM.] The grant program must provide that eligible juveniles may be referred to the program by a community diversion agency, a correctional or human service agency, or by a court order of monetary restitution.

Sec. 11. [244.19] [AUTOMATED PROBATION REPORTING SYSTEM PILOT PROGRAM; ST. LOUIS COUNTY.]

Subdivision 1. [GRANT AWARD.] The commissioner of corrections shall award a grant of \$100,000 to St. Louis county for the purpose of demonstrating the feasibility of a pilot automated probation reporting system.

Subd. 2. [APPLICATION STUDIES.] In developing and implementing the pilot automated probation reporting system, St. Louis county shall:

(1) measure the effectiveness and potential cost of applying the reporting system technology to the county's adult probation population;

(2) study the potential for establishing a centralized state data bank which would more rapidly and accurately measure and determine criminal histories and fingerprint data of all felony, gross misdemeanor, and misdemeanor offenders; and

(3) study the application of the reporting system technology towards the elimination of fraud and abuse in other human resource areas including the electronic benefit transfer program.

Subd. 3. [PARTICIPATION REQUIREMENTS.] St. Louis county shall provide a minimum of 1.5 full-time equivalent positions and other in-kind services necessary to operate this program.

Subd. 4. [SALE OF PROGRAM.] If St. Louis county or an individual acting on behalf of the county sells the automated probation reporting system to any person or entity, the county must forward to the commissioner of corrections the profits realized from the sale, in an amount not to exceed the grant awarded under subdivision 1. The commissioner shall forward any profits received under this subdivision to the commissioner of finance, to be credited to the general fund in the state treasury.

Subd. 5. [REPORT.] St. Louis county shall report the results of its studies and the pilot program to the commissioner of corrections and the chairs of the house judiciary finance division and the senate crime prevention finance division by July 1, 1994.

Sec. 12. Minnesota Statutes 1992, section 270B.14, is amended by adding a subdivision to read:

Subd. 12. [DISCLOSURE TO DISTRICT COURT.] (a) The commissioner may disclose return information to the district court concerning returns filed under chapter 290, as limited by paragraph (b), as necessary to verify income information in order to determine public defender eligibility.

(b) The commissioner may disclose to the district court only the name and any relevant information from the most recently filed tax returns of persons seeking representation by a public defender.

(c) Data received under this subdivision may be used for the purposes of determining public defender eligibility under section 611.17 and shall be private and for the exclusive use of the court except for any prosecution under section 609.48.

Sec. 13. Minnesota Statutes 1992, section 357.24, is amended to read:

357.24 [CRIMINAL CASES.]

Witnesses for the state in criminal cases shall receive the same fees for travel and attendance as provided in section 357.22, and judges may, in their discretion, shall allow like fees to witnesses attending in behalf of any defendant represented by a public defender or an attorney performing public defense work for public defense corporations under section 611.216. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages and child care, not to exceed \$40 per day. When a defendant is represented by a public defender, or an attorney performing public defense work for public defense corporations 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. 14. Minnesota Statutes 1992, 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 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. 15. Minnesota Statutes 1992, section 611.20, is amended to read:

611.20 [SUBSEQUENT ABILITY TO PAY COUNSEL.]

If at any time after the state public defender or a district public defender has been directed to act, the court having jurisdiction in the matter is satisfied that the defendant or other person is financially able to obtain counsel or to make partial payment for the representation, the court may terminate the appointment of the public defender, unless the person so represented is willing to pay therefor. If a public defender continues the representation, the court shall direct payment for such representation as the interests of justice may dictate. Any payments directed by the court shall be recorded by the court administrator, who shall transfer the payments to the ~~governmental unit responsible for the costs of the public defender state general fund.~~ The money deposited in the general fund under this section shall be retained in a separate account and is appropriated to make reimbursements to the commissioner of finance for payments made under section 611.27. The reimbursements shall be made to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year cancel to the general fund. The judicial district may investigate the financial status of a defendant or other person for whom a public defender has been appointed and may act to collect payments directed by the court.

If at any time after appointment a public defender should have reason to believe that a defendant is financially able to obtain counsel or to make partial payment for counsel, it shall be the public defender's duty to so advise the court so that appropriate action may be taken.

Sec. 16. Minnesota Statutes 1992, section 611.25, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The state public defender shall prepare ~~an annual~~ a biennial report to the board and a report to the governor, the legislature, and the supreme court on the operation of the state public defender's office, district defender systems, and public defense corporations. The biennial report is due on or before the beginning of the legislative session following the end of the biennium. The state public defender may require the reporting of statistical data, budget information, and other cost factors by the chief district public defenders and appointed counsel systems. The state public defender shall design and conduct programs for the training of all state and district public defenders, appointed counsel, and attorneys for public defense corporations funded under section 611.26. The state public defender shall establish policies and procedures to administer the district public defender system, consistent with standards adopted by the state board of public defense.

Sec. 17. Minnesota Statutes 1992, section 611.26, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] (a) The compensation of the chief district public defender shall be set by the board of public defense. The compensation of each assistant district public defender shall be set by the chief district public defender with the approval of the board of public defense. ~~The compensation for chief district public defenders may not exceed the prevailing compensation for county attorneys within the district, and the compensation for assistant district public defenders may not exceed the prevailing compensation for assistant county attorneys within the district.~~ To assist the board of public defense in determining ~~prevailing~~ compensation under this subdivision, counties shall provide to the board information on the compensation of county attorneys, including salaries and benefits, rent, secretarial staff, and other pertinent budget data. For purposes of this subdivision, compensation means salaries, cash payments, and employee benefits including paid time off and group insurance benefits, and other direct and indirect items of compensation including the value of office space provided by the employer.

(b) This subdivision does not limit the rights of public defenders to collectively bargain with their employers.

Sec. 18. [611.265] [TRANSITION.]

(a) District public defenders and their employees, other than in the second and fourth judicial districts, are state employees in the judicial branch, and are governed by the personnel rules adopted by the state board of public defense.

(b) A district public defender or district public defender employee who becomes a state employee under this section, and who participated in a county insurance program on the day before the effective date of this section, may elect to continue to participate in the county program according to procedures established by the board of public defense. An affected county shall bill the board of public defense for employer contributions, in a manner prescribed by the board. The county shall not charge the board any administrative fee. Notwithstanding any law to the contrary, a person who is first employed as a district public defender after the effective date of this section, shall participate in the state employee insurance program, as determined by the state board of public defense, in consultation with the commissioner of employee relations.

(c) A district public defender or district public defender employee who becomes a state employee under this section, and who participated in the public employee retirement association on the day before the effective date of this section, may elect to continue to participate in the public employee retirement association according to procedures established by the board of public defense and the association. Notwithstanding any law to the contrary, a person who is first employed as a state employee or by a district public defender after the effective date of this section must participate in the Minnesota state retirement system.

(d) A person performing district public defender work as an independent contractor is not eligible to be covered under the state group insurance plan or the public employee retirement association.

Sec. 19. Minnesota Statutes 1992, 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, 1991 1993, and July 1, 1993 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.

Sec. 20. Minnesota Statutes 1992, section 611.27, subdivision 13, is amended to read:

Subd. 13. [PUBLIC DEFENSE SERVICES; CORRECTIONAL FACILITY INMATES.] All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded on a monthly basis to the state public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been appointed under a court order, the state public defender shall forward to the commissioner of finance all billings for services rendered under the court order. The commissioner shall pay for services from county criminal justice aid retained by the commissioner of revenue for that purpose under section 477A.0121, subdivision 4, or from money retained under section 611.20.

The costs of appointed counsel and associated services in cases arising from new criminal charges brought against indigent inmates who are incarcerated in a Minnesota state correctional facility are the responsibility of the state board of public defense. In such cases the state public defender may follow the procedures outlined in this section for obtaining court-ordered counsel.

Sec. 21. Minnesota Statutes 1992, section 611.271, is amended to read:

611.271 [COPIES OF DOCUMENTS; FEES.]

The court administrators of courts, the prosecuting attorneys of counties and municipalities, and the law enforcement agencies of the state and its political subdivisions shall furnish, upon the request of the district public defender ~~or~~ the state public defender, or an attorney working for a public defense corporation under section 611.216, copies of any documents, including police reports, in their possession at no charge to the public defender.

Sec. 22. Minnesota Statutes 1992, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to a peace officer training account in the special revenue fund. ~~For fiscal years 1993 and 1994, The peace officers standards and training board shall, and after fiscal year 1994 may, allocate~~ make the allocations described in clauses (1) and (2) from appropriated funds, net of operating expenses, as follows:

(1) for fiscal year 1994:

(i) at least 25 percent for reimbursement to board approved skills courses; and

~~(2) (ii) at least 13.5 percent for the school of law enforcement;~~

(2) for fiscal year 1995:

(i) at least 17 percent to the community college system for one-time start-up costs associated with the transition to an integrated academic program;

(ii) at least eight percent for reimbursement to board-approved skills courses in the technical college system; and

(iii) at least 13.5 percent for the school of law enforcement.

The balance in both years may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

Sec. 23. [SENTENCING GUIDELINES MODIFICATION; JAIL CREDIT FOR TIME SERVED UNDER HUBER LAW.]

Subdivision 1. [JAIL CREDIT FOR TIME SERVED UNDER HUBER LAW.] The sentencing guidelines commission shall consider modifying sentencing guideline III.C to provide that, upon revocation of a stayed felony sentence, time previously spent in confinement under Minnesota Statutes, section 631.425, the Huber law, as a condition of the stayed sentence shall be deducted from the executed sentence at the rate of one day for each day served.

Subd. 2. [APPLICABILITY.] If the sentencing guidelines commission adopts the modification described in subdivision 1 before August 1, 1993, the modification shall apply to persons who commit crimes on or after August 1, 1993.

Sec. 24. [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.

ARTICLE 3

Section 1. 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	\$ 101,913,000	\$ 104,660,000	\$ 206,573,000
Special Revenue	178,000	178,000	356,000
State Government Special Revenue	2,066,000	2,066,000	4,132,000
Environmental	115,000	115,000	230,000
TOTAL	\$ 104,272,000	\$ 107,019,000	\$ 211,291,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
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Sec. 2. SUPREME COURT

Subdivision 1. Total Appropriation

\$ 17,884,000

\$ 18,110,000

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

Subd. 2. Supreme Court Operations

3,739,000

3,835,000

\$2,100 the first year and \$2,100 the second year are for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

\$75,000 appropriated to the Supreme Court for the Advisory Task Force on the Juvenile Justice System by Laws 1992, chapter 571, article 18, section 8, shall be available until expended.

Subd. 3. State Court Administration

7,123,000

7,237,000

Subd. 4. Law Library Operations

1,638,000

1,654,000

Subd. 5. Civil Legal Services

4,507,000

4,507,000

\$4,507,000 the first year and \$4,507,000 the second year are for legal service to low-income clients and for family farm legal assistance under Minnesota Statutes, section 480.242. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium. A qualified legal services program, as defined in Minnesota Statutes, section 480.24, subdivision 3, may provide legal services to persons eligible for family farm legal assistance under Minnesota Statutes, section 480.242.

Subd. 6. Family Law Legal Services

877,000

877,000

\$877,000 the first year and \$877,000 the second year are to improve the access of low-income clients to legal representation in family law matters and must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

APPROPRIATIONS
Available for the Year
Ending June 30

	1994	1995
Sec. 3. COURT OF APPEALS	5,550,000	5,700,000
Sec. 4. DISTRICT COURTS	58,590,000	60,353,000
Sec. 5. BOARD OF JUDICIAL STANDARDS	176,000	176,000
Sec. 6. TAX COURT	518,000	515,000
Sec. 7. ATTORNEY GENERAL		
Subdivision 1. Total Appropriation	21,554,000	22,165,000

Summary by Fund

General	19,195,000	19,806,000	
Special Revenue	178,000	178,000	
Environmental	115,000	115,000	
State Government Special Revenue	2,066,000	2,066,000	

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

Subd. 2. Government Services

	5,087,000	5,087,000
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Summary by Fund

General	3,021,000	3,021,000	
State Government Special Revenue	2,066,000	2,066,000	

\$2,066,000 the first year and \$2,066,000 the second year from the state government special revenue fund to the government services program of the attorney general, for legal services to the health licensing boards.

Subd. 3. Public and Human Resources

	4,090,000	4,108,000
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Summary by Fund

General	3,912,000	3,930,000	
Special Revenue	178,000	178,000	

Subd. 4. Law Enforcement

	4,172,000	4,193,000
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Summary by Fund

General	4,057,000	4,078,000	
Environmental	115,000	115,000	

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
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\$302,000 the first year and \$302,000 the second year from the general fund to the law enforcement program of the attorney general to investigate and prosecute health care fraud.

Subd. 5. Legal Policy and Administration

2,846,000	2,846,000
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Subd. 6. Business Regulation

4,310,000	4,317,000
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\$15,000 the first year and \$15,000 the second year to the business regulation program of the attorney general to conduct, or contract for, data collection and analysis regarding gender equity in high school athletics.

Subd. 7. Solicitor General

2,138,000	2,138,000
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Subd. 8. Base Cuts

(1,089,000)	(524,000)
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Sec. 8. Minnesota Statutes 1992, section 271.07, is amended to read:

271.07 [STENOGRAPHIC REPORT; TRANSCRIPT.]

Except in the small claims division, the tax court shall provide for a verbatim stenographic report of all proceedings had before it upon appeals, as required by the laws relating to proceedings in district court. The cost of the stenographic record shall be paid by the party taking the appeal. The cost is a taxable cost under section 271.09.

Sec. 9. Minnesota Statutes 1992, section 357.021, subdivision 1a, is amended to read:

Subd. 1a. (a) Every person, including the state of Minnesota and all bodies politic and corporate, who shall transact any business in the district court, shall pay to the court administrator of said court the sundry fees prescribed in subdivision 2. Except as provided in paragraph (d), the court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

(b) In a county which has a screener-collector position, fees paid by a county pursuant to this subdivision shall be transmitted monthly to the county treasurer, who shall apply the fees first to reimburse the county for the amount of the salary paid for the screener-collector position. The balance of the fees collected shall then be forwarded to the state treasurer for deposit in the state treasury and credited to the general fund. In a county in the eighth judicial district which has a screener-collector position, the fees paid by a county shall be transmitted monthly to the state treasurer for deposit in the state treasury and credited to the general fund. A screener-collector position for purposes of this paragraph is an employee whose function is to increase the collection of fines and to review the incomes of potential clients of the public defender, in order to verify eligibility for that service.

(c) No fee is required under this section from the public authority or the party the public authority represents in an action for:

(1) child support enforcement or modification, medical assistance enforcement, or establishment of parentage in the district court, or child or medical support enforcement conducted by an administrative law judge in an administrative hearing under section 518.551, subdivision 10;

- (2) civil commitment under chapter 253B;
 - (3) the appointment of a public conservator or public guardian or any other action under chapters 252A and 525;
 - (4) wrongfully obtaining public assistance under section 256.98 or 256D.07, or recovery of overpayments of public assistance;
 - (5) court relief under chapter 260;
 - (6) forfeiture of property under sections 609.531 to 609.5317;
 - (7) recovery of amounts issued by political subdivisions or public institutions under sections 246.52, 252.27, 256.045, 256.25, 256.87, 256B.042, 256B.14, 256B.15, 256B.37, and 260.251, or other sections referring to other forms of public assistance; or
 - (8) restitution under section 611A.04.
- (d) The fees collected for child support modifications under subdivision 2, clause (13), must be transmitted to the county treasurer for deposit in the county general fund. The fees must be used by the county to pay for child support enforcement efforts by county attorneys.

Sec. 10. Minnesota Statutes 1992, 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 ~~\$110~~ \$120.

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 ~~\$110~~ \$120.

The party requesting a trial by jury shall pay ~~\$30~~ \$90.

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

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

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

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

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

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

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

(8) Filing and indexing trade name; or recording 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 \$5.

(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. 11. Minnesota Statutes 1992, section 357.022, is amended to read:

357.022 [CONCILIATION COURT FEE.]

The court administrator in every county shall charge and collect a filing fee of ~~\$13~~ \$15 where the amount demanded is less than \$2,000 and \$25 where the amount demanded is \$2,000 or more from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. The court administrator shall transmit the fees monthly to the state treasurer for deposit in the state treasury and credit to the general fund.

Sec. 12. Minnesota Statutes 1992, section 357.18, subdivision 3, is amended to read:

Subd. 3. [SURCHARGE.] In addition to the fees imposed in subdivision 1, a ~~\$2~~ \$4 surcharge shall be collected: on each fee charged under subdivision 1, clauses (1) and (6), and for each abstract certificate under subdivision 1, clause (4). Forty cents of each surcharge shall be retained by the county to cover its administrative costs and ~~\$1.60~~ \$3.60 shall be paid to the state treasury and credited to the general fund.

Sec. 13. Minnesota Statutes 1992, section 484.74, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] Except for good cause shown, in litigation involving an amount in excess of ~~\$50,000~~ \$7,500 in controversy, the presiding judge ~~may shall~~, by order, direct the parties to enter nonbinding alternative dispute resolution. Alternatives may include private trials, neutral expert fact-finding, mediation, minitrials, and other forms of alternative dispute resolution. The guidelines for the various alternatives must be established by the presiding judge and must emphasize early and inexpensive exchange of information and case evaluation in order to facilitate settlement.

Sec. 14. Minnesota Statutes 1992, section 484.76, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The supreme court shall establish a statewide alternative dispute resolution program for the resolution of civil cases filed with the courts. The supreme court shall adopt rules governing practice, procedure, and jurisdiction for alternative dispute resolution programs established under this section. The rules shall require the use of nonbinding alternative dispute resolution processes in all civil cases, except for good cause shown by the presiding judge, and must provide an equitable means for the payment of fees and expenses for the use of alternative dispute resolution processes.

Sec. 15. [491A.03] [JUDGES; REFEREES.]

The judges of district court shall serve as judges of conciliation court. A majority of the judges of the district may appoint one or more suitable persons to act as referees in conciliation court; a majority of the judges of the district shall establish qualifications for the office, specify the duties and length of service of referees, and fix their compensation not to exceed an amount per day determined by the chief judge of the judicial district.

Sec. 16. Minnesota Statutes 1992, section 508.82, is amended to read:

508.82 [REGISTRAR'S FEES.]

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

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (10), (12), (13), (14), (16), (17), and (18), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a \$2 ~~\$4~~ surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (5), (10), (12), (14), and (18), with 40 cents of this surcharge to be retained by the county to cover its administrative costs and ~~\$1.60~~ \$3.60 to be paid to the state treasury and credited to the general fund;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 1992, section 508A.82, is amended to read:

508A.82 [REGISTRAR'S FEES.]

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

(1) of the fees provided herein, five percent of the fees collected under clauses (3), (4), (10), (12), (13), (14), (16), and (18), for filing or memorializing shall be paid to the state treasurer and credited to the general fund; plus a ~~\$2~~ \$4 surcharge shall be charged and collected in addition to the total fees charged for each transaction under clauses (2) to (5), (10), (12), (14), and (18), with 40 cents of this surcharge to be retained by the county to cover its administrative costs and ~~\$1.60~~ \$3.60 to be paid to the state treasury and credited to the general fund;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 18. Minnesota Statutes 1992, section 548.23, is amended to read:

548.23 [PLEA OF CONFESSION.]

Judgment in the cases mentioned in section 548.22 may also be entered in the district court in the manner therein provided, and with like effect, upon filing with the court administrator a plea of confession signed by an attorney of such court, together with an instrument signed by the debtor authorizing such confession; but such instrument must be distinct from that containing the bond, contract, or other evidence of the demand for which judgment is confessed. Any person filing a plea of confession and an instrument under this section shall pay the same fee as provided for filing a civil action in district court; except that if the amount of the judgment confessed is not greater than the jurisdictional limit of the conciliation court, the fee shall be in the amount of the filing fee for an action in conciliation court.

Sec. 19. Minnesota Statutes 1992, section 548.30, is amended to read:

548.30 [FEES.]

Any person filing a foreign judgment shall pay to the court administrator the same fee as provided for filing a civil action in district court, except that if the amount of the judgment is not greater than the jurisdictional limit of the conciliation court, the fee shall be in the amount of the filing fee for an action in conciliation court. Fees for docketing, transcription or other enforcement proceedings shall be as provided for judgments of any district court of this state.

Sec. 20. Minnesota Statutes 1992, section 549.02, is amended to read:

549.02 [COSTS IN DISTRICT COURTS.]

Subdivision 1. [DISTRICT COURT.] In actions commenced in the district court, costs shall be allowed as follows:

To plaintiff: (1) Upon a judgment in the plaintiff's favor of \$100 or more in an action for the recovery of money only, ~~\$100~~ \$200. (2) In all other actions, including an action by a public employee for wrongfully denied or withheld employment benefits or rights, except as otherwise specially provided, ~~\$100~~ \$200.

To defendant: Upon discontinuance or dismissal or when judgment is rendered in the defendant's favor on the merits, ~~\$100~~ \$200.

To the prevailing party: \$5.50 for the cost of filing a satisfaction of the judgment.

This section does not apply to actions removed to district court from conciliation court.

Subd. 2. [ON APPEAL.] Upon a judgment on the merits on appeal to the court of appeals or supreme court, additional costs in the amount of \$300 shall be allowed to the prevailing party.

Sec. 21. Minnesota Statutes 1992, 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 may be reimbursed for day care expenses at a rate rates determined by the supreme court, and shall be compensated at a rate of \$15 for each day of required attendance at sessions of the court, except that a juror shall not receive compensation under this section if the juror receives full salary from the juror's employer while in attendance at sessions of the court. Except in the eighth judicial district where the state shall pay directly, the compensation and reimbursement shall be paid out of the county treasury upon receipt of authorization to pay from the jury commissioner. These jury costs shall be reimbursed monthly by the supreme court upon submission of an invoice by the county treasurer. A monthly report of payments to jurors shall be sent to the jury commissioner within two weeks of the end of the month in the form required by the jury commissioner.

Sec. 22. Minnesota Statutes 1992, section 609.101, subdivision 4, is amended to read:

Subd. 4. [MINIMUM FINES; OTHER CRIMES.] Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 20 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law.

The court may not waive payment of the minimum fine or authorize payment of it in installments unless ~~the court makes written findings on the record that~~ the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

Sec. 23. [609.103] [PAYMENT OF FINES, ASSESSMENTS, SURCHARGES, AND OTHER FINANCIAL OBLIGATIONS OF THE DEFENDANT.]

The court may permit the defendant to pay any fine, assessment, surcharge, attorney reimbursement obligation, or restitution obligation by credit card. The discount fees assessed by the credit card company shall be borne by the county, except in the eighth judicial district where the cost shall be borne by the state.

Sec. 24. Laws 1989, chapter 335, article 3, section 44, as amended by Laws 1990, chapter 604, article 9, section 13, and Laws 1991, chapter 345, article 3, section 27, is amended to read:

Sec. 44. [APPLICATION.]

Sections 45 to 54, except the parts of section 54, that by their terms have broader application, apply only in the eighth judicial district for the period from January 1, 1990, to December 31, ~~1993~~ 1999.

Those parts of section 54, having broader application, apply statewide for the period from July 1, 1989, to December 31, ~~1993~~ 1999.

Sec. 25. [ATTORNEY GENERAL FUNDING OPTIONS.]

To increase the accountability of all parties and simplify practices for paying for legal services, the attorney general shall establish a task force under the legal policy and administration program to review and make recommendations to the legislature regarding funding options to pay for all legal services provided to executive branch agencies. In addition to attorney general staff, members of the task force shall include fiscal staff from the house of representatives and the senate, staff of the department of finance, and staff from small and large executive branch client agencies. The ability to pay shall not be the only criterion used to allocate legal services. The task force shall study funding options that ensure the availability of legal services from the attorney general's office essential to meet program needs of all executive branch agencies. The attorney general shall report the recommendations of the task force to the legislature by March 1, 1994.

Sec. 26. [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. [CONSTITUTIONAL OFFICERS.] A constitutional officer need not get the approval of the commissioner of finance but must notify the committee on finance of the senate and the committee on ways and means of the house of representatives before making a transfer among programs or activities.

Subd. 3. [TRANSFER PROHIBITED.] If an amount is specified in this article for an item within an activity, that amount must not be transferred or used for any other purpose.

ARTICLE 4

Section 1. 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	\$ 1,782,000	\$ 1,722,000	\$ 3,504,000
Workers' Compensation	1,284,000	1,294,000	2,578,000
TOTAL	\$ 3,066,000	\$ 3,016,000	\$ 6,082,000

APPROPRIATIONS Available for the Year Ending June 30

1994	1995
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Sec. 2. WORKERS' COMPENSATION COURT OF APPEALS

\$ 1,284,000	\$ 1,294,000
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This appropriation is from the workers' compensation special compensation fund.

Sec. 3. MEDIATION SERVICES

1,782,000	1,722,000
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(a) \$222,000 in each year is for grants to area labor-management committees. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) \$60,000 the first year is for a grant program to support education in total quality management techniques in the small employer environment under Minnesota Statutes, section 179.02.

Sec. 4. Minnesota Statutes 1992, section 179.02, is amended by adding a subdivision to read:

Subd. 6. [TOTAL QUALITY MANAGEMENT.] The commissioner of mediation services shall contract with a specialist in total quality management education to provide classes on total quality management to small business and government employers. Four of the classes must be provided in the metropolitan area and four of the classes must be provided outside the metropolitan area. The classes shall provide at least 18 hours of training over a six-week period with attendance limited to 30 participants per class. The cost per participant shall not exceed \$500, with one-half of the cost paid by the employer. In at least four of the classes, participation is limited to:

(1) labor and management employees of a small business where a union represents employees; or

APPROPRIATIONS	
Available for the Year	
Ending June 30	
1994	1995
Subd. 2 Higher Education Coordinating Board	115,000
	115,000

To the higher education coordinating board for fiscal years 1994 and 1995. The appropriation shall be used to develop and implement service learning programs in the following order of priority:

- (1) programs allowing higher education institutions to create or expand community service or work-based learning activities for students attending the institutions;
- (2) programs allowing higher education institutions to modify existing and create new courses, curricula, and extracurricular activities that effectively use service learning and work-based learning methods; and
- (3) programs allowing higher education institutions to train K-12 teachers in the skills necessary to develop, supervise, and organize community service activities, consistent with the principles of service learning.

Sec. 2. [121.70] [SHORT TITLE.]

Sections 121.701 to 121.710 shall be cited as the "Minnesota youth works act."

Sec. 3. [121.701] [PURPOSE.]

The purposes of sections 121.701 to 121.710 are to:

- (1) renew the ethic of civic responsibility in Minnesota;
- (2) empower youth to improve their life opportunities through literacy, job placement, and other essential skills;
- (3) empower government to meet its responsibility to prepare young people to be contributing members of society;
- (4) help meet human, educational, environmental, and public safety needs, particularly those needs relating to poverty;
- (5) prepare a citizenry that is academically competent, ready for work, and socially responsible;
- (6) demonstrate the connection between youth and community service, community service and education, and education and meaningful opportunities in the business community;
- (7) demonstrate the connection between providing opportunities for at-risk youth and reducing crime rates and the social costs of troubled youth; and
- (8) coordinate federal and state activities that advance the purposes in this section.

Sec. 4. [121.702] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 121.701 to 121.710.

Subd. 2. [ELIGIBLE ORGANIZATION.] "Eligible organization" means:

- (1) a local unit of government including a city, township, county, or group of two or more contiguous counties;
- (2) an existing nonprofit organization organized under chapter 317A;
- (3) an educational institution;
- (4) a private industry council; or
- (5) a state agency.

Subd. 3. [FEDERAL LAW.] "Federal law" means Public Law Number 101-610, as amended, or any other federal law or program assisting youth community service, work-based learning, or youth transition from school to work.

Subd. 4. [MENTOR.] "Mentor" means a business person, an adult from the community, or a person who has successfully completed the youth works program who volunteers to establish a one-on-one relationship with a participant in the youth works program to encourage and guide the participant to obtain an education, participate in service and work-related activities, and effectively use postservice benefits.

Subd. 5. [PARTICIPANT.] "Participant" means an individual enrolled in a program that receives assistance under sections 121.701 to 121.710.

Subd. 6. [PLACEMENT.] "Placement" means the matching of a participant with a specific project.

Subd. 7. [PROGRAM.] "Program" means an activity carried out with assistance provided under sections 121.701 to 121.710.

Subd. 8. [PROJECT.] "Project" means an activity that results in a specific identifiable service or product that could not be done from the resources of the eligible organization and that does not duplicate the routine services or functions of the eligible organization.

Subd. 9. [YOUTH WORKS TASK FORCE.] "Youth works task force" means the task force established in section 121.703.

Sec. 5. [121.703] [YOUTH WORKS TASK FORCE.]

Subdivision 1. [CREATION.] The youth works task force is established to assist the governor and the legislature in implementing sections 121.701 to 121.710 and federal law. The terms, compensation, filling of vacancies, and removal of members are governed by section 15.059. The youth works task force may accept gifts and contributions from public and private organizations.

Subd. 2. [MEMBERSHIP.] The youth works task force consists of 16 voting members. The membership includes the commissioner or designee of the departments of education, jobs and training, and natural resources and the executive director of the higher education coordinating board, and four persons appointed by the governor from among the following agencies: departments of human services, health, corrections, agriculture, public safety, finance, office of strategic and long-range planning, Minnesota office of volunteer services, Minnesota high technology council, Minnesota housing finance agency, and Minnesota Technology, Inc. The governor shall appoint four members, one each representing a public or private sector labor union, business, students, and parents, and the remaining four members from among representatives of the following groups: educators, senior citizen organizations, local agencies working with youth service corps programs, school-based community service programs, higher education institutions, local educational agencies, volunteer public safety organizations, education partnership programs, public or nonprofit organizations experienced in youth employment and training, and volunteer administrators, or other organizations working with volunteers. The governor shall ensure that, to the extent possible, the membership of the task force is balanced according to geography, race, ethnicity, age, and gender. The speaker of the house and the majority leader of the senate shall each appoint two legislators to be nonvoting members of the task force.

Subd. 3. [DUTIES.] (a) The youth works task force shall:

- (1) develop, with the assistance of the governor and affected state agencies, a comprehensive state plan to provide services under sections 121.701 to 121.710 and federal law;
- (2) actively pursue public and private funding sources for services, including funding available under federal law;
- (3) coordinate volunteer service learning programs within the state;
- (4) develop, in cooperation with the youth apprenticeship council, volunteer service learning programs, including curriculum, materials, and methods of instruction;
- (5) work collaboratively with the youth apprenticeship council, schools, public and private agencies, for-profit and nonprofit employers, and labor unions to identify mentoring and service learning opportunities, solicit and recruit participants for these programs, and disseminate information on the programs;
- (6) administer the youth works grant program under sections 121.704 to 121.709, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;
- (7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710; and
- (8) report to the governor and legislature.

(b) Nothing in sections 121.701 to 121.710 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

Sec. 6. [121.704] [YOUTH WORKS PROGRAM.]

The youth works program is established to fulfill the purposes of section 121.701. The youth works program shall supplement existing programs and services. The program shall not displace existing programs and services, existing funding of programs or services, or existing employment and employment opportunities. No eligible organization may terminate, layoff, or reduce the hours of work of an employee to place or hire a program participant. No eligible organization may place or hire an individual for a project if an employee is on lay-off from the same or a substantially equivalent position.

Sec. 7. [121.705] [YOUTH WORKS GRANTS.]

Subdivision 1. [APPLICATION.] An eligible organization interested in receiving a grant under sections 121.704 to 121.709 may prepare and submit to the youth works task force an application that complies with section 121.706.

Subd. 2. [GRANT AUTHORITY.] The youth works task force shall use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 121.706. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the youth works task force may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 121.706.

Sec. 8. [121.706] [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATIONS REQUIRED.] An organization seeking federal or state grant money under sections 121.704 to 121.709 shall prepare and submit to the youth works task force an application that meets the requirements of this section. The youth works task force shall develop, and the applying organizations shall comply with, the form and manner of the application.

Subd. 2. [APPLICATION CONTENT.] An applicant on its application shall:

- (1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning;

(2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;

(3) describe the classroom component of the program, including classroom hours per week and classroom time for participants to reflect on the program experience;

(4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;

(5) describe local funds or resources available to meet the match requirements of section 121.709;

(6) describe any funds available for the program from sources other than the requested grant;

(7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;

(8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service learning experience;

(9) describe any agreement with a local high school or an alternative learning center to provide remedial education, credit for community service work and work-based learning, or graduate equivalency degrees;

(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;

(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;

(12) describe the arbitration mechanism for dispute resolution required under section 121.707, subdivision 2;

(13) describe involvement of community leaders in developing broad-based support for the program;

(14) describe the consultation and sign off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;

(15) certify to the youth works task force and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

(16) describe the length of the required service period, which may not be less than six months or more than two years, a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;

(17) describe a program evaluation plan that contains cost effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;

(18) describe a three-year financial plan for maintaining the program; and

(19) describe the role of local youth in developing all aspects of the grant proposal.

Sec. 9. [121.707] [PROGRAM PROVISIONS.]

Subdivision 1. [PARTICIPANT ELIGIBILITY.] (a) An individual is eligible to participate in full-time youth community service if the individual:

- (1) is 17 to 24 years old;
 - (2) is a citizen of the United States or lawfully admitted for permanent residency;
 - (3) is a permanent Minnesota resident as that term is used in section 256.936, subdivision 4c, paragraph (d), clause (2);
 - (4) is applying for service and has received a high school diploma or its equivalent, or agrees to attain a high school diploma or its equivalent while participating in the program; and
 - (5) agrees to act as an alumni volunteer or an alumni mentor upon successfully completing the program and postprogram education.
- (b) An individual is eligible to participate in part-time youth community service if the individual is 15 to 24 years old and meets the requirements under paragraph (a), clauses (2) to (5).

Subd. 2. [TERMS OF SERVICE.] (a) A participant shall agree to perform community service for the period required unless the participant is unable to complete the terms of service for the reason provided in paragraph (b).

An agreement to perform community service must be in the form of a written contract between the participant and the grantee organization. Terms of the contract must include a length of service between six months and two years, the participant's education goals and commitment, the anticipated date of completion, dismissal for cause, including failure to fully participate in the education component, and the exclusive right to challenge a dismissal for cause through binding arbitration. The arbitrator must be chosen jointly by the grantee organization and the participant from the community or, if agreement cannot be reached, an arbitrator must be determined from a list of arbitrators provided by the American Arbitration Association. The sole remedy available to the participant through arbitration is reinstatement to the program and eligibility for postservice benefits. The parent or guardian of a minor shall consent in writing to the contract between the participant and the grantee organization.

(b) If the grantee organization releases a participant from completing a term of service in a program receiving assistance under sections 121.704 to 121.709 for compelling personal circumstances as demonstrated by the participant, or if the program in which the participant serves does not receive continued funding for any reason, the grantee organization may provide the participant with that portion of the financial assistance described in subdivision 3 that corresponds to the quantity of the service obligation completed by the individual.

If the grantee organization terminates a participant for cause or a participant resigns without demonstrating compelling personal circumstances under this section, no postservice benefit under subdivision 3 may be paid.

(c) A participant performing part-time service under sections 121.701 to 121.710 shall serve at least two weekends each month and two weeks during the year, or at least an average of nine hours per week each year. A participant performing full-time service under sections 121.701 to 121.710 shall serve for not less than 40 hours per week.

(d) Notwithstanding any other law to the contrary, for purposes of tort liability under sections 3.732 and 3.736, while participating in a program a participant is an employee of the state.

(e) Participants performing community service in a program are not public employees for purposes of chapter 43A, 179A, 197, 353, or any other law governing hiring or discharging of public employees.

Subd. 3. [POSTSERVICE BENEFIT.] (a) Each participant shall receive a nontransferable postservice benefit upon successfully completing the program. The benefit must be \$2,000 per year of part-time service or \$5,000 per year of full-time service.

(b) In the event that a program does not receive a federal grant that provides a postservice benefit, the participants in the program shall receive a postservice benefit equal in value to one-half the amount provided under paragraph (a).

(c) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).

(d) The state shall provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.

Subd. 4. [USES OF POSTSERVICE BENEFITS.] (a) A postservice benefit for a participant provided under subdivision 3, paragraph (a), (b), or (c), must be available for five years after completing the program and may only be used for:

- (1) paying a student loan;
- (2) costs of attending an institution of higher education; or
- (3) expenses incurred in an apprenticeship program approved by the department of labor and industry.

Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Any postservice benefits provided by federal funds or vouchers may be used as a downpayment on, or closing costs for, purchasing a first home.

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. The youth works task force, in consultation with the youth apprenticeship council, shall determine how the benefits may be used in order to best prepare participants with skills that build on their service learning and equip them for meaningful employment.

Subd. 5. [LIVING ALLOWANCE.] (a) A participant in a full-time community service program shall receive a monthly stipend of \$500. An eligible organization may provide participants with additional amounts from nonfederal or nonstate sources.

(b) Nothing in this subdivision requires an existing program to decrease any stipend, salary, or living allowance provided to a participant under the program.

(c) In addition to the living allowance provided under paragraph (a), a grantee organization shall provide health and dental coverage to each participant in a full-time youth works program who does not otherwise have access to health or dental coverage. The state shall include the cost of group health and dental coverage in the grant to the eligible organization.

Subd. 6. [PROGRAM TRAINING.] (a) The youth works task force shall, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

- (1) orient each participant in the nature, philosophy, and purpose of the program;
- (2) build an ethic of community service through general community service training; and
- (3) provide additional training as it determines necessary.

(b) Each grantee organization shall also train participants in skills relevant to the community service opportunity.

Subd. 7. [TRAINING AND EDUCATION REQUIREMENTS.] Each grantee organization shall assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The youth works task force may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

Sec. 10. [121.708] [PRIORITY.]

The youth works task force shall give priority to an eligible organization proposing a program that meets the goals of sections 121.704 to 121.707, and that:

(1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming postservice leadership and mentoring responsibilities;

(2) serves a community with significant unmet needs;

(3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;

(4) builds linkages with existing, successful programs; and

(5) can be operational quickly.

Sec. 11. [121.709] [MATCH REQUIREMENTS.]

A grant awarded through the youth works program must be matched at \$2 of grant funds for at least \$1 of applicant funds. Grant funds must be used for the living allowance, postservice benefits, and health and dental benefits for each program participant. Applicant funds, from sources and in a form determined by the youth works task force, must be used to pay for crew leaders, administration, supplies, materials, and transportation. Administrative expenses must not exceed seven percent of total program costs. To the extent that administrative costs are less than seven percent, an amount equal to the difference between the percent expended and seven percent shall be applied to the local match requirement in this section.

Sec. 12. [121.710] [EVALUATION AND REPORTING REQUIREMENTS.]

Subdivision 1. [GRANTEE ORGANIZATIONS.] Each grantee organization shall report to the youth works task force at the time and on the matters requested by the youth works task force.

Subd. 2. [INTERIM REPORT.] The youth works task force shall report semiannually to the legislature with interim recommendations to change the program.

Subd. 3. [FINAL REPORT.] The youth works task force shall present a final report to the legislature by January 1, 1998, summarizing grantee evaluations, reporting on individual participants and participating grantee organizations, and recommending any changes to improve or expand the program.

Sec. 13. Minnesota Statutes 1992, section 121.88, subdivision 9, is amended to read:

Subd. 9. [YOUTH SERVICE PROGRAMS.] A school board may offer, as part of a community education program with a youth development program, a youth service program for pupils to promote that provides young people with meaningful opportunities to become involved in their community, develop individual capabilities, make career connections, seek support networks and services, become active citizenship citizens, and to address community needs through youth service. The school board may award up to one credit, or the equivalent, toward graduation for a pupil who completes the youth service requirements of the district. The community education advisory council, after considering the results of the commissioner's study under section 14, subdivision 1, shall design the program in cooperation with the district planning, evaluating and reporting committee and local organizations that train volunteers or need volunteers' services. Programs must include:

(1) preliminary training for pupil volunteers conducted, when possible, by organizations experienced in such training;

(2) supervision of the pupil volunteers to ensure appropriate placement and adequate learning opportunity;

(3) sufficient opportunity, in a positive setting for human development, for pupil volunteers to develop general skills in preparation for employment, to enhance self-esteem and self-worth, and to give genuine service to their community;

(4) integration of academic learning with the service experience; and

(5) integration of youth community service with elementary and secondary curriculum.

Youth service projects include, but are not limited to, the following:

- (1) human services for the elderly, including home care and related services;
- (2) tutoring and mentoring;
- (3) training for and providing emergency services;
- (4) services at extended day programs; and
- (5) environmental services; and

(6) service learning programs in which schools, including post-secondary schools, and employers work together with young people to provide them with meaningful opportunities for community service and with the academic and technical skills that employers require.

The commissioner shall maintain a list of acceptable projects with a description of each project. A project that is not on the list must be approved by the commissioner.

A youth service project must have a community sponsor that may be a governmental unit or nonprofit organization. To assure that pupils provide additional services, each sponsor must assure that pupil services do not displace employees or reduce the workload of any employee.

The commissioner must assist districts in planning youth service programs, implementing programs, and developing recommendations for obtaining community sponsors.

Sec. 14. [121.885] [SERVICE LEARNING AND WORK-BASED LEARNING CURRICULUM AND PROGRAMS.]

Subdivision 1. [SERVICE LEARNING AND WORK-BASED LEARNING PROGRAMS STUDY.] The youth works task force, established in section 121.703, shall assist the commissioner of education in studying how to combine community service activities and service learning with work-based learning programs.

Subd. 2. [SERVICE LEARNING PROGRAMS DEVELOPED.] The commissioner, in consultation with the task force, shall develop a service learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

(1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;

(2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;

(3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and

(4) criteria for community service activities and service learning.

Subd. 3. [STRUCTURING PROGRAMS ACCORDING TO GRADE OR EDUCATION LEVEL.] The service learning curriculum must accommodate students' grade level or the last completed grade level of the participants not currently enrolled in school. Schools must provide at least the following:

(1) for students in grades 7 to 9, an opportunity to learn about service learning activities and possible occupations;

(2) for students in grade 10, an opportunity to apply for service learning under section 121.88, subdivision 9, and youth apprenticeship programs; and

(3) for students in grades 11 and 12 and young people not currently enrolled in school, an opportunity to become involved in community service activities, participate in youth apprenticeship programs, and, depending upon the individual's demonstrated abilities, complete high school or pursue post-secondary coursework.

Subd. 5. [PROGRAMS FOLLOWING YOUTH COMMUNITY SERVICE.] (a) The youth works task force established in section 121.703, in cooperation with the commissioner and the higher education coordinating board, shall provide for those participants who successfully complete youth community service under sections 121.703 to 121.709, the following:

(1) for those who have a high school diploma or its equivalent, an opportunity to participate in a youth apprenticeship program at a community or technical college; and

(2) for those who are post-secondary students, an opportunity to participate in an educational program that supplements post-secondary courses leading to a degree or a statewide credential of academic and occupational proficiency.

(b) Participants who successfully complete a youth community service program under sections 121.704 to 121.710 are eligible to receive an education voucher as provided under section 121.707, subdivision 4. The voucher recipient may apply the voucher toward the cost of the recipient's tuition and other education-related expenses at a public post-secondary school under paragraph (a).

(c) The youth works task force, in cooperation with the state board of technical colleges, shall establish a mechanism to transfer credit earned in a youth apprenticeship program between the technical colleges and other post-secondary institutions offering applied associate degrees.

Sec. 15. Minnesota Statutes 1992, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals ~~75 cents for fiscal year 1992 and~~ 85 cents for fiscal year years 1993 and 1994 and \$1 for fiscal year 1995 and thereafter, times the greater of 1,335 or the population of the district.

Sec. 16. Minnesota Statutes 1992, section 124.2713, subdivision 6, is amended to read:

Subd. 6. [COMMUNITY EDUCATION LEVY.] To obtain community education revenue, a district may levy the amount raised by a tax rate of ~~1.07 percent for fiscal year 1992 and~~ 1.095 percent for fiscal year years 1993 and 1994 and 1.057 percent for fiscal year 1995 and thereafter, times the adjusted net tax capacity of the district. If the amount of the community education levy would exceed the community education revenue, the community education levy shall equal the community education revenue.

Sec. 17. Minnesota Statutes 1992, section 124C.46, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM FOCUS.] The programs and services of a center must focus on academic and learning skills, trade and vocational skills, work-based learning opportunities, work experience, youth service to the community, and transition services.

Sec. 18. [HECB TO HELP COORDINATE YOUTH COMMUNITY SERVICE.]

Subdivision 1. [HECB DUTIES.] (a) The higher education coordinating board shall coordinate the application process for higher education grants under federal law. The board shall submit to the youth works task force under section 121.703 a proposal described in subdivision 2 for a consortium of higher education institutions to be included in the state's comprehensive service plan under section 121.703, subdivision 3.

(b) The board shall also coordinate the activities of individual Minnesota higher education institutions applying directly for federal community service grants.

Subd. 2. [COMMUNITY SERVICE PROPOSAL.] The proposal submitted by the higher education coordinating board shall develop programs that allow:

(1) higher education institutions to modify existing and create new courses, curricula, and extracurricular activities that effectively use service learning and work-based learning methods;

(2) one or more higher education institutions to conduct research to evaluate the benefits of service learning programs and to make recommendations to improve service learning programs;

(3) higher education institutions to train K-12 teachers in the skills necessary to develop, supervise, and organize community service activities, consistent with the principles of service learning; and

(4) higher education institutions to create or expand community service or work-based learning activities for students attending the institutions.

Sec. 19. [FEDERAL APPLICATION.]

The youth works task force shall prepare timely and complete applications for federal grants. At a minimum, the task force application must describe:

(1) a program designed to meet the unique needs of the state that will provide community service opportunities to youths ages 17 to 24;

(2) the amount of funds requested for the youth works program plan; and

(3) how the task force ranks applications and awards grants to Minnesota applicants under sections 6 to 11.

Sec. 20. [SEVERANCE.]

Any provision in this act that makes the state ineligible to receive a grant under Public Law Number 101-610 or other federal laws funding youth works programs is severed and has no effect.

Sec. 21. [REPEALER.]

Sections 6 to 12 are repealed June 30, 1998."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for courts, the attorney general, public defense, criminal justice, corrections, and related purposes; appropriating money for youth community service and work-based learning programs; providing for the transfer of certain money in the state treasury; amending Minnesota Statutes 1992, sections 43A.02, subdivision 25; 43A.24, subdivision 2; 121.88, subdivision 9; 124.2713, subdivisions 5 and 6; 124C.46, subdivision 1; 169.1265, subdivision 1; 179.02, by adding a subdivision; 270B.14, by adding a subdivision; 271.07; 357.021, subdivisions 1a and 2; 357.022; 357.18, subdivision 3; 357.24; 484.74, subdivision 1; 484.76, subdivision 1; 508.82; 508A.82; 548.23; 548.30; 549.02; 593.48; 609.101, subdivision 4; 611.17; 611.20; 611.25, subdivision 3; 611.26, subdivision 3; 611.27, subdivisions 4 and 13; 611.271; 626.861, subdivision 4; and Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 121; 242; 244; 609; and 611; proposing coding for new law as Minnesota Statutes, chapter 491A."

The motion prevailed and the amendment was adopted.

The Speaker called Rodosovich to the Chair.

S. F. No. 1503, A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; 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; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2; and 611.20, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Jacobs	Lieder	Neary	Rest	Vellenga
Anderson, R.	Dehler	Jaros	Limmer	Nelson	Rhodes	Wagenius
Asch	Delmont	Jefferson	Lindner	Ness	Rodosovich	Waltman
Battaglia	Dorn	Jennings	Lourey	Olson, E.	Rukavina	Weaver
Bauerly	Erhardt	Johnson, A.	Luther	Olson, K.	Seagren	Wejzman
Bergson	Evans	Johnson, R.	Lynch	Opatz	Simoneau	Welle
Bertram	Farrell	Johnson, V.	Macklin	Orenstein	Skoglund	Wenzel
Bettermann	Garcia	Kahn	Mahon	Orfield	Smith	Winter
Bishop	Goodno	Kalis	Mariani	Ostrom	Solberg	Wolf
Blatz	Greenfield	Kelley	McCollum	Ozment	Sparby	Worke
Brown, C.	Greiling	Kelso	McGuire	Pauly	Stanius	Spk. Long
Brown, K.	Gruenes	Kinkel	Milbert	Pawlenty	Steensma	
Carlson	Gutknecht	Klinzing	Molnau	Pelowski	Swenson	
Carruthers	Hasskamp	Knickerbocker	Morrison	Perlt	Tomassoni	
Commers	Hausman	Krueger	Mosel	Peterson	Tompkins	
Cooper	Holsten	Lasley	Munger	Pugh	Trimble	
Dauner	Huntley	Leppik	Murphy	Reding	Tunheim	

Those who voted in the negative were:

Abrams	Frerichs	Koppendraye	Onnen	Van Dellen
Davids	Haukoos	Krinkie	Osthoff	Vickerman
Dempsey	Hugoson	Olson, M.	Sviggum	Workman

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

Stanius was excused for the remainder of today's session.

H. F. No. 350 was reported to the House.

Vellenga moved to amend H. F. No. 350, the third engrossment, as follows:

Page 54, line 20, delete "all" and insert "those" and after "rules" insert "the district includes in its approved plan to implement the integrated service model"

Page 54, line 21, delete "St. Paul school"

Page 54, line 22, after the period insert "In developing and implementing the integrated service model, the district must adhere to the intent of each rule for which it seeks a waiver and the procedural and substantive protections afforded eligible and low-performing students under law. Nothing in this section shall be construed to permit the waiver of any provision required under federal law."

Page 54, line 30, after "rules" insert "and the outcomes of all state rules"

Page 54, line 36, after "federal" insert "and state"

Page 55, line 6, after "receive" insert "approval from the advisory council in paragraph (c) and the" and delete "approval of" and insert "for"

Page 55, line 29, after "district," insert "one local"

Page 55, after line 33, insert:

"(d) The district shall not seek a variance to a special education rule from the state board of education under Minnesota Statutes, section 121.11, subdivision 12, during the term of the project. This prohibition does not include any rule waived under subdivision 1."

Page 56, line 33, delete "22" and insert "21"

Page 58, line 4, delete "12" and insert "11"

Page 58, line 5, after "districts" insert "and one rural special education cooperative"

Page 58, line 15, after the period insert "Nothing in this section shall be construed to permit the waiver of any provision required under federal law."

Page 58, line 16, after the second bracket insert "(a)"

Page 58, after line 32, insert "(b) The commissioner shall make available to school districts interested in applying to participate in the project discretionary funds under Public Law Number 101-476 to allow the districts to cover the costs of convening their advisory council members under subdivision 6 to assist in developing an application under this subdivision."

Page 59, after line 12, insert:

"(d) School districts participating in the pilot projects shall not seek a variance to a special education rule from the state board of education under Minnesota Statutes, section 121.11, subdivision 12, during the term of the project. This prohibition does not include the rules listed in subdivision 3."

Page 60, line 5, after "district," insert "one local representative of advocacy organizations,"

Page 60, line 10, after the period insert "The council must approve the district's application to participate in the project before it is submitted to the local school board for approval under subdivision 2."

Page 60, line 24, after the period insert "The evaluation must include a mechanism for documenting parents' responses to the project."

The motion prevailed and the amendment was adopted.

Orenstein and Lasley moved to amend H. F. No. 350, the third engrossment, as amended, as follows:

Page 32, line 17, delete "and" and insert "(7) a discussion of whether the delivery system upon which the proposed policies are to be implemented is more appropriately defined as a prekindergarten through grade 10 system and a revised post-secondary system or the current prekindergarten through grade 12 system, including an examination of the most effective delivery of programs such as youth apprenticeship, enrollment options, technical preparation, secondary vocational programs, and area learning centers; and"

Page 32, line 18, delete "(7)" and insert "(8)"

The motion prevailed and the amendment was adopted.

Hasskamp, Kahn, McGuire, Long, Rukavina, Hausman, Orenstein, Simoneau, Vellenga, Weaver, Koppendrayner, Bauerly, Reding and Munger moved to amend H. F. No. 350, the third engrossment, as amended, as follows:

Page 197, after line 20, insert:

"Sec. 30. Minnesota Statutes 1992, section 128C.02, is amended by adding a subdivision to read:

Subd. 7. [WOMEN REFEREES.] The league shall adopt league rules and policy requiring, to the extent possible, the employment of women as referees for girls' high school activities and sports contests, from game level to tournament level."

Page 202, after line 35, insert:

"Sec. 36. [STUDY ON TRAINING OPPORTUNITIES FOR WOMEN REFEREES.]

The Minnesota state high school league shall submit a written report to the education committees of the legislature by February 15, 1994, analyzing the extent of the opportunities available for women to train and serve as referees at league-sponsored events."

ReNUMBER the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Kahn, Hausman, Reding, Vellenga and Hasskamp offered an amendment to the Hasskamp et al amendment to H. F. No. 350, the third engrossment, as amended.

Abrams requested a division of the Kahn et al amendment to the Hasskamp et al amendment to H. F. No. 350, the third engrossment, as amended.

Abrams further requested that the second portion of the divided Kahn et al amendment to the Hasskamp et al amendment be voted on first.

The second portion of the Kahn et al amendment to the Hasskamp et al amendment to H. F. No. 350, the third engrossment, as amended, reads as follows:

Page 1, line 8 of the Hasskamp et al amendment, delete "girls"

A roll call was requested and properly seconded.

The question was taken on the second portion of the Kahn et al amendment to the Hasskamp et al amendment and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Cooper	Erhardt	Gruenes	Jacobs	Kalis
Anderson, I.	Bettermann	Dauner	Evans	Gutknecht	Jaros	Kelley
Anderson, R.	Blatz	Davids	Farrell	Hasskamp	Jefferson	Kelso
Asch	Brown, C.	Dawkins	Frerichs	Haukoos	Jennings	Kinkel
Battaglia	Brown, K.	Dehler	Garcia	Hausman	Johnson, A.	Klinzing
Bauerly	Carlson	Delmont	Goodno	Holsten	Johnson, R.	Knickerbocker
Beard	Carruthers	Dempsey	Greenfield	Hugoson	Johnson, V.	Koppendrayer
Bergson	Commers	Dorn	Greiling	Huntley	Kahn	Krinkie

Krueger	Mariani	Ness	Pauly	Seagren	Tompkins	Wenzel
Lasley	McCollum	Olson, E.	Pawlenty	Sekhon	Trimble	Winter
Leppik	McGuire	Olson, K.	Pelowski	Simoneau	Tunheim	Wolf
Lieder	Milbert	Olson, M.	Perlt	Skoglund	Van Dellen	Worke
Limmer	Molnau	Onnen	Peterson	Smith	Vellenga	Workman
Lindner	Morrison	Opatz	Pugh	Solberg	Vickerman	Spk. Long
Lourey	Mosei	Orenstein	Reding	Sparby	Wagenius	
Luther	Munger	Orfield	Rest	Steensma	Waltman	
Lynch	Murphy	Osthoff	Rhodes	Sviggum	Weaver	
Macklin	Neary	Ostrom	Rodosovich	Swenson	Wejzman	
Mahon	Nelson	Ozment	Rukavina	Tomassoni	Welle	

The motion prevailed and the second portion of the Kahn et al amendment to the Hasskamp et al amendment was adopted.

The first portion of the Kahn et al amendment to the Hasskamp et al amendment to H. F. No. 350, the third engrossment, as amended, reads as follows:

Page 1, line 7 of the Hasskamp et al amendment, after the second "the" insert "equal"

A roll call was requested and properly seconded.

The question was taken on the first portion of the Kahn et al amendment to the Hasskamp et al amendment and the roll was called. There were 109 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dawkins	Jacobs	Lasley	Murphy	Pugh	Tompkins
Anderson, R.	Delmont	Jaros	Leppik	Neary	Reding	Trimble
Asch	Dorn	Jefferson	Lieder	Nelson	Rest	Tunheim
Battaglia	Erhardt	Jennings	Limmer	Ness	Rhodes	Vellenga
Bauerly	Evans	Johnson, A.	Lourey	Olson, K.	Rodosovich	Vickerman
Beard	Farrell	Johnson, R.	Luther	Onnen	Rukavina	Wagenius
Bergson	Garcia	Johnson, V.	Lynch	Opatz	Seagren	Wejzman
Bertram	Goodno	Kahn	Macklin	Orenstein	Sekhon	Welle
Blatz	Greenfield	Kalis	Mahon	Orfield	Simoneau	Wenzel
Brown, C.	Greiling	Kelley	Mariani	Osthoff	Skoglund	Winter
Brown, K.	Gruenes	Kelso	McCollum	Ozment	Smith	Wolf
Carlson	Gutknecht	Kinkel	McGuire	Pauly	Solberg	Worke
Carruthers	Hasskamp	Klinzing	Milbert	Pawlenty	Sparby	Spk. Long
Commers	Hausman	Knickerbocker	Morrison	Pelowski	Steensma	
Cooper	Holsten	Koppendrayner	Mosel	Perlt	Swenson	
Dauner	Huntley	Krueger	Munger	Peterson	Tomassoni	

Those who voted in the negative were:

Abrams	Dehler	Haukoos	Lindner	Olson, M.	Van Dellen	Workman
Bettermann	Dempsey	Hugoson	Molnau	Ostrom	Waltman	
Davids	Frerichs	Krinkie	Olson, E.	Sviggum	Weaver	

The motion prevailed and the first portion of the Kahn et al amendment to the Hasskamp et al amendment was adopted.

The question recurred on the Hasskamp et al amendment, as amended, and the roll was called. There were 119 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bettermann	Lindner	Ostrom	Sviggum	Workman
Dauids	Olson, M.	Steensma	Van Dellen	

The motion prevailed and the amendment, as amended, was adopted.

Lynch and Kelso moved to amend H. F. No. 350, the third engrossment, as amended, as follows:

Page 182, after line 29, insert:

"Sec. 6. Minnesota Statutes 1992, section 120.064, subdivision 16, is amended to read:

Subd. 16. [LEASED SPACE.] The school may lease space from a board eligible to be a sponsor or other public or private nonprofit nonsectarian organization. If a school is unable to lease appropriate space from an eligible board or other public or private nonprofit nonsectarian organization, the school may lease space from another nonsectarian organization if the department of administration approves the lease."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Knickerbocker and Kelso moved to amend H. F. No. 350, the third engrossment, as amended, as follows:

Page 16, after line 12, insert:

"Sec. 8. Minnesota Statutes 1992, section 124A.029, subdivision 4, is amended to read:

Subd. 4. [PER PUPIL REVENUE OPTION.] A district may, by school board resolution, request that the department convert the levy authority under section 124.912, subdivisions 2 and 3, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, ~~1991~~ 1993, to an allowance per pupil. The district must

adopt a resolution and submit a copy of the resolution to the department by July 1, 1992 1993. The department shall convert a district's revenue for fiscal year 1994 1995 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 124.912, subdivisions 2 and 3, for fiscal year 1993 1994 by the district's 1992-1993 1993-1994 actual pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. If a district has referendum authority under section 124A.03 and levy authority under section 124.912, subdivisions 2 and 3, and the district requests that each be converted, the department shall convert separate revenue allowances for each. However, if a district's referendum revenue is limited to a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, the authority expires July 1, 1997 June 30, 1999, unless it is scheduled to expire sooner."

Renumber the remaining sections

The question was taken on the Knickerbocker and Kelso amendment and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Knickerbocker and Kelso amendment to H. F. No. 350, the third engrossment, as amended. The request was granted.

There were 66 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Haukoos	Leppik	Molnau	Rhodes	Van Dellen
Asch	Dehler	Holsten	Limmer	Morrison	Seagren	Vellenga
Bauerly	Delmont	Jacobs	Lindner	Neary	Sekhon	Weaver
Bergson	Dempsey	Johnson, A.	Luther	Ness	Simoneau	Wolf
Bertram	Erhardt	Kahn	Lynch	Olson, M.	Skoglund	Worke
Bishop	Evans	Kelley	Macklin	Onnen	Smith	Workman
Blatz	Frerichs	Kelso	Mahon	Orenstein	Solberg	
Carlson	Garcia	Knickerbocker	McCollum	Ozment	Sviggum	
Carruthers	Greiling	Koppendrayer	McGuire	Pauly	Swenson	
Commers	Gutknecht	Krinkie	Milbert	Pugh	Tompkins	

Those who voted in the negative were:

Anderson, I.	Dorn	Jefferson	Lieder	Opatz	Rodosovich	Waltman
Anderson, R.	Farrell	Jennings	Lourey	Orfield	Rukavina	Wejcman
Battaglia	Goodno	Johnson, R.	Mariani	Osthoff	Sparby	Welle
Beard	Greenfield	Johnson, V.	Mosel	Ostrom	Steensma	Wenzel
Brown, C.	Gruenes	Kalis	Munger	Pelowski	Tomassoni	Winter
Brown, K.	Hasskamp	Kinkel	Murphy	Perlt	Trimble	Spk. Long
Cooper	Hugoson	Klinzing	Nelson	Peterson	Tunheim	
Dauner	Huntley	Krueger	Olson, E.	Reding	Vickerman	
Dawkins	Jaros	Lasley	Olson, K.	Rest	Wagenius	

The motion did not prevail and the amendment was not adopted.

Waltman moved to amend H. F. No. 350, the third engrossment, as amended, as follows:

Page 243, after line 17, insert:

"ARTICLE 14

STATE MANDATED ACTIVITIES

Section 1. [APPROPRIATIONS FOR STATE MANDATED ACTIVITIES.]

Any state mandate to a school district must be accompanied by an appropriation to pay for the mandated activity. If money is not appropriated, a school district may choose not to participate in the mandated activity. This section is effective July 1, 1993."

A roll call was requested and properly seconded.

The question was taken on the Waltman amendment and the roll was called. There were 46 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Goodno	Johnson, V.	Mosel	Peterson	Van Dellen
Anderson, R.	Dauner	Gruenes	Krinkie	Nelson	Rhodes	Waltman
Asch	Dauids	Gutknecht	Leppik	Ness	Smith	Worke
Bergson	Dehler	Haukoos	Limmer	Olson, E.	Steensma	Workman
Bettermann	Dempsey	Holsten	Lindner	Olson, M.	Sviggum	
Blatz	Erhardt	Hugoson	Lynch	Onnen	Swenson	
Commers	Frerichs	Jennings	Molnau	Pawlenty	Tompkins	

Those who voted in the negative were:

Anderson, I.	Dorn	Johnson, R.	Lourey	Olson, K.	Rest	Vellenga
Battaglia	Evans	Kahn	Luther	Opatz	Rodosovich	Vickerman
Bauerly	Farrell	Kalis	Macklin	Orenstein	Rukavina	Wagenius
Beard	Garcia	Kelley	Mahon	Orfield	Seagren	Weaver
Bertram	Greenfield	Kelso	Mariani	Osthoff	Sekhon	Wejzman
Bishop	Greiling	Kinkel	McCollum	Ostrom	Simoneau	Welle
Brown, C.	Hausman	Klinzing	McGuire	Ozment	Skoglund	Wenzel
Brown, K.	Huntley	Knickerbocker	Milbert	Pauly	Solberg	Winter
Carlson	Jacobs	Koppendraye	Morrison	Pelowski	Sparby	Wolf
Carruthers	Jaros	Krueger	Munger	Perlt	Tomassoni	Spk. Long
Dawkins	Jefferson	Lasley	Murphy	Pugh	Trimble	
Delmont	Johnson, A.	Lieder	Neary	Reding	Tunheim	

The motion did not prevail and the amendment was not adopted.

Krinkie, Seagren and Olson, M., moved to amend H. F. No. 350, the third engrossment, as amended, as follows:

Page 155, after line 8, insert:

"Sec. 5. [ELEMENTARY PREP TIME DELAY.]

By September 1, 1993 for the 1993-1994 school year or by September 1, 1994 for the 1994-1995 school year, a school board may elect to delay the effect in its schools of Minnesota Rules, part 3500.1400, subpart 3, relating to elementary teacher preparation time, until the 1995-1996 school year."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Krinkie et al amendment and the roll was called. There were 29 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Asch	Delmont	Haukoos	Lynch	Pauly	Waltman
Bettermann	Erhardt	Holsten	Mahon	Rhodes	Wolf
Blatz	Frerichs	Koppendrayer	Molnau	Seagren	Worke
Commers	Gruenes	Krinkie	Ness	Sviggum	Workman
Dehler	Gutknecht	Lindner	Olson, M.	Vickerman	

Those who voted in the negative were:

Abrams	Davids	Jaros	Leppik	Nelson	Reding	Tunheim
Anderson, I.	Dawkins	Jefferson	Lieder	Olson, E.	Rest	Van Dellen
Anderson, R.	Dempsey	Jennings	Limmer	Olson, K.	Rodosovich	Vellenga
Battaglia	Dorn	Johnson, A.	Lourey	Onnen	Rukavina	Wagenius
Bauerly	Evans	Johnson, R.	Luther	Opatz	Sekhon	Weaver
Berd	Farrell	Johnson, V.	Macklin	Orenstein	Simoneau	Wejman
Bergson	Garcia	Kahn	Mariani	Orfield	Skoglund	Welle
Bertram	Goodno	Kalis	McCollum	Osthoff	Smith	Wenzel
Bishop	Greenfield	Kelley	McGuire	Ostrom	Solberg	Winter
Brown, C.	Greiling	Kelso	Milbert	Ozment	Sparby	Spk. Long
Brown, K.	Hasskamp	Kinkel	Morrison	Pawlenty	Steensma	
Carlson	Hausman	Klinzing	Mosel	Pelowski	Swenson	
Carruthers	Hugoson	Krickerbocker	Munger	Perlt	Tomassoni	
Cooper	Huntley	Krueger	Murphy	Peterson	Tompkins	
Dauner	Jacobs	Lasley	Neary	Pugh	Trimble	

The motion did not prevail and the amendment was not adopted.

H. F. No. 350, A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; other education programs; miscellaneous provisions; choice programs; libraries; state agencies; and realignment of responsibilities; making conforming changes; appropriating money; amending Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621; 120.064, subdivisions 3, 4, and 16; 120.0751, subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223, subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261, subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2; 124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69, subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.84, subdivision 3; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2;

128A.03, subdivision 2; 128C.02, by adding a subdivision; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1, 2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 275.48; 473F.02, by adding a subdivision; and 475.61, subdivision 3; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; repealing Minnesota Statutes 1992, sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721, subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; 145.926; and Laws 1988, chapter 486, section 59.

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.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the final passage of H. F. No. 350, the third engrossment, as amended. The request was granted.

There were 118 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Dauids	Hugoson	Lasley	Munger	Perlt	Tompkins
Anderson, R.	Dawkins	Huntley	Leppik	Murphy	Peterson	Trimble
Battaglia	Dehler	Jacobs	Lieder	Neary	Pugh	Tunheim
Bauerly	Delmont	Jaros	Limmer	Nelson	Reding	Vellenga
Beard	Dempsey	Jefferson	Lindner	Ness	Rest	Vickerman
Bergson	Dom	Jennings	Lourey	Olson, E.	Rodosovich	Wagenius
Bertram	Farrell	Johnson, A.	Luther	Olson, K.	Rukavina	Waltman
Bettermann	Frerichs	Johnson, R.	Lynch	Olson, M.	Seagren	Weaver
Bishop	Goodno	Johnson, V.	Macklin	Onnen	Sekhon	Wejzman
Blatz	Greenfield	Kahn	Mahon	Opatz	Skoglund	Welle
Brown, C.	Greiling	Kalis	Mariani	Orenstein	Smith	Wenzel
Brown, K.	Gruenes	Kelley	McCollum	Orfield	Solberg	Winter
Carlson	Gutknecht	Kelso	McGuire	Osthoff	Sparby	Wolf
Carruthers	Hasskamp	Kinkel	Milbert	Ostrom	Steensma	Worke
Commers	Haukoos	Klinzing	Molnau	Ozment	Sviggum	Workman
Cooper	Hausman	Koppendrayer	Morrison	Pauly	Swenson	Spk. Long
Dauner	Holsten	Krueger	Mosel	Pelowski	Tomassoni	

Those who voted in the negative were:

Abrams	Erhardt	Garcia	Krinkie	Simoneau
Asch	Evans	Knickerbocker	Rhodes	Van Dellen

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

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

H. F. No. 218, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing a marine education center at the Minnesota zoological garden; authorizing issuance of bonds; appropriating money, with certain conditions.

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. 575, A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs band of Chippewa regarding hunting, fishing, and gathering rights under treaty; authorizing sports fishing in treaty fishing zone for non-band members pursuant to band code; non-band harvest under band permit; authority to transfer land; compensation to counties; resort acquisition; condemnation authority; resolving issues through negotiated settlement; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [97A.159] [1837 TREATY AREA AGREEMENT.]

Subdivision 1. [PURPOSE.] The purpose of this section is to resolve issues in dispute between the state of Minnesota and the Mille Lacs Band of Chippewa Indians that relate to hunting, fishing, and gathering in the ceded area described in the July 29, 1837, treaty between the Chippewa and the government of the Statutes at Large, volume 7, page 536. This treaty was proclaimed by the United States on June 15, 1838. The recognition of certain rights claimed by the band under this treaty has been sought in a civil action brought in the United States District Court for the District of Minnesota, Fourth Division, entitled Mille Lacs Band of Chippewa Indians, et al. v. State of Minnesota, et al., Civ. No. 4-90-605. The state desires to settle all outstanding matters relating to this dispute under the 1837 treaty as well as all issues arising from the band's rights to fish in the waters of Mille Lacs lake under the treaty made February 22, 1855, and proclaimed by the United States on April 7, 1855, Statutes at Large, volume 10, page 1165.

Subd. 2. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Amended settlement agreement" means the original settlement agreement as amended in accordance with subdivision 3.

(c) "Band" means the Mille Lacs Band of Chippewa Indians.

(d) "Band conservation code" means the band conservation code as defined in the original settlement agreement.

(e) "Harvest" means harvest as defined in the original settlement agreement.

(f) "Minnesota ceded territory" means the Minnesota ceded territory as defined in the original settlement agreement.

(g) "Original settlement agreement" means the document entitled "Settlement Agreement Between the Mille Lacs Band of Chippewa Indians and the State of Minnesota Regarding Treaty Hunting, Fishing, and Gathering Rights" on file and of record in the United States District Court for the District of Minnesota, Fourth Division, in the action entitled Mille Lacs Band of Chippewa Indians, et al. v. State of Minnesota, et al., Civ. No. 4-90-605.

(h) "Treaty fishing zone" or "zone" means the treaty fishing zone in Mille Lacs lake as defined in the original settlement agreement.

Subd. 3. [AUTHORITY TO ENTER INTO AMENDED SETTLEMENT AGREEMENT.] (a) The legislature authorizes the commissioner to enter into an amended settlement agreement with the Mille Lacs Band of Chippewa Indians consisting of the provisions of the original settlement agreement, as amended in accordance with paragraph (b).

(b) The amended settlement agreement must provide that:

(1) the treaty fishing zone exists solely to delineate the area of Mille Lacs lake in which the band may harvest game fish by spearing and netting in accordance with the band conservation code and does not affect activities of nonband members in the zone;

(2) the annual band harvest of game fish by spearing and netting in the treaty fishing zone is limited to seven percent of the total annual harvest of fish by species in Mille Lacs lake;

(3) 7,500 additional acres of public land will be transferred to the United States in trust for the band, for a total of 15,000 acres;

(4) before agreeing to the substitution of other waters for those specified in part IV, section B, paragraph 4, subparagraph c, of the original settlement agreement, relating to netting and spearing of game fish by band members, the commissioner shall consult with the affected counties and with the chairs of the standing committees of the legislature having jurisdiction over natural resources; and

(5) the state and the band have until August 31, 1993, to ratify the amended settlement agreement.

Subd. 4. [NONBAND HARVEST UNDER BAND PERMIT.] In addition to existing nonband member harvest under state law, nonband members may harvest natural resources in the Minnesota ceded territory as permitted by the amended settlement agreement and the band conservation code.

Subd. 5. [COMMISSIONER'S POWERS AND DUTIES.] (a) Notwithstanding any other law to the contrary, the commissioner on behalf of the state, shall take all actions, by rule or otherwise, necessary to carry out the duties and obligations of the state arising from the amended settlement agreement whether or not specifically enumerated in this section.

(b) Powers of the commissioner granted in paragraph (a) include the following:

(1) the implementation of the exemption of members of the band from state laws relating to hunting, fishing, and the gathering of wild rice within the areas described in the amended settlement agreement, together with exemption from related possession and transportation laws, to the extent necessary to effectuate the terms of the amended settlement agreement;

(2) the establishment of policies, procedures, and rules for the enforcement by conservation officers of the band conservation code to the extent necessary to effectuate the terms of the amended settlement agreement;

(3) the conveyance of 15,000 acres of state land, including any interests in minerals owned by the state located thereon, to the band as provided in the amended settlement agreement;

(4) the condemnation of fee title, including mineral interests owned by the state, to state public lands as defined by chapter 92 for the purpose of conveying lands under the amended settlement agreement;

(5) upon request by a county, compensation of the county for the fair market value of lands or interests in land owned or managed by the county that are conveyed under clause (3); and

(6) upon request by a county, and within the limits of money appropriated for the purpose, compensation of the county for law enforcement and other costs incurred as a result of implementation of the amended settlement agreement, provided the commissioner determines the costs are reasonable.

Subd. 6. [AUTHORITY TO CONVEY CERTAIN LANDS; PAYMENTS IN LIEU OF TAXES.] (a) Notwithstanding any other law to the contrary, the commissioner may convey to the band, under subdivision 5, paragraph (b), clause (3), lands that border on public waters; lands acquired under chapter 282; lands owned in fee; lands owned in trust for local taxing districts; school trust lands; university trust lands; and game preserves, areas, and projects established under sections 84A.01, 84A.20, and 84A.31. When lands under the jurisdiction of the commissioner of revenue are selected, the commissioner of revenue shall convey title to those lands. Not more than 15 percent of the total lands transferred may be lands that are both held in trust for local taxing districts and administered by the counties.

(b) The commissioner shall continue to make payments in accordance with sections 97A.061 and 477A.11 to 477A.13, for lands conveyed under subdivision 5, paragraph (b), clause (3), at the rate for the type of land conveyed.

Subd. 7. [FUTURE APPROPRIATION NEEDS.] The commissioner shall prepare and submit to the governor for inclusion in the budget an itemization of the funds required to implement subdivision 5, paragraph (b), clauses (4) to (6).

Sec. 2. [APPROPRIATIONS.]

(a) \$8,600,000 is appropriated from the general fund to the commissioner of natural resources for payment to the Mille Lacs Band of Chippewa Indians.

(b) \$175,000 is appropriated from the general fund to the commissioner of natural resources for fiscal year 1994 and \$317,000 for fiscal year 1995 for land transfer costs under section 1. Any balance not expended in the first year does not cancel and is available for expenditure in the second year.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment. Section 2, paragraph (a), is effective 30 days after the effective date of the amended settlement agreement."

Delete the title and insert:

"A bill for an act relating to natural resources; resolving claims raised by the Mille Lacs Band of Chippewa Indians regarding hunting, fishing, and gathering rights under treaty; nonband harvest under band permit; authority to transfer land; compensation to counties; condemnation authority; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A."

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. 1178, A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for voluntary commitments by health plans and providers to limit the rate of growth in total revenues; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.317, subdivision 5; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.05, subdivision 2, and by adding a subdivision; 62J.09, subdivisions 2, 5, 8, and by adding subdivisions; 62J.15, subdivision 1; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, 7, and 8; 62J.32, subdivision 4; 62J.33; 62J.34, subdivision 2; 62L.02, subdivisions 16, 19, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 2, 3, 4, and 6; 62L.08, subdivision 4; 62L.09, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2, 4, and 5; 136A.1357; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.147, subdivision 4; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 151.47, subdivision 1; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9352, subdivision 3; 256.9353; 256.9354, subdivisions 1, 4, and 5; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3, and by adding a subdivision; 256B.04, subdivision 1; 256B.057, subdivisions 1, 2, and 2a; 256B.0625, subdivision 13; 256D.03, subdivision 3; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1, 3, and by adding a subdivision; 295.54; 295.55, subdivision 4; 295.57; 295.58; 295.59; Laws 1990, chapter 591, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 62A; 62J; 136A; 144; 151; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; repealing Minnesota Statutes 1992, sections 62J.15, subdivision 2; 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Reported the same back with the following amendments:

Page 8, line 32, after "Any" insert "nonprofit"

Page 8, line 36, after "separate" insert "nonprofit"

Page 9, line 1, delete "302A," and delete "or 319A,"

Page 124, after line 32, insert:

"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 and the one percent HMO gross premiums tax 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."

Page 166, after line 31, insert:

"Section 1. Minnesota Statutes 1992, section 270B.01, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 289A, 290, 290A, 291, and 297A and sections 295.50 to 295.59, and includes any laws for the assessment, collection, and enforcement of those taxes."

Page 171, line 23, after "plan" insert "and enrollee deductibles, coinsurance, and copayments"

Page 176, line 5, delete "1; 3; 4" and insert "2; 4; 5" and delete "6; 8; 9; 10; 12; 13;" and insert "7; 9; 10; 11; 13; 14;"

Page 176, line 6, delete "15; 17; and 18" and insert "16; 18; and 19"

Page 176, line 9, delete "4" and insert "5" and delete "7; 11; and 15" and insert "8; 12; and 16"

Page 176, line 11, delete "2, 5, 19, 20, and 21" and insert "1, 3, 6, 20, 21, and 22"

Page 176, lines 13 and 15, delete "14" and insert "15"

Page 176, line 17, delete "16" and insert "17"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 8, after "providing for" insert "classification of certain tax data;"

Page 1, delete line 9

Page 1, line 10, delete everything before "permitting"

Page 1, line 41, after the semicolon insert "270B.01, subdivision 8;"

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. 1366, A bill for an act relating to transportation; authorizing road authorities to develop, finance, design, construct, improve, rehabilitate, own, and operate toll facilities and to enter into agreements with private operators for the construction, maintenance, and operation of toll facilities; providing for duties of county highway engineer; amending Minnesota Statutes 1992, section 163.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 160.

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

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 1524, A bill for an act relating to taxation; providing conditions and requirements for the issuance of public debt and for the financial obligations of authorities; exempting certain securities from registration requirements; amending certain property tax imposition disclosure provisions; providing an exemption from the mortgage registration tax; amending Minnesota Statutes 1992, sections 80A.15, subdivision 1; 275.065, subdivision 7; 275.60; 275.61; 287.04; 447.45, subdivision 2; and 501B.25.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 80A.12, is amended by adding a subdivision to read:

Subd. 12. [PROHIBITION; NONRECOURSE LOANS.] No part of the offering proceeds resulting from the sale of bonds or similar interest-bearing securities issued by the United States, any state, any political subdivision of any state, or any corporate or other instrumentality of one or more of those entities may be loaned to a person on a nonrecourse basis. This prohibition does not apply to bonds or similar interest-bearing securities:

(1) exempt from registration under section 80A.15;

(2) rated in one of the top four letter rating categories by Fitch Investors Service, Inc., Standard and Poor's Corporation, or Moody's Investor Services, Inc.; or

(3) issued to provide housing facilities with respect to which low income tax credits are to be obtained.

Sec. 2. Minnesota Statutes 1992, section 275.065, subdivision 7, is amended to read:

Subd. 7. [CERTIFICATION OF COMPLIANCE.] At the time the taxing authority certifies its tax levy under section 275.07, it shall certify to the commissioner of revenue its compliance with this section. The certification must contain the information required by the commissioner of revenue to determine compliance with this section. If the commissioner determines that the taxing authority has failed to substantially comply with the requirements of this section, the commissioner of revenue shall notify the county auditor. The decision of the commissioner is final. When fixing rates under section 275.08 for a taxing authority that has not complied with this section, the county auditor must use the taxing authority's previous year's levy, plus any additional amounts necessary to pay principal and interest on general obligation bonds of the taxing authority for which its taxing powers have been pledged if the bonds were issued before 1989.

Sec. 3. Minnesota Statutes 1992, section 287.04, is amended to read:

287.04 [MORTGAGES EXEMPTED.]

Subdivision 1. [GENERALLY.] A decree of marriage dissolution or an instrument made pursuant to it or a mortgage given to correct a misdescription of the mortgaged property, or to include additional security for the same indebtedness on which a mortgage registration tax has been paid, shall not be subject to the tax imposed by this chapter except as provided in section 287.05, subdivision 2, paragraph (b).

Subd. 2. [MORTGAGES ON PUBLIC PROPERTY.] No tax is imposed upon the principal amount of bonds or other obligations issued by the St. Paul port authority under its common revenue bond fund if each of the following conditions are met.

(a) The bonds or other obligations are secured by a mortgage on property, title to which is held by the political subdivision.

(b) The mortgage is recorded or registered after the date of enactment.

(c) The bonds or other obligations are either (i) outstanding on the date of enactment or (ii) issued in exchange for or to otherwise refund bonds or other obligations the original series of which were issued before the date of enactment.

Sec. 4. Minnesota Statutes 1992, section 447.45, subdivision 2, is amended to read:

Subd. 2. [POWERS OVER SPECIAL FACILITIES.] With respect to facilities for the care, treatment, and training of persons with mental retardation or related conditions, and facilities attached or related to a nursing home providing supportive services to elderly persons who are not yet in need of nursing home care, including congregate housing, adult day care and respite care services, a county or city may exercise the powers in sections 447.45 to 447.50 as if these facilities were hospital or nursing home facilities within the meaning of sections 447.45 to 447.50. "County or city" includes cities of the first class and counties containing them. "Related conditions" is defined in section 252.27, subdivision 1a.

Sec. 5. Minnesota Statutes 1992, section 465.71, is amended to read:

465.71 [INSTALLMENT AND LEASE PURCHASES; CITIES; COUNTIES; SCHOOL DISTRICTS.]

A home rule charter city, statutory city, county, town, or school district may purchase personal property under an installment contract, or lease real or personal property with an option to purchase under a lease purchase agreement, by which contract or agreement title is retained by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any, but such purchases are subject to statutory and charter provisions applicable to the purchase of real or personal property. For purposes of the bid requirements contained in section 471.345, "the amount of the contract" shall include the total of all lease payments for the entire term of the lease under a lease-purchase agreement. The obligation created by a lease purchase agreement shall not be included in the calculation of net debt for purposes of section 475.53, and shall not constitute debt under any other statutory provision. No election shall be required in connection with the execution of a lease purchase agreement authorized by this section. The city, county, town, or school district must have the right to terminate a lease purchase agreement at the end of any fiscal year during its term. Property acquired and used by a home rule charter, statutory city, county, town, or school district under a lease purchase agreement or installment contract, whether or not title is retained by the lessor or vendor, is exempt from taxation as long as and to the extent that the property is devoted to a public use and is not subleased to any private individual, association, or corporation in connection with a business operated for profit.

Sec. 6. Minnesota Statutes 1992, section 475.67, subdivision 3, is amended to read:

Subd. 3. (a) Any or all obligations and interest thereon may be refunded if and when and to the extent that for any reason the taxes or special assessments, revenues, or other funds appropriated for their payment are not sufficient to pay all principal and interest due or about to become due thereon.

(b) Any or all obligations of one or more issues regardless of their source of payment and interest thereon may be refunded before their due dates, if:

(1) consistent with covenants made with the holders thereof; and

(2) determined by the governing body to be necessary or desirable:

(i) for the reduction of debt service cost to the municipality; or

(ii) for the extension or adjustment of the maturities in relation to the resources available for their payment; or

(iii) for the issuance of obligations bearing a fixed rate of interest in the case of obligations bearing interest at a rate varying periodically; or

(iv) in the case of obligations payable solely from a special fund, for the more advantageous sale of additional obligations payable from the same fund or to relieve the municipality of restrictions imposed by covenants made with the holders of the obligations to be refunded.

(c) The amount of interest which may be refunded from the proceeds of the refunding obligations shall not exceed the amount of proceeds estimated to be required in excess of the principal amount of refunded obligations to retire the refunded obligations in accordance with subdivision 6. ~~In no event shall the aggregate principal amount of the refunding obligations exceed by more than ten percent the aggregate principal amount of the obligations to be refunded.~~

(d) No general obligations, for which the full faith and credit of the issuer is pledged, shall be issued to refund special obligations previously issued for any purpose, payable solely from a special fund, unless the issuance is authorized by the election, hearing, petition, resolution, or other procedure that would have been required as a condition precedent to the original issuance of general obligations for the same purpose.

Sec. 7. Minnesota Statutes 1992, section 475.67, subdivision 13, is amended to read:

Subd. 13. Crossover refunding obligations may be issued by a municipality without regard to the limitations in subdivisions 4 to 10. The proceeds of crossover refunding obligations, less any proceeds applied to payment of the costs of their issuance, shall be deposited in a debt service fund irrevocably appropriated to the payment of principal of and interest on the refunding obligations until the date the proceeds are applied to payment of the obligations to be refunded. The debt service fund shall be maintained as an escrow account with a suitable financial institution within or without the state and amounts in it shall be invested in securities described in subdivision 8 or in an investment contract or similar agreement with a bank or insurance company meeting the requirements of section 475.66, subdivision 3, clause (f). Excess proceeds, if any, of the tax levy pursuant to section 475.61, subdivision 1, made with respect to the obligations to be refunded, and any other available amounts, may be deposited in the escrow account. In the resolution authorizing the issuance of crossover refunding obligations, the governing body may pledge to their payment any source of payment of the obligations to be refunded. The resolution may provide that the refunding obligations are payable solely from the escrow account prior to the date scheduled for payment of the obligations to be refunded and that the obligations to be refunded shall not be discharged if the amounts on deposit in the escrow account on that date are insufficient. ~~Subdivisions 11 and 12 shall not apply to any crossover refunding obligations, or the obligations to be refunded. Subdivision 12 applies to crossover refunding obligations, but the present value of debt service on the refunding and refunded obligations shall be determined as of the date the proceeds are applied to payment of the obligations to be refunded.~~ Subject to section 475.61, subdivision 3, in the case of general obligation bonds, taxes shall be levied pursuant to section 475.61 and appropriated to the debt service fund in the amounts needed, together with estimated investment income of the debt service fund and any other revenues available upon discharge of the obligations refunded, to pay when due the principal of and interest on the refunding obligations. The levy so imposed may be reduced by earnings to be received from investments on hand in the debt service fund to the extent the applicable recording officer certifies to the county auditor that the earnings are expected to be received in amounts and at such times as to be sufficient, together with the remaining levy, to satisfy the purpose of the levy requirements under section 475.61.

Sec. 8. Minnesota Statutes 1992, section 501B.25, is amended to read:

501B.25 [APPLICATION.]

Sections 501B.16 to 501B.23 do not apply to trusts in the nature of mortgages or to trusts commonly known as voting trusts. Sections 501B.16 to 501B.23 apply, however, unless otherwise provided in the trust instrument, to trusts established in connection with bonds issued under chapter 474 469, and, at the sole election of the issuer of bonds issued under chapter 469, without a trust indenture, to the pledges and other bond covenants made by the issuer in one or more resolutions with respect to the bonds. If the issuer so elects to apply sections 501B.16 to 501B.23, for such purposes only, the pledges and other bond covenants shall be deemed the "trust," the resolution or resolutions shall be deemed the "trust instrument," and the issuer shall be deemed the "trustee" notwithstanding the absence of any fiduciary responsibility owed by the "issuer" toward the bondholders. Nothing in this section shall preclude the issuer from seeking approval under sections 501B.16 to 501B.23 of the creation of any express trust under a trust indenture and the appointment of a trustee thereunder to act as a fiduciary for the benefit of the bondholders. As used in sections 501B.16 to 501B.23, "person" includes an artificial as well as a natural person, and "beneficiary" includes a bondholder.

Sec. 9. [REPEALER.]

Minnesota Rules, part 2875.3532, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment, provided that section 5 applies to all lease purchase agreements and installment contracts executed before, on, or after the effective date.

Delete the title and insert:

"A bill for an act relating to taxation; providing conditions and requirements for the issuance of public debt and for the financial obligations of authorities; providing an exemption from the mortgage registration tax; providing a property tax exemption for certain property devoted to public use; amending Minnesota Statutes 1992, sections 80A.12, by adding a subdivision; 275.065, subdivision 7; 287.04; 447.45, subdivision 2; 465.71; 475.67, subdivisions 3 and 13; and 501B.25; repealing Minnesota Rules, part 2875.3532."

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:

H. F. No. 1741, A bill for an act relating to the organization and operation of state government; appropriating money for community development, certain agencies of state government, and crime prevention, with certain conditions; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; eliminating or transferring certain agency powers and duties; requiring studies and reports; amending Minnesota Statutes 1992, sections 3.30, subdivision 2; 10A.21, subdivision 1; 10A.322, subdivision 4, and by adding a subdivision; 15.50, subdivision 2; 16A.128, subdivision 2; 16A.28, by adding a subdivision; 16A.72; 82.21, by adding a subdivision; 168.345, by adding a subdivision; 171.12, by adding a subdivision; 216A.05, by adding a subdivision; 216B.62, subdivision 3; 216C.09; 237.295, subdivision 2, and by adding a subdivision; 239.011, subdivision 2; 239.10; 239.80, subdivisions 1 and 2; 241.021, subdivision 1; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.223, subdivision 2; 298.28, subdivision 7; 298.296, subdivision 1; 299C.10; 345.41; 345.42, subdivisions 2 and 3; 359.01, subdivision 3; 359.02; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; Laws 1991, chapter 345, article 1, section 23; proposing coding for new law in Minnesota Statutes, chapters 138A; 216A; 239; 299C; 386; repealing Minnesota Statutes 1992, sections 10A.21, subdivisions 2 and 3; 138.97; 216C.261; 216C.315; 216C.33; 239.52; 239.78; 386.61, subdivision 3; 386.63; 386.64; and 386.70.

Reported the same back with the following amendments:

Page 4, line 29, before "The" insert "Except for temporary employees in the weights and measures division,"

Page 5, line 33, after "department" insert "of public service during fiscal year 1993"

Page 7, line 49, delete "and"

Page 7, line 50, after "resources" insert "; and (5) any alternative energy activities assigned to the department of public service by legislation enacted in 1993"

Page 28, line 8, delete "662,000" and insert "756,000"

Page 28, line 10, delete "4,012,000" and insert "3,918,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 218, 1366, 1524 and 1741 were read for the second time.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Anderson, I., for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Resolved, that Rule 5.08 of the Permanent Rules of the House of Representatives for the 78th Session be amended to read as follows:

5.08 FINANCE AND REVENUE BILLS. Any bill, whether originating in the House or Senate which ~~may involve~~ directly and specifically affects any present or future financial obligation on the part of the State or which directly and specifically affects state revenues, after being reported to the House, shall be referred, or re-referred to the appropriate finance committee, standing committee with a finance division for consideration by the finance division, or the Committee on Taxes, for action. Once action has been taken by that committee, the bill shall be thereafter re-referred to the Committee on Ways and Means. A bill, other than a major revenue or finance bill referred to in Rule 5.12, which carries an appropriation shall include an appropriation section. This rule does not apply to a bill recommended for passage by the Committee on Capital Investment under Rule 5.09.

The motion prevailed and the report amending the Permanent Rules of the House for the 78th Session was adopted.

Johnson, R., was excused for the remainder of today's session.

SPECIAL ORDERS

H. F. No. 287 was reported to the House.

Wagenius moved that H. F. No. 287 be continued on Special Orders. The motion prevailed.

H. F. No. 43, A bill for an act relating to transportation; allocating funding for town bridges replaced by culverts when replacement does not exceed \$20,000; amending Minnesota Statutes 1992, section 161.082, subdivision 2a.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Cooper	Evans	Gutknecht	Jaros	Kelso
Anderson, I.	Bettermann	Dauner	Farrell	Hasskamp	Jefferson	Kinkel
Anderson, R.	Bishop	Dauids	Frerichs	Haukoos	Jennings	Klinzing
Asch	Blatz	Dehler	Garcia	Hausman	Johnson, A.	Knickerbocker
Battaglia	Brown, K.	Delmont	Goodno	Holsten	Johnson, V.	Koppendrayner
Bauerly	Carlson	Dempsey	Greenfield	Hugoson	Kahn	Krinkie
Beard	Carruthers	Dorn	Greiling	Huntley	Kalis	Krueger
Bergson	Commers	Erhardt	Gruenes	Jacobs	Kelley	Lasley

Leppik	McGuire	Olson, E.	Pawlenty	Seagren	Tomassoni	Wejcman
Lieder	Milbert	Olson, M.	Pelowski	Sekhon	Tompkins	Welle
Limmer	Molnau	Ornen	Perlt	Simoneau	Trimble	Wenzel
Lindner	Morrison	Opatz	Peterson	Skoglund	Tunheim	Winter
Lourey	Mosel	Orenstein	Pugh	Smith	Van Dellen	Wolf
Luther	Munger	Orfield	Reding	Solberg	Vellenga	Worke
Lynch	Murphy	Osthoff	Rest	Sparby	Vickerman	Workman
Mahon	Neary	Ostrom	Rhodes	Steensma	Wagenius	Spk. Long
Mariani	Nelson	Ozment	Rodosovich	Sviggum	Waltman	
McCollum	Ness	Pauly	Rukavina	Swenson	Weaver	

The bill was passed and its title agreed to.

Rukavina was excused for the remainder of today's session.

H. F. No. 947 was reported to the House.

Bertram moved to amend H. F. No. 947, as follows:

Page 1, after line 18, insert:

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

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Stearns county may sell tax-forfeited land bordering public water that is described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

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

(c) The land that may be sold is located in Stearns county and is described as Lots 15 and 16, Block 1, Jody Estates Addition to Wakefield Township.

(d) The county has determined that the county's land management interests would best be served if the land is returned to private ownership."

Page 1, line 19, delete "2" and insert "3"

Page 1, line 20, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title as follows:

Page 1, line 3, delete "land that borders" and insert "lands that border"

Page 1, line 4, delete "county" and insert "and Stearns counties"

The motion prevailed and the amendment was adopted.

H. F. No. 947, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited lands that border public water in Sherburne and Stearns counties.

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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 969 was reported to the House.

Pauly moved to amend H. F. No. 969, the first engrossment, as follows:

Page 17, delete lines 20 and 21

Page 17, line 22, delete everything before "shall" and insert:

"Subd. 3. [CLASS I, CLASS II, AND TEMPERATURE-CONTROLLED COMMODITIES CARRIERS; HOUSEHOLD GOODS MOVERS.] A class I carrier, class II carrier, household goods mover, and a holder of a temperature-controlled commodities permit"

Page 17, line 23, before the period insert "under a certificate or permit"

Page 17, line 32, before the semicolon insert ", if applicable to the rating of the freight or if the carrier's operating authority includes a package or article restriction, unless the shipment is transported by a household goods mover"

Page 17, line 35, before the semicolon insert "or if the carrier's operating authority includes a weight restriction"

Page 18, line 2, delete everything after "service"

Page 18, line 3, delete everything before the semicolon

Page 18, delete lines 4 to 7 and insert:

"(9) terminal through which the shipment moved, if any; and

(10) if the shipment is transported by a class I carrier, route of movement and name of each carrier participating in the transportation."

Page 18, line 8, delete "SHIPPING"

Page 18, line 16, delete "COMMODITY SHIPPING" and insert "COMMODITIES"

Page 18, line 17, delete "RECORD" and insert "CARRIER"

Page 18, line 23, delete "SHIPPING RECORD" and insert "CARRIER"

Page 19, line 2, delete everything after "service"

Page 19, line 3, delete everything before the period

Page 19, after line 16, insert:

"Subd. 7. [CONTRACT CARRIER.] A contract carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together. A record must show the:

(1) names of the consignor and consignee;

(2) date of shipment;

(3) origin and destination points;

(4) description of freight;

(5) weight, volume, or measurement of the freight, if applicable to the rating of the freight or if the contract carrier's operating authority includes a weight restriction;

(6) exact rate or rates assessed; and

(7) total charges due, including the nature and amount of any charges for special service.

Subd. 8. [LOCAL CARTAGE CARRIER.] A local cartage carrier shall keep a record of each shipment transported. A record may consist of one or more documents, including a bill of lading, freight bill, manifest, delivery receipt, or other document. If it consists of more than one document, the documents constituting a shipment record must be available for inspection together. A record must show the:

(1) date of shipment;

(2) origin and destination points; and

(3) terminal through which the shipment moved, if any."

Page 19, line 17, delete "7" and insert "9" and delete "RECORD"

Page 19, line 20, delete "transportation" and insert "each charter"

Page 19, line 27, delete "charter" and insert "the"

Page 20, line 4, delete "or special passenger"

Page 20, line 6, delete "8" and insert "10"

Page 20, lines 7 and 10, delete "7" and insert "9"

The motion prevailed and the amendment was adopted.

Johnson, V., moved to amend H. F. No. 969, the first engrossment, as amended, as follows:

Page 2, after line 4, insert a section to read:

"Sec. 3. Minnesota Statutes 1992, section 169.781, subdivision 3, is amended to read:

Subd. 3. [WHO MAY INSPECT.] (a) An inspection required by this section may be performed only by:

(1) an employee of the department of public safety or transportation who has been certified by the commissioner after having received training provided by the state patrol; or

(2) another person who has been certified by the commissioner after having received training provided by the state patrol or other training approved by the commissioner.

(b) A person who is not an employee of the department of public safety or transportation may be certified by the commissioner if the person is: (1) an owner, or employee of the owner, of one or more commercial motor vehicles that are power units; (2) a dealer licensed under section 168.27 and engaged in the business of buying and selling commercial motor vehicles, or an employee of the dealer; or (3) engaged primarily in the business of repairing and servicing commercial motor vehicles. Certification of persons described in clauses (1) to (3) is effective for two years from the date of certification. The commissioner may require biennial retraining of persons holding a certificate under this paragraph as a condition of renewal of the certificate. The commissioner may charge a fee of not more than \$10 for each certificate issued and renewed. A certified person described in clauses (1) to (3) may charge a fee of not more than \$50 for each inspection of a vehicle not owned by the person or the person's employer.

(c) Except as otherwise provided in subdivision 5, the standards adopted by the commissioner for commercial motor vehicle inspections under sections 169.781 to 169.783 shall be the standards prescribed in Code of Federal Regulations, title 49, section 396.17, and in chapter III, subchapter B, appendix G. The commissioner may classify types of vehicles for inspection purposes and may issue separate classes of inspector certificates for each class.

The commissioner shall issue separate categories of inspector certificates based on the following classifications:

(1) a class of certificate that authorizes the certificate holder to inspect commercial motor vehicles without regard to ownership or lease; and

(2) a class of certificate that authorizes the certificate holder to inspect only commercial motor vehicles the certificate holder owns or leases.

The commissioner shall issue a certificate described in clause (1) only to a person described in paragraph (b), clause (2) or (3).

(d) The commissioner, after notice and an opportunity for a hearing, may suspend a certificate issued under paragraph (b) for failure to meet annual certification requirements prescribed by the commissioner or failure to inspect commercial motor vehicles in accordance with inspection procedures established by the state patrol. The commissioner shall revoke a certificate issued under paragraph (b) if the commissioner determines after notice and an opportunity for a hearing that the certified person issued an inspection decal for a commercial motor vehicle when the person knew or reasonably should have known that the vehicle was in such a state of repair that it would have been declared out of service if inspected by an employee of the state patrol. Suspension and revocation of certificates under this subdivision are not subject to sections 14.57 to 14.69."

Renumber the remaining sections

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 969, A bill for an act relating to transportation; adopting federal motor carrier safety regulations; allowing small motor carriers to file abbreviated annual reports; providing for registration of interstate motor carriers; defining terms; allowing 45-foot buses to be operated in the state; exempting drivers of lightweight vehicles from driver qualification rules; requiring information on shipping documents and other motor carrier records; making technical changes; imposing penalties; amending Minnesota Statutes 1992, sections 168.011, subdivision 36; 168.1281, subdivision 3; 169.781, subdivision 3; 169.81, subdivision 2; 221.011, by adding subdivisions; 221.031, subdivisions 1, 2, 2a, 2b, 3, 3a, 3b, 3c, 5, and 6; 221.0313, subdivision 1; 221.033, subdivisions 2 and 2a; 221.035, subdivision 2; 221.036, subdivisions 1 and 3; 221.172; 221.81, subdivision 3e; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Laws 1992, chapters 568, section 1; and 578, section 15.

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 122 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Huntley

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

H. F. No. 1272 was reported to the House.

Jefferson moved that H. F. No. 1272 be continued on Special Orders. The motion prevailed.

S. F. No. 270, A bill for an act relating to elections; changing certain margins requiring automatic recounts; amending Minnesota Statutes 1992, section 204C.35, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1450 was reported to the House.

Anderson, I., moved to amend H. F. No. 1450, the first engrossment, as follows:

Page 2, line 16, after the period insert "The commissioner shall, in cooperation with Minnesota department of transportation, propose a plan to increase the number of trees planted along the right-of-way of state trunk highways."

Page 2, line 16, after "shall" insert "also"

The motion prevailed and the amendment was adopted.

H. F. No. 1450, A bill for an act relating to game and fish; authorizing expenditure of RIM funds for restoration of fish and wildlife habitat; directing a report on plantings of native trees and shrubs; amending Minnesota Statutes 1992, section 84.95, subdivision 2.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Dorn	Haukoos	Kelley	Lindner	Mosel
Anderson, I.	Brown, K.	Erhardt	Hausman	Kelso	Lourey	Munger
Anderson, R.	Carlson	Evans	Holsten	Kinkel	Luther	Murphy
Asch	Carruthers	Farrell	Huntley	Klinzing	Lynch	Neary
Battaglia	Commers	Frerichs	Jacobs	Knickerbocker	Macklin	Nelson
Bauerly	Cooper	Garcia	Jaros	Koppendrayner	Mahon	Ness
Beard	Dauner	Goodno	Jefferson	Krinkie	Mariani	Olson, E.
Bergson	Davids	Greenfield	Jennings	Krueger	McCollum	Olson, M.
Bertram	Dawkins	Greiling	Johnson, A.	Lasley	McGuire	Onnen
Bettermann	Dehler	Gruenes	Johnson, V.	Leppik	Milbert	Opatz
Bishop	Delmont	Gutknecht	Kahn	Lieder	Molnau	Orenstein
Blatz	Dempsey	Hasskamp	Kalis	Limmer	Morrison	Orfield

Osthoff	Perlt	Rodosovich	Solberg	Tompkins	Wagenius	Wolf
Ostrom	Peterson	Seagren	Sparby	Trimble	Waltman	Worke
Ozment	Pugh	Sekhon	Steensma	Tunheim	Weaver	Workman
Pauly	Reding	Simoneau	Sviggum	Van Dellen	Wejcman	Spk. Long
Pawlenty	Rest	Skoglund	Swenson	Vellenga	Wenzel	
Pelowski	Rhodes	Smith	Tomassoni	Vickerman	Winter	

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

S. F. No. 431 was reported to the House.

Bishop, Krueger, Osthoff and Kahn moved to amend S. F. No. 431, as follows:

Page 3, delete lines 7 to 14, and insert:

"(d) All contracts for the purchase of optical imaging systems used pursuant to this chapter shall contain terms that insure continued retrievability of the optically stored images and conform to any guidelines that may be established by the information policy office of the department of administration for perpetuation of access to stored data."

The motion prevailed and the amendment was adopted.

S. F. No. 431, A bill for an act relating to public administration; providing that government records may be stored on optical imaging systems and retained in that format only; amending Minnesota Statutes 1992, sections 15.17, subdivision 1; and 138.17, by adding a subdivision.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 483, A bill for an act relating to game and fish; allowing all big game to be taken under a crossbow permit for hunters with disabilities; amending Minnesota Statutes 1992, section 97B.106.

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 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 568, A bill for an act relating to insurance; nonprofit health service plan corporations; regulating investments; amending Minnesota Statutes 1992, section 62C.10.

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 122 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Brown, K. Farrell

The bill was passed and its title agreed to.

Anderson, I., moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1735:

Rest; Olson, E.; Anderson, I.; Wagenius and Long.

MOTIONS AND RESOLUTIONS

Perlt moved that H. F. No. 1603 be returned to its author. The motion prevailed.

Greenfield moved that S. F. No. 782 be recalled from the Committee on Health and Human Services and together with H. F. No. 1073, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 2:30 p.m., Monday, April 26, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Monday, April 26, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION -- 1993

FORTY-THIRD DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 26, 1993

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

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

A quorum was present.

Jennings, Rice and Sarna were excused.

Vellenga was excused until 3:30 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Winter 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. 240 and H. F. No. 1174, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 240 be substituted for H. F. No. 1174 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 429 and H. F. No. 825, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jacobs moved that the rules be so far suspended that S. F. No. 429 be substituted for H. F. No. 825 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 636 and H. F. No. 863, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Dempsey moved that S. F. No. 636 be substituted for H. F. No. 863 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 639 and H. F. No. 805, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Huntley moved that S. F. No. 639 be substituted for H. F. No. 805 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 653 and H. F. No. 720, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Anderson, I., moved that the rules be so far suspended that S. F. No. 653 be substituted for H. F. No. 720 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 782 and H. F. No. 1073, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 782 be substituted for H. F. No. 1073 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1006 and H. F. No. 1273, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sparby moved that the rules be so far suspended that S. F. No. 1006 be substituted for H. F. No. 1273 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1129 and H. F. No. 1096, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Stanius moved that the rules be so far suspended that S. F. No. 1129 be substituted for H. F. No. 1096 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1171 and H. F. No. 1439, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Skoglund moved that the rules be so far suspended that S. F. No. 1171 be substituted for H. F. No. 1439 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1221 and H. F. No. 1001, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Osthoff moved that the rules be so far suspended that S. F. No. 1221 be substituted for H. F. No. 1001 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1315 and H. F. No. 922, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 1315 be substituted for H. F. No. 922 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1368 and H. F. No. 1494, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orfield moved that the rules be so far suspended that S. F. No. 1368 be substituted for H. F. No. 1494 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1496 and H. F. No. 1751, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 1496 be substituted for H. F. No. 1751 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 327, A bill for an act relating to motor vehicles; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1992, section 168.125, subdivision 1.

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.

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

H. F. No. 519, A bill for an act relating to recreational vehicles; regulating registration and operation of off-highway motorcycles; setting fees and penalties; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Page 5, line 26, delete "commissioner" and insert "commissioners" and after "resources" insert "and transportation"

Page 7, line 36, delete "AND UNREFUNDED"

Page 8, line 1, delete "GASOLINE TAX"

Page 8, line 2, delete everything after "motorcycles"

Page 8, line 3, delete everything before "must"

Page 8, line 23, after "highway" insert "or town road"

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. 864, A bill for an act relating to waters; inspection of watercraft for exotic harmful species; gasoline tax distribution; permit fee for aquatic vegetation control; authorizing civil penalties; appropriating money; amending Minnesota Statutes 1992, sections 18.317, subdivision 3a, and by adding a subdivision; and 296.421, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Page 1, line 22, delete "30,000" and insert "20,000"

Pages 1 and 2, delete section 2

Page 2, line 10, delete "Conservation" and insert "After appropriate training, conservation"

Page 2, line 14, delete "or"

Page 2, line 16, before the period insert ";

(3) operate a watercraft in a milfoil infestation area; or

(4) damage, remove, or sink a buoy marking a milfoil infestation area

Page 2, line 19, after "transporting" insert "visible"

Page 2, line 21, after "transporting" insert "visible"

Page 2, line 24, delete "\$1,000" and insert "\$500"

Page 2, line 25, after "with" insert "visible"

Page 2, line 26, after "attached" insert "prior to launching" and before the semicolon insert "for a first offense, and \$1,000 for a second or subsequent offense"

Page 2, line 33, after "with" insert "visible" and after "mussels" insert "prior to launching"

Page 3, line 8, after "where" insert "visible"

Page 3, line 13, delete "aquatic nuisance species" and insert "water recreation"

Pages 3 and 4, delete sections 4 and 5 and insert:

"Sec. 3. Minnesota Statutes 1992, section 86B.415, subdivision 7, is amended to read:

Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of ~~\$3~~ \$5 is placed on each watercraft licensed under subdivisions 1 to 5 for control, public awareness, law enforcement, monitoring, and research of nuisance aquatic exotic species such as zebra mussel, purple loosestrife, and Eurasian water milfoil in public waters and public wetlands.

Sec. 4. Minnesota Statutes 1992, section 103G.615, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The commissioner shall establish a fee schedule for permits to harvest aquatic plants other than wild rice, by order, after holding a public hearing. The fees may not exceed \$200 per permit based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit.

(b) The fee for a permit for chemical treatment of rooted aquatic vegetation may not exceed \$20 for each contiguous parcel of shoreline owned by an owner. This fee may not be charged for permits issued in connection with lakewide Eurasian water milfoil control programs.

(c) A fee may not be charged to the state or a federal governmental agency applying for a permit.

(e) (d) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the game and fish fund.

Sec. 5. [MANAGEMENT OF EURASIAN WATER MILFOIL IN WHITE BEAR LAKE.]

By May 31, 1993, the department of natural resources shall recommend appropriate management methods for the control of Eurasian water milfoil in White Bear Lake to be implemented by the White Bear Lake conservation district in cooperation with local units of government, lake associations, and local citizen groups.

Sec. 6. [APPROPRIATION.]

Money collected under sections 2, subdivision 3; and 3 shall be appropriated to the commissioner of natural resources for control, public awareness, law enforcement, monitoring, and research on nuisance aquatic exotic species in public waters and wetlands.

Sec. 7. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1994. The \$2.00 surcharge increase included in section 3 of this act is repealed January 1, 1996. Section 5 is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 5, after "civil" insert "citations and" and after "penalties;" insert "recommendations on milfoil control on White Bear Lake;"

Page 1, line 7, delete everything after "3a"

Page 1, line 8, delete everything before "proposing" and insert "; 86B.415, subdivision 7; and 103G.615, 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. 892, A bill for an act relating to pollution; regulating toxic air emissions; appropriating money; amending Minnesota Statutes 1992, sections 115D.07, subdivisions 1 and 2; 115D.08, subdivision 1; 115D.10; 115D.12, subdivision 2; 299K.08, by adding a subdivision; and 438.08; proposing coding for new law in Minnesota Statutes, chapter 115D.

Reported the same back with the following amendments:

Page 4, line 34, strike "December 15" and insert "July 1"

Page 5, delete lines 34 to 36

Page 6, delete line 1

Page 6, line 2, delete "6" and insert "4"

Page 6, line 11, before "By" insert "(a)"

Page 6, after line 15, insert:

"(b) The central objective of the agency in establishing health-based standards to regulate emissions of toxic air contaminants is to protect the public from adverse health effects caused by exposure to noncarcinogenic and carcinogenic chemicals.

(c) The agency shall use reliable and current scientific data in deriving its health-based standards, including, but not limited to, the following:

(1) for toxic air contaminants having chronic noncarcinogenic effects, the agency shall utilize the United States Environmental Protection Agency established inhalation Reference Concentrations which are published in the Integrated Risk Information System computer database that is maintained by the Environmental Protection Agency; and

(2) for toxic air contaminants having chronic carcinogenic effects, the agency shall utilize the Environmental Protection Agency's established inhalation Unit Risk Estimates which are published in the Integrated Risk Information System computer database maintained by the Environmental Protection Agency."

Page 7, line 16, delete "515" and insert "516"

Page 7, line 19, after the period insert "A facility included under this subdivision must have at least ten full-time employees and use at least 10,000 pounds of a toxic chemical per year."

Sec. 10. Minnesota Statutes 1992, section 299K.08, is amended by adding a subdivision to read:

Subd. 4. [APPLICABILITY.] For the facilities added in this section, the toxic chemical release reporting requirements of section 11023 of the federal act, and the provisions of sections 115D.07, 115D.08, and 115D.12 shall not apply to substances manufactured, processed, or otherwise used as such terms are defined in the federal act, which are associated with or incidental to the combustion of fossil fuels or other fuels for the generation of electricity or the production of steam."

Page 7, line 26, delete "waste" and insert "substance or petroleum"

Page 7, line 31, delete "waste" and insert "substance"

Page 7, line 32, delete "9" and insert "8"

Page 8, line 17, delete "\$....." and insert "\$214,000"

Page 8, line 17, after "fund" insert "in fiscal year 1994"

Page 8, delete line 19 and insert "section 8, and \$286,000 is appropriated in fiscal year 1995 for the purposes of sections 3 and 8. \$200,000 is appropriated from the environmental fund in fiscal year 1994 and in fiscal year 1995 to the director of the office of waste management for the purposes of this act. \$50,000 is appropriated from the environmental fund in fiscal year 1994 and in fiscal year 1995 to the commissioner of public safety for the responsibilities of the emergency response commission under this act."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "a subdivision" and insert "subdivisions"

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. 909, A bill for an act relating to transportation; ports and waterways; appropriating money for port development assistance program.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 457A.02, is amended to read:

457A.02 [PROGRAM ESTABLISHED.]

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

- (1) expediting the movement of commodities and passengers on the commercial navigation system; and
- (2) ~~enhancing the commercial vessel construction and repair industry in Minnesota; and~~
- (3) promoting economic development in and around ports and harbors in the state.

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

- (1) make grants and loans to ~~persons~~ political subdivisions or port authorities eligible under section 457A.03, subdivision 1, to apply for them;
- (2) make assistance agreements with recipients of grants and loans; and
- (3) adopt rules authorized by section 457A.05.

Sec. 2. Minnesota Statutes 1992, section 457A.03, subdivision 1, is amended to read:

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

Sec. 3. Minnesota Statutes 1992, section 457A.06, is amended to read:

457A.06 [REVOLVING FUND.]

A port development revolving fund is established in the state treasury. The fund consists of all money appropriated to the commissioner for the purposes of this chapter, including bond proceeds, and all money received by the commissioner from repayment of loans made under this chapter.

Sec. 4. Laws 1989, chapter 300, article 1, section 19, is amended to read:

Sec. 19. TRADE AND ECONOMIC DEVELOPMENT

To the commissioner of transportation for the purposes specified in paragraph (a) and to the commissioner of trade and economic development for the purposes specified in ~~this section~~ paragraphs (b) and (c)

6,780,000

(a) Dredge upper harbor area of Duluth Harbor. Of this appropriation, \$2,000,000 is for payment of a grant to the seaway port authority of Duluth to match federal funds for dredging the upper harbor area of Duluth Harbor and \$4,100,000 is for other port development assistance under chapter 457A.

6,100,000

~~This appropriation is for payment of a grant to the seaway port authority of Duluth and is available only after the commissioner of trade and economic development has determined that it will be matched by at least \$7,100,000 of federal money and \$2,850,000 of private investment.~~

(b) National shooting sports center

400,000

This appropriation is for the planning for the construction of a national shooting sports center to be located at Giant's Ridge in Biwabik.

(c) Kayaking center

280,000

This appropriation is for a grant to Carlton county for the planning and construction of facilities for the kayaking center at Carlton.

Sec. 5. [REPEALER.]

Minnesota Statutes 1992, section 457A.01, subdivision 7, is repealed."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "authorizing bonds for port development assistance;"

Page 1, line 4, before the period, insert "; amending Minnesota Statutes 1992, sections 457A.02; 457A.03, subdivision 1; and 457A.06; Laws 1989, chapter 300, article 1, section 19; repealing Minnesota Statutes 1992, section 457A.01, subdivision 7"

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

The report was adopted.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 980, A bill for an act relating to local government; enabling local government units to obtain waivers of state rules and laws; providing grants to local government units to encourage cooperation, achieve specified outcomes, and design service budget management models; creating a board of local government innovation and cooperation; appropriating money; amending Minnesota Statutes 1992, sections 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1; 465.83; and 465.87, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [465.795] [DEFINITIONS.]

Subdivision 1. [AGENCY.] "Agency" includes a department, agency, board, or other instrumentality of state government that has jurisdiction over an administrative rule or law from which a waiver is sought under section 3. If no specific agency has jurisdiction over such a law, "agency" refers to the attorney general.

Subd. 2. [BOARD.] "Board" means the board of government innovation and cooperation established by section 2.

Subd. 3. [LOCAL GOVERNMENT UNIT.] "Local government unit" means a county, home rule charter or statutory city, school district, town, or special taxing district, except for purposes of sections 465.81 to 465.87.

Subd. 4. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given it in section 473.121, subdivision 2.

Subd. 5. [METROPOLITAN COUNCIL.] "Metropolitan council" or "council" means the metropolitan council established by section 473.123.

Subd. 6. [SCOPE.] As used in sections 1 to 5 and sections 465.80 to 465.87, the terms defined in this section have the meanings given them.

Sec. 2. [465.796] [BOARD OF GOVERNMENT INNOVATION AND COOPERATION.]

Subdivision 1. [MEMBERSHIP.] The board of government innovation and cooperation is established. The board consists of two members of the senate appointed by the subcommittee on committees of the senate committee on rules and administration, two members of the house of representatives appointed by the speaker of the house, one administrative law judge appointed by the chief administrative law judge, the commissioner of finance, the commissioner of administration, the legislative auditor, and the state auditor. The commissioners of finance and administration, the legislative auditor, and the state auditor may each designate an individual from the staff of his or her office to serve as a member. The members of the senate and house of representatives who serve on the board shall not vote on issues decided by the board.

Subd. 2. [DUTIES OF BOARD.] The board has the following duties:

(1) to accept applications from local government units for waivers of administrative rules and determine whether to approve, modify, or reject the application;

(2) to accept applications for grants to local government units and related organizations proposing to design models or plans for innovative service delivery and management as provided in section 4 and determine whether to approve, modify, or reject the application;

(3) to accept applications from local government units for financial assistance to enable them to plan for cooperative efforts as provided in section 5, and determine whether to approve, modify, or reject the application;

(4) to accept applications from eligible local government units for service-sharing grants as provided in section 465.80, and determine whether to approve, modify, or reject the application;

(5) to accept applications from counties, cities, and towns proposing to combine under sections 465.81 to 465.87, and determine whether to approve or disapprove the application; and

(6) to make recommendations to the legislature regarding the elimination of state mandates that inhibit local government efficiency, innovation, and cooperation.

Subd. 3. [STAFF.] The board may hire staff or consultants as necessary to perform its duties.

Sec. 3. [465.797] [RULE AND LAW WAIVER REQUESTS.]

Subdivision 1. [GENERALLY.] A local government unit may request the board of government innovation and cooperation to grant a waiver from one or more administrative rules governing delivery of services by the local government unit. Two or more local government units may submit a joint application for a waiver under this section if they propose to cooperate in providing a service or program that is subject to the rule or law.

Subd. 2. [APPLICATION.] A local government unit requesting a waiver of a rule under this section shall present a written application to the board. The application must include:

(1) identification of the service or program at issue;

(2) identification of the administrative rule with respect to which the waiver is sought;

(3) a description of the improved service outcome sought, including an explanation of the effect of the waiver in accomplishing that outcome;

(4) a description of the means by which the attainment of the outcome will be measured; and

(5) if the waiver is proposed by a single local government unit, a description of the consideration given to intergovernmental cooperation in providing this service, and an explanation of why the local government unit has elected to proceed independently.

A copy of the application must be provided by the requesting local government unit to the exclusive representative of its employees as certified under section 179A.12.

Subd. 3. [REVIEW PROCESS.] Upon receipt of an application from a local government unit, the board shall review the application. The board may dismiss an application within 60 days of its receipt if it finds that (1) the application does not meet the requirements of subdivision 2, or (2) the application should not be granted because it clearly proposes a waiver of rules that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them. If it does not dismiss the application, the board must transmit a copy of it to the commissioner of each agency having jurisdiction over a rule or law from which a waiver is sought. If no agency has jurisdiction over the rule, the board shall transmit a copy of the application to the attorney general. If the commissioner of finance, the commissioner of administration, or the state auditor has jurisdiction over the rule, a retired judge appointed by the chief justice of the supreme court shall serve as a member of the board in the place of that official for purposes of determining whether to grant the waiver. The agency shall inform the board of its agreement with or objection to and grounds for objection to the waiver request within 60 days

of the date when the application was transmitted to it. If the agency fails to inform the board of its conclusion with respect to the application within 60 days of its receipt, the agency will be deemed to have agreed to the waiver. If the exclusive representative of the employees of the requesting local government unit objects to the waiver or exemption request, it may inform the board of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Subd. 4. [HEARING.] If the agency or the exclusive representative does not agree with the waiver request, the board shall set a date for a hearing on the application, which shall be no earlier than 90 days after the date when the application was transmitted to the agency. The hearing shall be conducted informally at a meeting of the board. Persons representing the local government unit shall present their case for the waiver, and persons representing the agency shall explain the agency's objection to it. Members of the board may request additional information from either party. The board may also request, either before or at the hearing, information or comments from representatives of business, labor, local governments, state agencies, and consultants. If necessary, the hearing may be continued at a subsequent board meeting. A waiver must be granted by a vote of a majority of the board members. The board may modify the terms of the waiver request in arriving at the agreement required under subdivision 5.

Subd. 5. [CONDITIONS OF AGREEMENTS.] If the board grants a request for a waiver, the board and the local government unit must enter into an agreement providing for the delivery of the service or program that is the subject of the application. The agreement shall specify desired outcomes and the means of measurement by which the board will determine whether the outcomes specified in the agreement have been met. The agreement must specify the duration of the waiver, which may be for no less than two years and no more than four years, subject to renewal if both parties agree. A waiver of a rule under this section has the effect of a variance granted by an agency under section 14.05, subdivision 4. The board may require periodic reports from the local government unit, or conduct investigations of the service or program.

Subd. 6. [ENFORCEMENT.] If the board finds that the local government unit is failing to comply with the terms of the agreement under subdivision 5, it may rescind the agreement. Upon the rescission, the local unit of government becomes subject to the rules that had been waived.

Sec. 4. [465.798] [SERVICE BUDGET MANAGEMENT MODEL GRANTS.]

One or more local units of governments, an association of local governments, or an organization acting in conjunction with a local unit of government may apply to the board of government innovation and management for a grant to be used to develop models for innovative service budget management. Proposed models may provide options to local governments, neighborhood or community organizations, or individuals for managing budgets for service delivery. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the model was not completed or implemented according to the terms of the grant agreement, it may require the grantee to repay all or a portion of the grant. The amount of a grant under this section shall not exceed \$25,000.

If the grant application is submitted by one or more metropolitan area local government units, an association of metropolitan area local government units, or an organization acting in conjunction with a metropolitan area local government unit, the grant application must be submitted to the metropolitan council for review and comment by the council before the grant application is submitted to the board. The council shall review the grant application for consistency with the council's adopted comprehensive development guide for the metropolitan area as well as the policy statements, plans, and programs adopted pursuant to section 473.145.

Sec. 5. [465.799] [COOPERATION PLANNING GRANTS.]

Two or more local government units may apply to the board of government innovation and cooperation for a grant to be used to develop a plan for intergovernmental cooperation in providing services. The grant application must include the following information:

- (1) the identity of the local government units proposing to enter into the planning process;
- (2) a description of the services to be studied and the outcomes sought from the cooperative venture; and

(3) a description of the proposed planning process, including an estimate of its costs, identification of the individuals or entities who will participate in the planning process, and an explanation of the need for a grant to the extent that the cost cannot be paid out of the existing resources of the local government unit.

The plan may include model contracts or agreements to be used to implement the plan. A copy of the work product for which the grant was provided must be furnished to the board upon completion. If the board finds that the grantee has failed to implement the plan, it may require the grantee to repay all or a portion of the grant. The amount of a grant under this section shall not exceed \$25,000.

If the grant application is submitted by one or more metropolitan area local government units, the grant application must be submitted to the metropolitan council for review and comment by the council before the grant application is submitted to the board. The council shall review the grant application for consistency with the council's adopted comprehensive development guide for the metropolitan area as well as the policy statements, plans, and programs adopted pursuant to section 473.145.

Sec. 6. Minnesota Statutes 1992, section 465.80, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] This section establishes a program for grants to ~~cities, counties, and towns~~ local government units to enable them to meet the start-up costs of providing shared services or functions.

Sec. 7. Minnesota Statutes 1992, section 465.80, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Any ~~home rule charter or statutory city, county, or town~~ local government unit that provides a plan for offering a governmental service under a joint powers agreement with another ~~city, county, or town~~ local government unit, or with an agency of state government, is eligible for a grant under this section, and is referred to in this section as an "eligible local government unit."

Sec. 8. Minnesota Statutes 1992, section 465.80, subdivision 4, is amended to read:

Subd. 4. [SUBMISSION OF PLAN TO ~~DEPARTMENT BOARD~~.] The plan must be submitted to the ~~department of trade and economic development board of government innovation and cooperation. A copy of the plan must also be provided by the requesting local government units to the exclusive representatives of the employees as certified under section 179A.12. A plan adopted by one or more local government units located within the metropolitan area must be submitted to the metropolitan council for review and comment by the metropolitan council before the plan is submitted to the board. The metropolitan council shall review the plan for consistency with the metropolitan council's adopted comprehensive development guide for the metropolitan area as well as the policy statements, plans, and programs adopted pursuant to section 473.145. The commissioner of trade and economic development board will approve a plan only if it contains the elements set forth in subdivision 3, with sufficient information to verify the assertions under clauses (2) and (3). The commissioner board may request modifications of a plan. If the commissioner board rejects a plan, written reasons for the rejection must be provided, and a governmental unit may modify the plan and resubmit it.~~

Sec. 9. Minnesota Statutes 1992, section 465.80, subdivision 5, is amended to read:

Subd. 5. [GRANTS.] The amount of each grant shall be equal to the additional start-up costs for which evidence is presented under subdivision 3, clause (3). Only one grant will be given to a local government unit for any function or service it proposes to combine with another government unit, but a unit may apply for separate grants for different services or functions it proposes to combine. If the amount of money available for making the grants is not sufficient to fully fund the grants to eligible local government units with approved plans, the ~~commissioner board~~ shall award grants on the basis of each qualified applicant's score under a scoring system to be devised by the ~~commissioner board~~ to measure the relative needs for the grants and the ratio of costs to benefits for each proposal.

Sec. 10. Minnesota Statutes 1992, section 465.81, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] As used in sections 465.81 to 465.87, the words defined in this subdivision have the meanings given them in this subdivision.

"Board" means the board of government innovation and cooperation.

"City" means home rule charter or statutory cities.

~~"Commissioner" means the commissioner of trade and economic development.~~

~~"Department" means the department of trade and economic development.~~

"Governing body" means, in the case of a county, the county board; in the case of a city, the city council; and, in the case of a town, the town board.

"Local government unit" or "unit" includes counties, cities, and towns.

"Metropolitan area" has the meaning given it in section 473.121, subdivision 2.

"Metropolitan council" or "council" means the metropolitan council established by section 473.123.

Sec. 11. Minnesota Statutes 1992, section 465.82, subdivision 1, is amended to read:

Subdivision 1. [ADOPTION AND STATE AGENCY REVIEW.] Each governing body that proposes to combine under sections 465.81 to 465.87 must adopt by resolution a plan for cooperation and combination. The plan must address each item in this section. The plan must be specific for any item that will occur within three years and may be general or set forth alternative proposals for an item that will occur more than three years in the future. The plan must be submitted to the ~~department of trade and economic development~~ board of government innovation and cooperation for review and comment. A plan involving one or more metropolitan area local government units must be submitted to the metropolitan council for review and comment by the council before the plan is submitted to the board. Significant modifications and specific resolutions of items must be submitted to the ~~department~~ board or council for review and comment. In the official newspaper of each local government unit proposed for combination, the governing body must publish at least a summary of the adopted plans, each significant modification and resolution of items, and the results of each ~~department~~ board or council review and comment.

Sec. 12. Minnesota Statutes 1992, section 465.83, is amended to read:

465.83 [STATE AGENCY APPROVAL.]

Before scheduling a referendum on the question of combining local government units under section 465.84, the units shall submit the plan adopted under section 465.82 to the ~~commissioner~~ board. Metropolitan area local government units shall submit the plan adopted under section 465.82 to the metropolitan council for review and comment by the council before the plan is submitted to the board. The council shall review the plan for consistency with the council's adopted comprehensive development guide for the metropolitan area as well as the policy statements, plans, and programs adopted pursuant to section 473.145. The ~~commissioner~~ board or council may require any information it deems necessary to evaluate the plan. The ~~commissioner~~ board shall disapprove the proposed combination if ~~the commissioner~~ it finds that the plan is not reasonably likely to enable the combined unit to provide services in a more efficient or less costly manner than the separate units would provide them, or if the plans or plan modification are incomplete. If the combination of local government units is approved by the board under this section, the local units are not required to proceed under chapter 414 to accomplish the combination.

Sec. 13. Minnesota Statutes 1992, section 465.87, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] A local government unit is eligible for aid under this section if the ~~commissioner~~ board has approved its plan to cooperate and combine under section 465.83.

Sec. 14. [APPROPRIATION.]

\$500,000 is appropriated to the board of government innovation and cooperation for the purpose of making grants under this act, including grants made under Minnesota Statutes, section 465.80, and aid paid under Minnesota Statutes, section 465.87.

Sec. 15. [APPLICATION.]

Sections 1 to 14 apply statewide. Portions of sections 1, 4, 5, 8, 10, 11, and 12 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Delete the title and insert:

"A bill for an act relating to local government; enabling local government units to obtain waivers of state rules; providing grants to local government units to encourage cooperation, achieve specified outcomes, and design service budget management models; creating a board of local government innovation and cooperation; requiring the metropolitan council to review certain applications and plans; appropriating money; amending Minnesota Statutes 1992, sections 465.80, subdivisions 1, 2, 4, and 5; 465.81, subdivision 2; 465.82, subdivision 1; 465.83; and 465.87, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 465."

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. 1042, A bill for an act relating to human services; modifying provisions dealing with the administration, computation, and enforcement of child support; imposing penalties; amending Minnesota Statutes 1992, sections 136A.121, subdivision 2; 214.101, subdivision 1; 256.87, subdivisions 1, 1a, 3, and 5; 256.978; 256.979, by adding subdivisions; 256.9791, subdivisions 3 and 4; 257.66, subdivision 3; 257.67, subdivision 3; 349A.08, subdivision 8; 518.14; 518.171, subdivisions 1, 2, 3, 4, 6, 7, 8, 10, and by adding a subdivision; 518.24; 518.54, subdivision 4; 518.551, subdivisions 1, 5, 5b, 7, 10, 12, and by adding a subdivision; 518.57, subdivision 1, and by adding a subdivision; 518.611, subdivision 4; 518.613, subdivision 1; 518.64, subdivisions 1, 2, 5, and 6; 519.11; 548.09, subdivision 1; 548.091, subdivisions 1a and 3a; 588.20; 595.02, subdivision 1; and 609.375, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 518; repealing Minnesota Statutes 1992, sections 256.979; and 609.37.

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. 1067, A bill for an act relating to recreational vehicles; regulating registration and operation of off-road vehicles; setting fees; providing penalties; requiring a comprehensive recreational use plan; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 85.018, subdivisions 1, 2, 3, and 5; 171.03; and 466.03, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 84.

Reported the same back with the following amendments:

Page 6, line 20, delete "AND UNREFUNDED"

Page 6, line 21, delete "GASOLINE TAX"

Page 6, delete line 22

Page 6, line 23, delete everything before "must"

Page 9, line 18, delete "within" and insert "under"

Page 13, line 29, delete "January 1, 1995" and insert "March 1, 1994"

Page 14, line 32, delete "\$....." and insert "\$300,000"

Page 15, line 1, delete ".. positions" and insert "one position"

Page 15, line 4, after "reimbursed" insert "by June 30, 1995,"

Page 15, after line 7, insert:

"Sec. 20. [EFFECTIVE DATE.]

Section 16 is effective the day following final enactment."

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. 1092, A bill for an act relating to pollution control; oil and hazardous substance discharge; allowing for a single corporate prevention and response plan; extending completion date for a response plan; modifying a notification form; establishing fees; establishing accounts in the environmental fund; requiring notification of pipeline petroleum discharges; appropriating money; amending Minnesota Statutes 1992, sections 115E.04, subdivisions 1, 2, and 3; and 299A.50, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115E.

Reported the same back with the following amendments:

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1992, section 115E.03, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC PREPAREDNESS.] The following persons shall comply with the specific requirements of subdivisions 3 and 4 and section 115E.04:

(1) persons who own or operate a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue;

(2) persons who own or operate trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than ~~100,000~~ 1,000,000 gallons of oil or hazardous substance as cargo in Minnesota;

(3) persons who own or operate railroad car rolling stock transporting an aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota in any calendar month;

(4) persons who own or operate facilities containing ~~100,000~~ 1,000,000 gallons or more of oil or hazardous substance in tank storage at any time;

(5) persons who own or operate facilities where there is transfer of an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substances to or from vessels, tanks, rolling stock, or pipelines, except for facilities where the primary transfer activity is the retail sales of motor fuels;

(6) persons who own or operate hazardous liquid pipeline facilities through which more than 100,000 gallons of oil or hazardous substance is transported in any calendar month; and

(7) persons required to demonstrate preparedness under section 115E.05."

Page 1, line 19, strike "The" and insert "Except as provided in subdivisions 1a and 1b, the"

Page 3, after line 6, insert:

"Sec. 3. Minnesota Statutes 1992, section 115E.04, is amended by adding a subdivision to read:

Subd. 1a. [ABBREVIATED PLAN FOR TRUCKS.] A person who owns or operates trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than 10,000 gallons of oil or hazardous substances as cargo in Minnesota shall prepare and maintain an abbreviated prevention and response plan. The abbreviated plan must include:

(1) name and business and after business telephone numbers of the individual or individuals having full authority to implement response action;

(2) telephone number of the local emergency response organization if that organization cannot be reached by calling 911;

(3) a description of the type of rolling stock and the worst case discharge that could occur from such equipment;

(4) telephone number of the state duty officer;

(5) telephone number of an individual or company with adequate personnel and equipment available to respond to a discharge, with evidence that prearrangements for such response have been made;

(6) a description of the training that the owner or operator's truck or cargo trailer operators have received in handling hazardous materials and the emergency response information available in the vehicle; and

(7) a description of the action that will be taken by a truck owner or operator in response to a discharge.

The response plan must be retained on file at the person's principal place of business.

Sec. 4. Minnesota Statutes 1992, section 115E.04, is amended by adding a subdivision to read:

Subd. 1b. [ABBREVIATED PLAN FOR TANK FACILITIES WITH BETWEEN 10,000 AND 1,000,000 GALLONS OF STORAGE.] A person who owns or operates a facility that stores more than 10,000 gallons but less than 1,000,000 gallons of oil or hazardous substances shall prepare and maintain an abbreviated prevention and response plan. The abbreviated plan must include:

(1) name and business and after business telephone numbers of the individual or individuals having full authority to implement response action;

(2) telephone number of the local emergency response organization if that organization cannot be reached by calling 911;

(3) a description of the facility, tank capacities, spill prevention and secondary containment measures at the facility, and the worst case discharge that could occur at the facility;

(4) telephone number of the state duty officer;

(5) documentation that adequate personnel and equipment will be available to respond to a discharge, with evidence that prearrangements for such response have been made;

(6) a description of the training employees at the facility receive in handling hazardous materials and in emergency response information; and

(7) a description of the action that will be taken by the facility owner or operator in response to a discharge.

The response plan must be retained on file at the person's principal place of business."

Page 4, delete section 4, and insert:

"Sec. 7. [115E.10] [DEPOSITS TO PETROLEUM TANK RELEASE CLEANUP ACCOUNT.]

The commissioner shall deposit any penalties for violations of this chapter or section 115.061 which are related to petroleum discharges or threatened discharges into the petroleum tank release cleanup account."

Page 5, delete section 5

Page 6, line 2, delete "115E.12" and insert "115E.11"

Page 7, line 1, delete "more than 1,000,000 gallons of" and delete "per"

Page 7, line 2, delete "year"

Page 7, line 5, delete "The"

Page 7, line 6, delete everything before the colon and insert "In determining the acceptability of the report, the agency shall consider"

Page 7, line 24, delete "at"

Page 7, line 25, delete "a minimum" and insert "attempt, to the extent reasonably possible, to"

Page 8, delete lines 23 to 36, and insert:

"For the biennium ending June 30, 1995:

(a) \$437,000 is appropriated from the petroleum tank release cleanup account in the environmental fund to the commissioner of the pollution control agency.

(b) \$302,000 is appropriated to the commissioner of the pollution control agency from its 1994-1995 biennial base level enforcement account in the environmental fund appropriation, to be available for the purposes of Minnesota Statutes, chapter 115E. The complement of the pollution control agency is increased by 5.0 positions.

(c) \$128,000 is appropriated from the enforcement account in the environmental fund to the commissioner of the department of natural resources to be available for the purposes of Minnesota Statutes, chapter 115E. The complement of the department of natural resources is increased by 1.0 position."

Page 9, delete lines 1 and 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon insert "requiring certain persons to maintain preparedness;"

Page 1, line 4, after the semicolon insert "requiring certain persons to maintain abbreviated prevention and response plans;"

Page 1, line 6, delete everything after the first semicolon

Page 1, line 7, delete "environmental fund;"

Page 1, line 9, after "sections" insert "115E.03, subdivision 2;"

Page 1, line 10, delete the first "and" and after "3" insert ", and by adding subdivisions;"

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. 1102, A bill for an act relating to the environment; restructuring the hazardous waste generator tax; establishing the hazardous waste generator loan program; establishing the hazardous waste generator loan account; appropriating money; amending Minnesota Statutes 1992, sections 115B.22, by adding a subdivision; and 115B.24, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1992, sections 115B.21, subdivisions 4 and 6; and 115B.22, subdivisions 1, 2, 3, 4, 5, and 6.

Reported the same back with the following amendments:

Page 1, delete lines 16 to 19, and insert:

"Subd. 1a. [TAXES IMPOSED.] A generator of hazardous waste shall pay a tax in an amount equal to the greater of the applicable base tax under subdivision 2a or the quantity tax determined under subdivision 3a.

Sec. 2. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 2a. [BASE TAX.] (a) The base tax for large quantity generators, as defined in rules of the agency, is \$500.

(b) The base tax for small quantity generators, as defined in rules of the agency, is \$200.

(c) The base tax for very small quantity generators, as defined in rules of the agency, that produce more than 100 pounds per year of hazardous waste is \$50.

(d) The base tax for very small quantity generators, as defined in rules of the agency, that produce 100 pounds or less per year of hazardous waste is \$0.

Sec. 3. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 3a. [QUANTITY TAX.] (a) The quantity tax does not apply to very small quantity generators, as defined in the rules of the agency. The quantity tax is determined as provided in paragraphs (b) to (d).

(b) Generators of hazardous waste managed using either of the following methods as defined in rules adopted under sections 115.03, 116.07, and 116.37 shall pay taxes on the waste at the rate of .5 cents per pound of solid or five cents per gallon of liquid:

(1) hazardous wastes that are hazardous prior to discharge to a publicly owned wastewater treatment works; and

(2) hazardous wastes managed as a hazardous waste fuel or using thermal treatment.

(c) Generators of hazardous waste managed using any of the following methods as defined in rules adopted under sections 115.03, 116.07, and 116.37 are exempt from paying taxes on the wastes:

(1) hazardous wastes that are destined for recycling, including waste accumulated, stored, or treated prior to recycling;

(2) hazardous wastes that are either (i) pretreated to a nonhazardous state prior to discharge to a publicly owned treatment works or (ii) treated to a nonhazardous state after treatment in an on-site treatment system, if the publicly owned treatment works or on-site treatment system is operated in accordance with a National Pollution Discharge Elimination System permit, state disposal system permit, or both, issued by the agency; and

(3) hazardous wastes that are neutralized and are not otherwise hazardous waste after neutralizing.

(d) Generators of hazardous waste shall pay taxes on hazardous wastes managed using any other method not mentioned in this subdivision at the rate of five cents per pound of solid or 50 cents per gallon of liquid.

Sec. 4. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 4a. [HAZARDOUS WASTES NOT SUBJECT TO TAX.] The taxes imposed by this section do not apply to hazardous wastes generated as a result of a response action or hazardous wastes generated as a result of lead acid battery smelting.

Sec. 5. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 5a. [TAXES IMPOSED; END DATE.] The taxes in this section shall not be imposed after December 31, 2003."

Page 3, line 26, delete "Section 1 is" and insert "Sections 1 to 5 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "a subdivision" and insert "subdivisions"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment and Natural Resources Finance.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1125, A bill for an act relating to transportation; providing for a metropolitan area high speed bus study; appropriating money.

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.

Kahn from the Committee on Governmental Operations and Gambling to which was referred:

H. F. No. 1131, A bill for an act relating to retirement; providing coverage for unclassified managerial employees in temporary, acting, or interim positions; providing default plan for employee selection; providing one time vesting change for state university employee; providing for retroactive effect of 1990 law; adding conforming language to clarify eligibility between plans; relating to the individual retirement account plan; providing new eligibility period; providing for refunding of amounts forfeited; providing coverage for certain part-time employees; providing for repayment of missed contributions; providing for administrative expenses; providing for contributions during period of sabbatical leave; relating to the supplemental retirement plan; providing conforming language for previous oversight of eligible members; relating to retirement plan for technical college employees; providing investment option under individual retirement account plan; relating to marriage dissolutions; providing alternate method of retirement asset distribution for individual retirement account plan; amending Minnesota Statutes 1992, sections 352D.02, subdivision 1a, and by adding a subdivision; 354.05, subdivision 2a; 354B.01, subdivision 1, and by adding a subdivision; 354B.015; 354B.02, subdivisions 1, 2, 3a, and by adding a subdivision; 354B.04, by adding a subdivision; 354B.05, subdivision 1, and by adding a subdivision; 356.24, subdivision 1; and 518.58, subdivision 4; Laws 1990, chapter 570, article 10, section 7; proposing coding for new law in Minnesota Statutes, chapter 354B; repealing Minnesota Statutes 1992, section 354B.02, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

UNCLASSIFIED EMPLOYEES RETIREMENT PLAN

Section 1. Minnesota Statutes 1992, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (b), if they are in the unclassified service of the state and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Enumerated employees are:

(1) an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, or an employee of the state board of investment;

(2) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.081, subdivision 1 or 15A.083, subdivision 4;

(3) a permanent, full-time unclassified employee of the legislature or a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(4) a person other than an employee of the state board of technical colleges who is employed in a position established under section 43A.08, subdivision 1, clause (3), or subdivision 1a, or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(5) the chair, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission; the chair, executive director, and not to exceed three positions at the division director or assistant to the chair level of the regional transit board; a chief administrator who is an employee of the metropolitan transit commission; and the chair, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations may be made without approval of the board of directors of the Minnesota state retirement system;

(6) the executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota state retirement system, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(7) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

(8) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(9) an employee whose principal employment is at the state ceremonial house;

(10) an employee of the Minnesota educational computing corporation;

(11) an employee of the world trade center board;

(12) an employee of the state lottery board who is covered by the managerial plan established under section 43A.18, subdivision 3; and

(13) an employee of the state board of technical colleges employed in a position established under section 43A.08, subdivision 1, clause (3), or 1a, unless the person has elected coverage by the individual retirement account plan under chapter 354B; and

(14) an employee of the higher education board in a position established under section 136E.04, subdivision 2, unless the person has elected coverage by the individual retirement account plan under chapter 354B.

Sec. 2. Minnesota Statutes 1992, section 352D.02, subdivision 1a, is amended to read:

Subd. 1a. [STATE UNIVERSITY HIGHER EDUCATION PERSONNEL.] Unless the person has elected coverage by the individual retirement account plan under chapter 354B the retirement program governed by this chapter, the chancellor, university presidents, and unclassified managerial employees in the state university system, the higher education board, the higher education coordinating board, and the technical college system chancellor's office shall participate in the individual retirement account plan under chapter 354B, if they are eligible for coverage under the state employees retirement fund, or the teachers retirement association, or would have been eligible for coverage under those funds but for this subdivision, subject to the provisions of subdivision 5. These employees also shall have social security coverage under the agreement between the state and the secretary of health and human services. Acting, temporary, or interim employees who would otherwise be covered by this section shall retain coverage by the general state employees retirement plan of the Minnesota state retirement system, teachers retirement association, or other Minnesota public employee retirement plan governed by section 356.30, whichever applies, during the pendency of the acting, temporary, or interim appointment and shall be covered by the unclassified plan governed by this chapter or the individual retirement account plan provided in section 354B.02, subdivision 3a, only if their appointment becomes permanent.

Sec. 3. Minnesota Statutes 1992, section 354B.01, is amended by adding a subdivision to read:

Subd. 6. [COVERED EMPLOYMENT; HIGHER EDUCATION BOARD MANAGERIAL EMPLOYEES.] "Covered employment," with respect to employment by the higher education board, means employment in a position described in section 352D.02, subdivision 1, paragraph (b), clause (14).

Sec. 4. Minnesota Statutes 1992, section 354B.02, subdivision 1, is amended to read:

Subdivision 1. [PLAN PARTICIPANTS.] (a) Except as provided in subdivision 2, or unless the person has elected retirement coverage under section 352D.02, subdivision 1a, a person who was first employed in covered employment under section 354B.01, subdivision 2 or 3, after June 30, 1989, shall participate in the plan.

(b) Except as provided in subdivision 2, or unless the person has elected retirement coverage under section 352D.02, subdivision 1, paragraph (b), clause (6) or (13), a person who was first employed in covered employment after July 1, 1992, shall participate in the plan.

(c) Participants or employees who would be participants in this plan but for prior participation in the teachers retirement association or other Minnesota public employee retirement plan governed by section 356.30, whichever applies, and who are subsequently appointed to a position with the community college system or the state university system designated as an acting, temporary, or interim position, shall remain in the teachers retirement association or the other Minnesota public employee plan during the term of the acting, temporary, or interim position. If the participant's status becomes permanent, the participant has the option to make a new election appropriate to the plan in which the position should be located.

Sec. 5. Minnesota Statutes 1992, section 354B.02, subdivision 3a, is amended to read:

Subd. 3a. [UNCLASSIFIED STATE UNIVERSITY SYSTEM EMPLOYEES.] State university system employees who would otherwise be covered by section 352D.02, subdivision 1a, may elect coverage under the plan governed by this chapter shall be covered by the plan governed by this section unless they elect coverage under the plan governed by section 352D.02, subdivision 1a. Election to participate in the plan governed by the unclassified employees plan must be made within 120 days of July 1, 1992, or the start of covered employment, whichever is later. If the employee does not elect to participate in the unclassified employees plan upon the start of covered employment, the employee shall participate in the individual retirement account plan. If no election is made within the 120 days, this participation

must be permanent. Employees in covered employment on July 1, 1992, who would otherwise be covered by this section, but are already participating in the teachers retirement association governed by chapter 354 or the general state employees retirement plan governed by chapter 352, shall remain in the applicable plan unless an election is made to transfer to the plan governed by this chapter. The election must be made within 120 days of eligibility under the state unclassified employees retirement program governed by chapter 352D. An election to participate in the unclassified program or this plan is irrevocable during any period of service that would have been covered under chapter 352D or this chapter. This election must be made in the form prescribed in section 352D.12. Upon receipt of notice of transfer, the individual retirement account plan administrator shall transfer to the employee's account in this plan an amount equal to the employee and matching employer contributions to the credit of the person in the teachers retirement association, plus six percent compound annual interest thereon from the date that each contribution was made until the date that the transfer is made.

Sec. 6. Minnesota Statutes 1992, section 354B.02, is amended by adding a subdivision to read:

Subd. 3c. [HIGHER EDUCATION BOARD EMPLOYEES.] Employees in covered employment under section 354B.01, subdivision 6, may elect coverage under the plan. Election to participate in the plan must be made by December 31, 1993, or within 120 days of the start of covered employment, whichever is later, and is irrevocable during any period of covered employment in a position listed in section 352D.02, subdivision 1, paragraph (b), clause (14), which is established by the higher education board or the higher education facilities authority. These employees are not eligible for the supplemental retirement plan specified in sections 354B.07 to 354B.09.

Sec. 7. [EFFECTIVE DATE.]

Sections 2, 4, and 5 are effective July 1, 1993.

ARTICLE 2

INDIVIDUAL RETIREMENT ACCOUNT PLAN

Section 1. Minnesota Statutes 1992, section 354B.04, is amended by adding a subdivision to read:

Subd. 4. [OMITTED CONTRIBUTIONS.] (a) Except as provided in paragraph (b), if the state university board or the community college board fails to make the deduction from an employee's salary required by section 354B.08 and this section in a timely fashion, the deduction must be made by subsequent payroll deductions.

(b) If a board fails to make required employee deductions within 60 days of the date on which the deductions should have been made, the board shall pay the employer contributions and an amount equivalent to 8.5 percent of the total amount due in lieu of interest. If an employee deduction is not made within 60 days of the date upon which it should have been made, the employer and employee may agree to an alternate deduction amount for the omitted employee contribution. The omitted employee deduction must be made within one year of the date upon which the deduction should have been made.

Sec. 2. [354B.045] [SABBATICAL LEAVE; CONTRIBUTIONS.]

Subdivision 1. [DEFINITION.] A "sabbatical leave" for the purpose of this section means a sabbatical leave as defined in the applicable personnel policy of the state university and community college boards.

Subd. 2. [REQUIRED EMPLOYEE AND EMPLOYER CONTRIBUTIONS.] Deductions for the employer contribution as specified in section 354B.04, subdivision 2, must be made by the employing unit from salary paid to the member for a sabbatical leave. The employer must make a contribution based on the contribution rate in section 354B.04, subdivision 2, based on the salary paid to the member for a sabbatical leave.

Subd. 3. [OPTIONAL CONTRIBUTION.] A plan participant who is on a sabbatical leave may make an optional employee contribution. The maximum optional employee contribution permitted is determined by the difference between the salary received for the sabbatical leave and the salary received for a comparable period during the year immediately preceding the leave, multiplied by the employee contribution rate specified in section 354B.04, subdivision 1. If an employee payment is made under this subdivision, the payment must be made by the end of the fiscal year following the fiscal year in which the leave terminates, and may not include interest. If an employee makes a contribution under this subdivision, the employer must make the employer contribution, at the rate specified in section 354B.04, subdivision 2, for the salary that was the basis for the employee payment under this subdivision. The employer contribution must be made within 60 days of the date on which the employee contribution was made.

Subd. 4. [REINSTATEMENT RIGHTS.] Notwithstanding the provisions of any agreements to the contrary, employee and employer contributions may not be made under this section if the member does not retain the right to full reinstatement both during and at the end of the sabbatical leave.

Sec. 3. Minnesota Statutes 1992, section 354B.05, is amended by adding a subdivision to read:

Subd. 5. [ADMINISTRATIVE EXPENSES.] (a) Plans covered by this chapter or administered by governing boards as provided in section 354B.05 may provide for administrative fees or charges to be paid by participants in the following manner:

(1) from participants whose contributions are invested with the state investment board the plan administrator may recover administrative expenses in the manner provided by section 11A.17, subdivisions 10a and 14; or

(2) from participants whose contributions are invested through contracts purchased in the manner authorized by subdivision 2, the plan administrator may assess an amount of up to two percent of the employer and employee contributions.

(b) Any amounts not needed for administrative expenses of the plan must be refunded to member accounts.

Sec. 4. [REPEALER.]

Minnesota Statutes 1992, section 354B.02, subdivision 3, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1993.

ARTICLE 3

SUPPLEMENTAL RETIREMENT PLAN

Section 1. Minnesota Statutes 1992, section 356.24, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTION; EXCEPTIONS.] (a) It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan that is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than:

(1) to a supplemental pension plan that was established, maintained, and operated before May 6, 1971;

(2) to a plan that provides solely for group health, hospital, disability, or death benefits, to the individual retirement account plan established by sections 354B.01 to ~~354B.04~~ 354B.05;

(3) to a plan that provides solely for severance pay under section 465.72 to a retiring or terminating employee;

(4) for employees other than personnel employed by the state university board or the community college board and covered by section 354B.07, subdivision 1, to:

(i) the state of Minnesota deferred compensation plan under section 352.96; or

(ii) payment of the applicable portion of the premium on a tax sheltered annuity contract qualified under section 403(b) of the federal Internal Revenue Code, purchased from a qualified insurance company; if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of public employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year per employee; or

(5) for personnel employed by the state university board or the community college board and covered by sections 352D.02, subdivision 1a and 354B.07, subdivision 1, to the supplemental retirement plan under sections 354B.07 to 354B.09, if provided for in a personnel policy or in the collective bargaining agreement of the public employer with the exclusive representative of the covered employees in an appropriate unit, in an amount matching employee contributions on a dollar for dollar basis, but not to exceed an employer contribution of \$2,000 a year for each employee.

(b) A qualified insurance company is a company that:

(1) meets the definition in section 60A.02, subdivision 4;

(2) is licensed to engage in life insurance or annuity business in the state;

(3) is determined by the commissioner of commerce to have a rating within the top two rating categories by a recognized national rating agency or organization that regularly rates insurance companies; and

(4) is determined by the state board of investment to be among the ten applicant insurance companies with competitive options and investment returns on annuity products. The state board of investment determination must be made on or before January 1, 1993, and must be reviewed periodically. The state board of investment shall retain actuarial services to assist it in this determination. The state board of investment shall establish a budget for its costs in the determination process and shall charge a proportional share of that budget to each insurance company selected by the state board of investment. All contracts must be approved before execution by the state board of investment. The state board of investment shall establish policies and procedures under section 11A.04, clause (2), to carry out this paragraph.

(c) A personnel policy for unrepresented employees or a collective bargaining agreement may establish limits on the number of vendors under paragraph (b), clause (4), that it will utilize and conditions under which the vendors may contact employees both during working hours and after working hours.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1993.

ARTICLE 4

MARRIAGE DISSOLUTIONS

Section 1. Minnesota Statutes 1992, section 518.58, subdivision 4, is amended to read:

Subd. 4. [PENSION PLANS.] (a) The division of marital property that represents pension plan benefits or rights in the form of future pension plan payments:

(1) is payable only to the extent of the amount of the pension plan benefit payable under the terms of the plan;

(2) is not payable for a period that exceeds the time that pension plan benefits are payable to the pension plan benefit recipient;

(3) is not payable in a lump sum amount from pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a pension plan;

(4) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for subsequent apportionment by the trustee; and

(5) in the case of public pension plan benefits or rights, may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable.

(b) The individual retirement account plans established under chapter 354B may provide in its plan document, if published and made generally available, for an alternative marital property division or distribution of individual retirement account plan assets. If an alternative division or distribution procedure is provided, it applies in place of paragraph (a), clause (5).

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to retirement; providing coverage for unclassified managerial employees in temporary, acting, or interim positions; providing default plan for employee selection; adding conforming language to clarify eligibility between plans; relating to the individual retirement account plan; providing for repayment of missed contributions; providing for administrative expenses; providing for contributions during period of sabbatical leave; relating to the supplemental retirement plan; providing conforming language for previous oversight of eligible members; relating to marriage dissolutions; providing alternate method of retirement asset distribution for individual retirement account plan; amending Minnesota Statutes 1992, sections 352D.02, subdivisions 1 and 1a; 354B.01, by adding a subdivision; 354B.02, subdivisions 1, 3a, and by adding a subdivision; 354B.04, by adding a subdivision; 354B.05, by adding a subdivision; 356.24, subdivision 1; and 518.58, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 354B; repealing Minnesota Statutes 1992, section 354B.02, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1133, A bill for an act relating to energy; directing the public service department to evaluate and implement a policy to promote the use of motor vehicles powered by alternate fuels; appropriating money; amending Minnesota Statutes 1992, section 216C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C.

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. 1178, A bill for an act relating to health; implementing recommendations of the Minnesota health care commission; defining and regulating integrated service networks; requiring regulation of all health care services not provided through integrated service networks; establishing data reporting and collection requirements; establishing other cost containment measures; providing for classification of certain tax data; permitting expedited rulemaking; requiring certain studies; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.317, subdivision 5; 60A.02, subdivision 1a; 62A.021, subdivision 1; 62A.65; 62E.02, subdivision 23; 62E.10, subdivisions 1 and 3; 62E.11, subdivision 12; 62J.03, subdivisions 6, 8, and by adding a subdivision; 62J.04, subdivisions 1, 2, 3, 4, 5, 7, and by adding a subdivision; 62J.05, subdivision 2, and by adding a subdivision; 62J.09, subdivisions 2, 5, 8, and by adding subdivisions; 62J.15, subdivision 1; 62J.17, subdivision 2, and by adding subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, 7, and 8; 62J.32, subdivision 4; 62J.33; 62J.34, subdivision 2; 62L.02, subdivisions 16, 19, 26, and 27; 62L.03, subdivisions 3 and 4; 62L.04, subdivision 1; 62L.05, subdivisions 2, 3, 4, and 6; 62L.08, subdivision 4; 62L.09, subdivision 1; 136A.1355, subdivisions 1, 3, 4, and by adding a subdivision; 136A.1356, subdivisions 2, 4, and 5; 136A.1357; 137.38, subdivisions 2, 3, and 4; 137.39, subdivisions 2 and 3; 137.40, subdivision 3; 144.147, subdivision 4; 144.1484, subdivisions 1 and 2; 144.335, by adding a subdivision; 151.47, subdivision 1; 214.16, subdivision 3; 256.9351, subdivision 3; 256.9352, subdivision 3; 256.9353; 256.9354, subdivisions 1, 4, and 5; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3, and by adding a subdivision; 256B.04, subdivision 1; 256B.057, subdivisions 1, 2, and 2a; 256B.0625, subdivision 13; 256D.03, subdivision 3; 270B.01, subdivision 8; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1, 3, and by adding a subdivision; 295.54; 295.55, subdivision 4; 295.57; 295.58; 295.59; Laws 1990, chapter 591, article 4, section 9; proposing coding for new law in Minnesota Statutes, chapters 16B; 43A; 62A; 62J; 136A; 144; 151; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; repealing Minnesota Statutes 1992, sections 62J.15, subdivision 2; 62J.17, subdivisions 4, 5, and 6; 62J.29; 62L.09, subdivision 2; 295.50, subdivision 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2.

Reported the same back with the following amendments:

Page 177, line 20, delete "51,879,000" and insert "43,236,000" and delete "118,520,000" and insert "97,251,000"

Page 177, delete lines 21 to 25

Page 177, line 26, delete everything after "Of" and insert "this"

Page 177, delete lines 31 to 33

Page 178, line 3, delete "10,017,000" and insert "9,987,000" and delete "24,342,000" and insert "23,482,000"

Page 178, delete lines 6 to 9

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1247, A bill for an act relating to motor vehicles; establishing automobile theft prevention program and creating board; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reported the same back with the following amendments:

Page 3, line 32, delete everything after the period and insert "Money in the account is annually appropriated to the automobile theft prevention board for the purposes of this section. The board may not spend in any fiscal year more than five percent of the money in the fund for its administrative and operating costs."

Page 3, delete line 33

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.

Rest from the Committee on Taxes to which was referred:

H. F. No. 1301, A bill for an act relating to insurance; the comprehensive health association; clarifying the duties of the association and the authority of the commissioner of commerce; increasing the cigarette and tobacco product taxes to defray the cost of claims made under coverages provided by the association; repealing obsolete language; appropriating money; amending Minnesota Statutes 1992, sections 62E.08; 62E.09; 62E.10, subdivision 9; 297.02, subdivision 1; 297.13, by adding a subdivision; and 297.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 62E.

Reported the same back with the following amendments:

Pages 7 to 10, delete sections 5 to 11

Amend the title as follows:

Page 1, delete lines 5 to 7

Page 1, line 8, delete "language; appropriating money;"

Page 1, line 10, delete everything after the first semicolon

Page 1, delete line 11

Page 1, line 12, delete "2;"

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:

H. F. No. 1436, A bill for an act relating to the environment; appropriating money from the metropolitan landfill contingency trust fund to the commissioner of the pollution control agency for reimbursement to the city of Hopkins for remediation of methane at the city landfill; amending Laws 1991, chapter 182, section 7.

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

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

H. F. No. 1445, A bill for an act relating to industrial development; authorizing a grant to a nonprofit organization to promote expanding flexible collaborative manufacturing networks statewide; appropriating money.

Reported the same back with the following amendments:

Page 1, line 15, delete "must" and insert "may"

Page 1, line 16, delete everything after "funds" and insert a period

Page 1, line 17, before "grant" insert "Any" and delete "shall be"

Page 1, line 18, delete "to" and insert "shall"

Page 2, delete section 2

Amend the title as follows:

Page 1, line 5, 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:

H. F. No. 1585, A bill for an act relating to crime; imposing penalties for a variety of firearms-related offenses; expanding forfeiture provisions; revising and increasing penalties for stalking, harassment, and domestic abuse offenses; providing for improved training, investigation and enforcement of these laws; increasing penalties for and making revisions to certain controlled substance offenses; increasing penalties for crimes committed by groups; increasing penalties and improving enforcement of arson and related crimes; making certain changes to restitution and other crime victim laws; revising laws relating to law enforcement agencies, and state and local corrections agencies; requiring certain counties to establish pretrial diversion programs; revising and increasing penalties for a variety of other criminal laws; clarifying certain provisions for the new felony sentencing system; making technical corrections to sentencing statutes; appropriating money; amending Minnesota Statutes 1992, sections 8.16, subdivision 1; 13.87, subdivision 2; 16B.08, subdivision 7; 127.03, subdivision 3; 144A.04, subdivisions 4 and 6; 144A.11, subdivision 3a; 144B.08, subdivision 3; 152.021, subdivision 3; 152.022, subdivisions 1 and 3; 152.023, subdivisions 2 and 3; 152.024, subdivision 3; 152.025, subdivision 3; 152.026; 152.0971, subdivisions 1, 3, and by adding subdivisions; 152.0972, subdivision 1; 152.0973, subdivisions 2, 3, and by adding a subdivision; 152.0974; 152.18, subdivision 1; 168.346; 169.121, subdivision 3a; 169.222, subdivisions 1 and 6; 169.64, subdivision 3; 169.98, subdivision 1a; 214.10, by adding subdivisions; 238.16, subdivision 2; 241.09; 241.26, subdivision 5; 241.67, subdivision 2; 243.166, subdivision 1; 243.23, subdivision 3; 244.01, subdivision 8, and by adding a subdivision; 244.05, subdivisions 1b, 4, 5, and by adding a subdivision; 244.065; 244.101; 244.14, subdivisions 2 and 3; 244.15, subdivision 1; 244.17, subdivision 3; 244.171, subdivisions 3 and 4; 244.172, subdivisions 1 and 2; 260.185, subdivisions 1 and 1a; 260.193, subdivision 8; 260.251, subdivision 1; 299A.35, subdivision 2; 299C.46, by adding a subdivision; 299D.03, subdivision 1; 299D.06; 299F.04, by adding a subdivision; 299F.815, subdivision 1; 388.23, subdivision 1; 390.11, by adding a subdivision; 390.32, by adding a subdivision; 401.02, subdivision 4; 473.386, by adding a subdivision; 480.0591, subdivision 6; 480.30; 485.018, subdivision 5; 518B.01, subdivisions 2, 3, 6, 7, 9, and 14; 541.15; 609.02, subdivision 6; 609.0341, subdivision 1; 609.035; 609.05, subdivision 1; 609.06; 609.101, subdivisions 2, 3, and 4; 609.11; 609.135, subdivisions 1, 1a, and 2; 609.1352, subdivision 1; 609.14, subdivision 1; 609.15, subdivision 2; 609.152, subdivision 1; 609.175, subdivision 2, and by adding a subdivision; 609.184, subdivision 2; 609.196; 609.224, subdivision 2; 609.229, subdivision 3; 609.251; 609.341, subdivisions 10, 17, 18, and 19; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2, 2b, and 5; 609.3461; 609.378, subdivision 1; 609.494; 609.495; 609.505; 609.531, subdivision 1; 609.5314, subdivision 1; 609.562; 609.563, subdivision 1; 609.576, subdivision 1; 609.582, subdivision 1a; 609.585; 609.605, subdivision 1, and by adding a subdivision; 609.66, subdivision 1a, and by adding subdivisions; 609.67, subdivisions 1 and 2; 609.686; 609.71; 609.713, subdivision 1; 609.746, by adding a subdivision; 609.748, subdivisions 1, 2, 3, 5, 6, 8, and by adding subdivisions; 609.79, subdivision 1; 609.795, subdivision 1; 609.856, subdivision 1; 609.891, subdivision 2; 609.902, subdivision 4; 611A.02, subdivision 2; 611A.031; 611A.0315; 611A.04, subdivisions 1, 1a, 3, and by adding a subdivision; 611A.06, subdivision 1; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; 624.711; 624.712, subdivisions 5, 6, and by adding a subdivision; 624.713; 624.7131, subdivisions 1, 4, and 10; 624.7132; 624.714, subdivisions 1, 5, 6, 7, 8, 9, and 11; 626.05, subdivision 2; 626.13; 626.556, subdivision 10; 626.8451, subdivision 1a; 626A.05, subdivision 1; 626A.06, subdivisions 4, 5, and 6; 626A.10, subdivision 1; 626A.11, subdivision 1; 628.26; 629.291, subdivision 1; 629.34, subdivision 1; 629.341, subdivision 1; 629.342, subdivision 2; 629.72; 631.046, subdivision 1; 631.41; and 641.14; Laws 1991, chapter 279, section 41; Laws 1992, chapter 571, article 7, section 13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 121; 152; 169; 174; 242; 260; 401; 473; 593; 609; 611A; and 624; repealing Minnesota Statutes 1992, sections 152.0973, subdivision 4; 214.10, subdivisions 4, 5, 6, and 7; 241.25; 609.02, subdivisions 12 and 13; 609.131, subdivision 1a; 609.605, subdivision 3; 609.746, subdivisions 2 and 3; 609.747; 609.79, subdivision 1a; 609.795, subdivision 2; 611A.57, subdivision 1; and 629.40, subdivision 5.

Reported the same back with the following amendments:

Page 4, line 18, delete "shall" and insert "may"

Page 26, line 18, delete "FIREARMS" and insert "RIFLES AND SHOTGUNS" and delete "OR IN"

Page 26, line 19, delete everything before the period

Page 26, line 23, delete "firearm" and insert "rifle or shotgun" and delete "or" and insert a comma and after "from" insert ", or in"

Page 26, lines 27 and 29, delete "firearm" and insert "rifle or shotgun"

Page 26, delete lines 31 to 33

Page 26, line 34, delete "(c)" and insert "(b)"

Page 27, line 6, delete "firearm" and insert "rifle or shotgun"

Page 27, line 9, delete "Subdivision 2" and insert "This section"

Page 27, line 10, delete "firearms" and insert "rifles or shotguns"

Page 115, line 10, delete "January" and insert "July"

Page 145, line 7, before the period insert ", or any person engaged in news gathering activities or licensed by the federal communications commission"

Put section numbers in article 10 in numerical order

Correct internal references

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. 1702, A bill for an act relating to the environment; providing protection from liability for releases of hazardous substances to lenders and owners for redevelopment of property under an approved cleanup plan; providing authority to issue determinations regarding association with a release; amending Minnesota Statutes 1992, section 115B.175, subdivisions 4, 7, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 115B.

Reported the same back with the following amendments:

Page 4, after line 3, insert:

"Sec. 6. [POLLUTION CONTROL AGENCY; APPROPRIATION; COMPLEMENT.]

\$361,000 in fiscal year 1994 and \$327,000 in fiscal year 1995 is appropriated to the pollution control agency from the environmental response, compensation, and compliance account for the purposes of sections 1 to 5. Any amount not spent in the first year does not cancel but is available in the second year.

The complement of the pollution control agency is increased by five positions for the purposes of sections 1 to 5."

Amend the title as follows:

Page 1, line 6, 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.

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

H. F. No. 1749, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing state bonding; appropriating money; amending Minnesota Statutes, section 16B.24, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124C; and 137.

Reported the same back with the following amendments:

Page 5, line 15, after the period insert "Up to \$830,000 out of the unencumbered balances from the following appropriations must also be used for this facility: Laws 1987, chapter 400, section 22, subdivisions 3, 4, and 6; and the parts of the appropriation in Laws 1990, chapter 610, article 1, section 12, subdivision 7, that are for schematics and working drawings at Moose Lake, and for remodeling at Brainerd."

Page 5, line 25, after "For" insert "remodeling the kitchen, including"

Page 7, line 35, delete "a proposed federal" and insert "the construction of a"

Page 7, line 36, delete "project" and insert "levee"

Page 7, line 41, after "use" insert "up to \$60,000 of"

Page 8, delete lines 30 to 38

Page 8, line 40, delete "life" and insert "architectural design, engineering, and structural analysis for the renovation of the Minneapolis veterans home campus."

Page 8, delete lines 41 and 42

Page 8, after line 42, insert:

"The veterans home board may apply for federal participation in the renovation of the Minneapolis veterans home campus."

Page 8, delete lines 49 to 51

Page 13, delete lines 1 to 5

Page 13, line 6, delete "5" and insert "4"

Page 13, line 10, delete "Subd. 6. [1990 BOND AUTHORIZATION.]"

Page 13, line 12, delete "\$3,905,000" and insert "\$2,500,000"

Adjust totals accordingly

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:

H. F. No. 1750, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative 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 3.971, by adding a subdivision; 3A.02, by adding a subdivision; 13.02, by adding a subdivision; 13.05, subdivision 2; 13.06, subdivisions 1, 4, 5, 6, and 7; 13.07; 15.17, subdivision 1; 15.171; 15.172; 15.173; 15.174; 16A.011, subdivisions 5, 6, and 14; 16A.04, subdivision 1; 16A.055, subdivision 1; 16A.06, subdivision 4; 16A.065; 16A.10, subdivisions 1 and 2; 16A.105; 16A.11, subdivisions 1 and 3; 16A.128, as amended; 16A.129, by adding a subdivision; 16A.15, subdivisions 1, 5, and 6; 16A.17, subdivision 3; 16A.28; 16A.281; 16A.30; 16A.58; 16A.69, subdivision 2; 16A.72; 16B.04, subdivision 2; 16B.24, subdivision 9; 16B.40; 16B.41, as amended; 16B.43; 16B.44; 16B.92; 43A.045; 116.03, subdivision 3; 116J.617, subdivisions 2, 3, and by adding a subdivision; 240A.02, subdivision 1; 240A.03, by adding a subdivision; 270.063; 309.501; 349A.02, subdivision 1; 349A.03, subdivision 2; 352.96, subdivision 3; 354B.05; and 356.24, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 11A; 13; 15; 15B; 16A; 116J; and 116M; repealing Minnesota Statutes 1992, sections 3.3005; 13.02, subdivision 2; 13.072; 16A.095, subdivision 3; 16A.123; 16A.1281; 16A.35; 16A.45, subdivisions 2 and 3; 16A.80; 16B.41, subdivisions 3 and 4; 290A.24; 309.502; and 349A.03, subdivision 3.

Reported the same back with the following amendments:

Page 8, line 31, delete "\$1,171,000" and insert "\$1,271,000"

Page 8, line 32, delete "\$1,172,000" and insert "\$1,272,000"

Page 10, line 4, after the period insert "If the appropriation for the statewide systems project in either year is insufficient, the appropriation for the other year is available."

Page 11, line 51, delete "\$275,000" and insert "\$375,000" and delete "\$270,000" and insert "\$370,000"

Page 48, line 19, delete ". Initially," and insert "only as follows: (1) money may be carried forward and placed in a special account to be used only for nonrecurring expenditures on investments that enhance efficiency or improve effectiveness; and (2)"

Page 48, line 24, after the period insert "The standards and approval of the commissioner of finance under section 16A.28, subdivision 1, do not apply to the legislature."

Page 48, lines 30 and 31, strike "or the year before or after the biennium"

Page 78, line 36, delete "July 1" and insert "June 30"

Page 79, line 37, delete "10,612,000" and insert "12,092,000"

Page 81, after line 19, insert:

"\$24,500 each year is for the Lake Superior Center Authority."

Page 84, line 32, delete "\$264,000" and insert "\$45,000"

Page 84, line 33, delete "financial and"

Adjust the totals accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

S. F. No. 386, A bill for an act relating to drivers' licenses; raising fee for two-wheeled vehicle endorsement; amending Minnesota Statutes 1992, section 171.06, subdivision 2a.

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.

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

S. F. No. 536, A bill for an act relating to sheriffs; imposing on sheriffs a duty to investigate snowmobile accidents; amending Minnesota Statutes 1992, sections 84.86, subdivision 1; 84.872; and 387.03.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 84.86, subdivision 1, is amended to read:

Subdivision 1. With a view of achieving maximum use of snowmobiles consistent with protection of the environment the commissioner of natural resources shall adopt rules in the manner provided by chapter 14, for the following purposes:

- (1) Registration of snowmobiles and display of registration numbers.
- (2) Use of snowmobiles insofar as game and fish resources are affected.
- (3) Use of snowmobiles on public lands and waters ~~under the jurisdiction of the commissioner of natural resources.~~
- (4) Uniform signs to be used by the state, counties, and cities, which are necessary or desirable to control, direct, or regulate the operation and use of snowmobiles.
- (5) Specifications relating to snowmobile mufflers.
- (6) A comprehensive snowmobile information and safety education and training program, including but not limited to the preparation and dissemination of snowmobile information and safety advice to the public, the training of snowmobile operators, and the issuance of snowmobile safety certificates to snowmobile operators who successfully complete the snowmobile safety education and training course. For the purpose of administering such program and to defray a portion of the expenses of training and certifying snowmobile operators, the commissioner shall collect a fee of not to exceed \$5 from each person who receives the training and shall deposit the fee in the snowmobile trails and enforcement account and the amount thereof is appropriated annually to the commissioner of natural resources for the administration of such programs. The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this clause. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of snowmobile operators.
- (7) The operator of any snowmobile involved in an accident resulting in injury requiring medical attention or hospitalization to or death of any person or total damage to an extent of ~~\$100~~ \$500 or more, shall promptly forward a written report of the accident to the commissioner on such form as the commissioner shall prescribe. 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.

Sec. 2. Minnesota Statutes 1992, section 84.872, is amended to read:

84.872 [YOUTHFUL SNOWMOBILE OPERATORS; PROHIBITIONS.]

Notwithstanding anything in section 84.87 to the contrary, no person under 14 years of age shall make a direct crossing of a trunk, county state-aid, or county highway as the operator of a snowmobile, or operate a snowmobile upon a street or highway within a municipality. A person 14 years of age or older, but less than 18 years of age, may make a direct crossing of a trunk, county state-aid, or county highway only if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner or a valid motor vehicle operator's license issued by the commissioner of public safety or the drivers license authority of another state. No person under the age of 14 years shall operate a snowmobile on any public land or water under the jurisdiction of the commissioner unless accompanied by one of the following listed persons on the same or an accompanying snowmobile, or on a device towed by the same or an accompanying snowmobile: the person's parent, legal guardian, or other person 18 years of age or older. However, a person 12 years of age or older may operate a snowmobile on public lands and waters under the jurisdiction of the commissioner if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner.

It is unlawful for ~~the owner of a snowmobile~~ any person who is in lawful control of a snowmobile to permit the snowmobile to be operated contrary to the provisions of this section.

When the judge of a juvenile court, or any of its duly authorized agents, shall determine that any person, while less than 18 years of age, has violated the provisions of sections 84.81 to 84.88, or any other state or local law or ordinance regulating the operation of snowmobiles, the judge, or duly authorized agent, shall immediately report such determination to the commissioner and may recommend the suspension of the person's snowmobile safety certificate. The commissioner is hereby authorized to suspend the certificate, without a hearing.

Sec. 3. Minnesota Statutes 1992, section 84.924, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF NATURAL RESOURCES.] With a view of achieving proper use of all-terrain vehicles consistent with protection of the environment, the commissioner of natural resources shall adopt rules under chapter 14 relating to:

- (1) registration of all-terrain vehicles and display of registration numbers;
- (2) use of all-terrain vehicles insofar as game and fish resources are affected;
- (3) use of all-terrain vehicles on public lands and waters ~~under the jurisdiction of the commissioner of natural resources;~~
- (4) uniform signs to be used by the state, counties, and cities necessary or desirable to control, direct, or regulate the operation and use of all-terrain vehicles; and
- (5) specifications relating to all-terrain vehicle mufflers.

Sec. 4. Minnesota Statutes 1992, 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 \$300 \$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.

Sec. 5. Minnesota Statutes 1992, section 84.9256, subdivision 3, is amended to read:

Subd. 3. [PROHIBITIONS ON OWNER PERSON IN LAWFUL CONTROL.] ~~An owner of~~ It is unlawful for any person who is in lawful control of an all-terrain vehicle ~~may not knowingly allow to permit~~ it to be operated contrary to this section.

Sec. 6. Minnesota Statutes 1992, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter 348, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraphs (b) ~~and~~ (c), and (d).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

(c) The county treasurer shall indicate the amount of the receipts that are assessments or surcharges imposed under section 609.101 and shall submit all of those receipts to the commissioner. The receipts must be credited to the game and fish fund to provide peace officer training for persons employed by the commissioner who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(d) The county treasurer shall submit one-half of the receipts collected from prosecutions of violations of sections 84.81 to 84.91, including receipts that are assessments or surcharges imposed under section 609.101, to the commissioner and credit the balance to the county general fund. The commissioner shall credit these receipts to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 7. Minnesota Statutes 1992, section 387.03, is amended to read:

387.03 [POWERS, DUTIES.]

The sheriff shall keep and preserve the peace of the county, for which purpose the sheriff may require the aid of such persons or power of the county as the sheriff deems necessary. The sheriff shall also pursue and apprehend all felons, execute all processes, writs, precepts, and orders issued or made by lawful authority and to the sheriff delivered, attend upon the terms of the district court, and perform all of the duties pertaining to the office, including investigating recreational vehicle accidents involving personal injury or death that occur outside the boundaries of a municipality, searching and dragging for drowned bodies and searching and looking for lost persons ~~and~~. When authorized by the board of county commissioners of the county the sheriff may purchase boats and other equipment including the hiring of airplanes for ~~such~~ search purposes."

Delete the title and insert:

"A bill for an act relating to recreational vehicles; expanding the jurisdiction of the commissioner of natural resources over the use of snowmobiles and all-terrain vehicles on public lands and waters; changing accident reporting duties; providing that the person in lawful control of a snowmobile or all-terrain vehicle is responsible for the operation of these vehicles by youthful operators; providing that a portion of the fines and assessments collected from recreational vehicle violations shall be credited to the snowmobile trails and enforcement account in the natural resources fund; expanding the duties of the sheriff to include investigating recreational vehicle accidents involving injury or death; amending Minnesota Statutes 1992, sections 84.86, subdivision 1; 84.872; 84.924, subdivisions 1 and 3; 84.9256, subdivision 3; 97A.065, subdivision 2; and 387.03."

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:

S. F. No. 1148, A bill for an act relating to traffic regulations; increasing fees for overweight trucks; authorizing permit to be issued for trailer or semitrailer exceeding 28-1/2 feet in three-vehicle combination; amending Minnesota Statutes 1992, sections 169.81, subdivision 2; and 169.86, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 169.81, subdivision 2, is amended to read:

Subd. 2. [LENGTH OF SINGLE VEHICLE.] (a) No single unit motor vehicle, except mobile cranes which may not exceed 48 feet, unladen or with load may exceed a length of 40 feet extreme overall dimensions inclusive of front and rear bumpers, except that the governing body of a city is authorized by permit to provide for the maximum length of a motor vehicle, or combination of motor vehicles, or the number of vehicles that may be fastened together, and which may be operated upon the streets or highways of a city; provided, that the permit may not prescribe a length less than that permitted by state law. A motor vehicle operated in compliance with the permit on the streets or highways of the city is not in violation of this chapter.

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

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

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

(2) the tow bar assembly; and

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

The commissioner may not grant a permit authorizing the movement, in a three-vehicle combination, of a semitrailer or trailer that exceeds 28-1/2 feet, except that the commissioner may renew a permit that was granted before April 16, 1984, for the movement of a semitrailer or trailer that exceeds the length limitation in this paragraph, or may grant a permit authorizing the transportation of empty trailers that exceed 28-1/2 feet, when using a B-train hitching mechanism as defined in Code of Federal Regulations, title 23, section 658.5, paragraph (o), from a point of manufacture in the state to the state border.

Sec. 2. Minnesota Statutes 1992, section 169.86, subdivision 5, is amended to read:

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

(a) \$15 for each single trip permit.

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

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

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

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

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

(4) special pulpwood vehicles described in section 169.863.

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

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes;

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

(5) double-deck buses;

(6) commercial boat hauling.

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

Overweight Axle Group Cost Factors

Weight (pounds) exceeding weight limi- tations on axles	Cost Per Mile For Each Group Of:		
	Two consec- utive axles spaced within 8 feet or less	Three consec- utive axles spaced within 9 feet or less	Four consec- utive axles spaced with- in 14 feet or less
0-2,000	<u>.100</u> .12	<u>.040</u> .05	<u>.036</u> .04
2,001-4,000	<u>.124</u> .14	<u>.050</u> .06	<u>.044</u> .05
4,001-6,000	<u>.150</u> .18	<u>.062</u> .07	<u>.050</u> .06
6,001-8,000	Not permitted <u>.21</u>	<u>.078</u> <u>.09</u>	<u>.056</u> <u>.07</u>
8,001-10,000	Not permitted <u>.26</u>	<u>.094</u> <u>.10</u>	<u>.070</u> <u>.08</u>
10,001-12,000	Not permitted <u>.30</u>	<u>.116</u> <u>.12</u>	<u>.078</u> <u>.09</u>
12,001-14,000	Not permitted	<u>.140</u> <u>.14</u>	<u>.094</u> <u>.11</u>
14,001-16,000	Not permitted	<u>.168</u> <u>.17</u>	<u>.106</u> <u>.12</u>
16,001-18,000	Not permitted	<u>.200</u> <u>.19</u>	<u>.128</u> <u>.15</u>
18,001-20,000	Not permitted	Not permitted	<u>.140</u> <u>.16</u>
20,001-22,000	Not permitted	Not permitted	<u>.168</u> <u>.20</u>

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

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

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

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

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

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

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.825, subdivision 14, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds."

Delete the title and insert:

"A bill for an act relating to traffic regulations; increasing fees for overweight trucks; authorizing permit to be issued for trailer or semitrailer exceeding 28-1/2 feet in three-vehicle combination; amending Minnesota Statutes 1992, sections 169.81, subdivision 2; and 169.86, 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.

Rice from the Committee on Economic Development, Infrastructure and Regulation Finance to which was referred:

S. F. No. 1244, A bill for an act relating to the Minnesota historical society; recodifying the historic sites act of 1965; proposing coding for new law in Minnesota Statutes, chapter 138; repealing Minnesota Statutes 1992, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [138.661] [STATE HISTORIC SITE NETWORK.]

Subdivision 1. [SCOPE.] Historic sites in section 2 constitute the state historic site network. The sites are significant state resources that the Minnesota historical society is preserving, developing, interpreting, and maintaining for public use, benefit, and access during open hours.

Subd. 2. [AUTHORITY.] The Minnesota historical society shall exercise the administration and control of the sites in section 2 other than the Minnesota State Capitol, preserve their historic features, conduct archaeological investigations, establish necessary interpretive centers, and perform additional duties and services at the sites necessary to meet their educational mission. Ownership of the properties is either by the state or the Minnesota historical society. The Minnesota historical society may contract with existing state departments and agencies for materials and services, including utility services, necessary for the administration and maintenance of the sites listed in section 2. The authority of the commissioner of natural resources to administer and control the historic sites enumerated in section 2 is withdrawn, and is conferred upon the Minnesota historical society. The commissioner of natural resources shall continue to administer and control the state parks enumerated in this section excepting the portions designated as historic sites, the administration and control of which is by this section vested in the Minnesota historical society.

Subd. 3. [SELECTION CRITERIA.] The criteria for selecting historic sites for the state historic site network is described in section 86A.05, subdivision 11, paragraph (b).

Subd. 4. [PUBLIC ACCESS AND USE.] Historic sites in the state historic site network shall be developed and interpreted by the Minnesota historical society for public use and access with state appropriations or with other nonstate sources of funding designated for that purpose. Public use may be limited to a seasonal basis as determined by the Minnesota historical society.

Subd. 5. [MASTER PLANS.] Historic sites in the state historic site network shall be developed and operated in accordance with master plans as described in section 86A.09.

Sec. 2. [138.662] [HISTORIC SITES.]

Subdivision 1. [NAMED.] Historic sites established and confirmed as historic sites together with the counties in which they are situated are listed in this section and shall be named as indicated in this section.

Subd. 2. Alexander Ramsey House; Ramsey county.

Subd. 3. Birch Coulee Battlefield; Renville county.

Subd. 4. Bourassa's Fur Post; St. Louis county.

Subd. 5. Burbank Livingston Griggs House; Ramsey county.

Subd. 6. Camp Coldwater; Hennepin county.

Subd. 7. Charles A. Lindbergh House; Morrison county.

Subd. 8. Folsom House; Chisago county.

Subd. 9. Forest History Center; Itasca county.

Subd. 10. Fort Renville; Chippewa county.

Subd. 11. Fort Ridgely; Nicollet county.

Subd. 12. Grand Mound; Koochiching county.

Subd. 13. Harkin Store; Nicollet county.

Subd. 14. Historic Fort Snelling; Hennepin county.

Subd. 15. Itasca Headwaters; Clearwater county.

Subd. 16. James J. Hill House; Ramsey county.

Subd. 17. Jeffers Petroglyphs; Cottonwood county.

Subd. 18. Lac Qui Parle Mission; Chippewa county.

Subd. 19. Lower Sioux Agency; Redwood county.

Subd. 20. Marine Mill; Washington county.

Subd. 21. Meighen Store; Fillmore county.

Subd. 22. Mille Lacs Indian Museum; Mille Lacs county.

- Subd. 23. Minnehaha Depot; Hennepin county.
- Subd. 24. Minnesota State Capitol; Ramsey county.
- Subd. 25. Morrison Mounds; Otter Tail county.
- Subd. 26. North West Company Fur Post; Pine county.
- Subd. 27. Oliver H. Kelley Farm; Sherburne county.
- Subd. 28. Solomon G. Comstock House; Clay county.
- Subd. 29. Split Rock Lighthouse; Lake county.
- Subd. 30. Stumne Mounds; Pine county.
- Subd. 31. Trail Along Railroad Right-Of-Way; Hennepin county.
- Subd. 32. Traverse Des Sioux; Nicollet county.
- Subd. 33. Upper Sioux Agency; Yellow Medicine county.
- Subd. 34. William G. Le Duc House; Dakota county.
- Subd. 35. William W. Mayo House; Le Sueur county.

Sec. 3. [138.663] [STATE REGISTER OF HISTORIC PLACES.]

Subdivision 1. [POLICY.] The land and water areas in section 4 comprise the state register of historic places. In the effort to preserve the historical values of the state, outstanding properties possessing historical, architectural, archaeological, and aesthetic values are of paramount importance in the development of the state; in the face of ever increasing extensions of urban centers, highways, and residential, commercial, and industrial developments, it is important to inventory historical values. It is in the public interest to provide a register of these historic properties which represent and reflect elements of the state's cultural, social, economic, religious, political, architectural, and aesthetic heritage. The properties in section 4 are not operated by the Minnesota historical society for historical interpretive or public use and access purposes.

Subd. 2. [SELECTION CRITERIA.] Historic properties selected for inclusion in the State Register of Historic Places are based on the following criteria:

(1) the quality of significance in American history, architecture, archaeology, engineering, and culture that is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association;

(2) association with events that have made a significant contribution to the broad patterns of our history;

(3) association with the lives of persons significant in our past;

(4) embodiment of the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

(5) the yielding or likelihood of yielding information pertinent in prehistory or history.

Sec. 4. [138.664] [HISTORIC PLACES.]

Subdivision 1. [NAMED.] Historic places established and confirmed as historic places together with the counties in which they are situated are listed in this section and shall be named as indicated in this section.

Subd. 2. 1848 Convention Site; Washington county.

Subd. 3. Administration Building 10 at the Minnesota Veterans Home; Hennepin county.

Subd. 4. Aerial Lift Bridge; St. Louis county.

Subd. 5. Alexander Faribault House; Rice county.

Subd. 6. Andrew J. Volstead House; Yellow Medicine county.

Subd. 7. August Schell Brewing Company; Brown county.

Subd. 8. Battle Point; Cass county.

Subd. 9. Blue Mound; Rock county.

Subd. 10. Bradbury Homestead; Otter Tail county.

Subd. 11. Brooklyn Farm (Earle Brown Farm); Hennepin county.

Subd. 12. Browns Valley Site; Traverse county.

Subd. 13. Buffalo Ridge; Murray county.

Subd. 14. Camp Pope; Redwood county.

Subd. 15. Cantonment New Hope; Dakota county.

Subd. 16. Carver's Cave; Ramsey county.

Subd. 17. Chapel St. Paul; Ramsey county.

Subd. 18. Consumers Pure Ice and Storage Company Building; Benton county.

Subd. 19. Continental Divide; St. Louis county.

Subd. 20. Continental Divide; Traverse county.

Subd. 21. Cook-Hormel House; Mower county.

Subd. 22. Duluth Ship Canal; St. Louis county.

Subd. 23. Duluth Union Depot; St. Louis county.

Subd. 24. E. J. Longyear First Diamond Drill Site; St. Louis county.

Subd. 25. Eugene Saint Julien Cox House; Nicollet county.

Subd. 26. Falls of St. Anthony; Hennepin county.

Subd. 27. Flat Lake Mounds; Becker county.

Subd. 28. Fort Beauharnois; Goodhue county.

Subd. 29. Fort Pomme De Terre, Pelican Lake Township; Grant county.

Subd. 30. Fort Ripley; Morrison county.

Subd. 31. Fort St. Charles; Lake of the Woods county.

Subd. 32. Frank B. Kellogg House; Ramsey county.

- Subd. 33. F. Scott Fitzgerald House; Ramsey county.
- Subd. 34. Fugle's Mill; Olmsted county.
- Subd. 35. Gideon H. and Sarah Pond House; Hennepin county.
- Subd. 36. Grand Army of the Republic Hall; Meeker county.
- Subd. 37. Grand Portage; Cook county.
- Subd. 38. Grand Portage of the Saint Louis River; Carlton county.
- Subd. 39. Height of Land; Cook county.
- Subd. 40. Historic Hill District; Ramsey county.
- Subd. 41. Hull-Rust-Mahoning Mine; St. Louis county.
- Subd. 42. Indian Mounds Park Site; Ramsey county.
- Subd. 43. Ingeborg and Olof Swensson Farmstead; Chippewa county.
- Subd. 44. Irvine Park Historic District; Ramsey county.
- Subd. 45. Joseph R. Brown Historical Interpretive Center; Sibley county.
- Subd. 46. Joseph R. Brown House Ruins; Renville county.
- Subd. 47. Kari and Thomas Veblen Farmstead; Rice county.
- Subd. 48. Kensington Runestone Discovery Site; Douglas county.
- Subd. 49. Kettle Falls Hotel; St. Louis county.
- Subd. 50. Larson Mill; Marshall county.
- Subd. 51. Malmo Mounds and Village Site; Aitkin county.
- Subd. 52. Matilda and Willard Bunnell House; Winona county.
- Subd. 53. May and Ray B. Hinkly House; Rock county.
- Subd. 54. Mayowood; Olmsted county.
- Subd. 55. Mendota Historic District; Dakota county.
- Subd. 56. Milwaukee Avenue Historic District; Hennepin county.
- Subd. 57. Minnehaha Falls; Hennepin county.
- Subd. 58. Minnesota Historical Society Building; Ramsey county.
- Subd. 59. Minnesota Point Lighthouse; St. Louis county.
- Subd. 60. Minnesota Woman Site; Otter Tail county.
- Subd. 61. Mountain Iron Mine; St. Louis county.
- Subd. 62. National Farmers' Bank of Owatonna; Steele county.

- Subd. 63. New Ulm Post Office; Brown county.
- Subd. 64. Nicollet Island; Hennepin county.
- Subd. 65. Northcote Stock and Grain Farm; Kittson county.
- Subd. 66. Northern Pacific Railroad Shops; Crow Wing county.
- Subd. 67. Northwest Point; Lake of the Woods county.
- Subd. 68. Noyes Hall and Tate Hall, State School for the Deaf; Rice county.
- Subd. 69. O. E. Rolvaag House; Rice county.
- Subd. 70. Old Crossing; Red Lake county.
- Subd. 71. Old Crow Wing; Crow Wing county.
- Subd. 72. Old Federal Courts Building; Ramsey county.
- Subd. 73. Old Fort Snelling Historic District; Hennepin county.
- Subd. 74. Old Frontenac Historic District; Goodhue county.
- Subd. 75. Old State Capitol Site; Ramsey county.
- Subd. 76. Ole and Sigrud Bakken Cabin; Polk county.
- Subd. 77. Orwell Site; Otter Tail county.
- Subd. 78. Ottawa Methodist Church; Le Sueur county.
- Subd. 79. Peter and Wealthy Gideon Farmhouse; Hennepin county.
- Subd. 80. Pickwick Mill; Winona county.
- Subd. 81. Pierre Bottineau Gravesite; Red Lake county.
- Subd. 82. Ramsey Mill; Dakota county.
- Subd. 83. Red Pipestone Quarry; Pipestone county.
- Subd. 84. Redwood Ferry; Renville county.
- Subd. 85. Rensselaer D. Hubbard House; Blue Earth county.
- Subd. 86. Robert F. Jones (Longfellow) House; Hennepin county.
- Subd. 87. Saint John the Divine Episcopal Church; Clay county.
- Subd. 88. Sandstone School; Pine county.
- Subd. 89. Saum Schools; Beltrami county.
- Subd. 90. Savanna Portage; Aitkin county.
- Subd. 91. Seppman Mill; Blue Earth county.
- Subd. 92. Shakopee Historical District; Scott county.

- Subd. 93. Sinclair Lewis Childhood Home; Stearns county.
- Subd. 94. Site of Hanging 38 Sioux; Blue Earth county.
- Subd. 95. Soudan Mine; St. Louis county.
- Subd. 96. Source of the Mississippi River; Clearwater county.
- Subd. 97. State Training School; Goodhue county.
- Subd. 98. St. Croix Boom Site; Washington county.
- Subd. 99. St. John's Abbey and University Historic District, Collegeville; Stearns county.
- Subd. 100. Taylors Falls Public Library; Chisago county.
- Subd. 101. Theodore Wegmann Cabin; Clearwater county.
- Subd. 102. Thoreson House; Lac Qui Parle county.
- Subd. 103. Washington County Courthouse; Washington county.
- Subd. 104. Wasioja Seminary; Dodge county.
- Subd. 105. Wayzata Depot; Hennepin county.
- Subd. 106. Wendelin Grimm Farmstead; Carver county.
- Subd. 107. White Oak Point Site; Itasca county.
- Subd. 108. Winnebago Agency House; Blue Earth county.
- Subd. 109. Winnebago Agency Store; Blue Earth county.
- Subd. 110. Winona County Courthouse; Winona county.
- Subd. 111. Witch Tree; Cook county.
- Subd. 112. Wood Lake Battlefield; Yellow Medicine county.
- Subd. 113. Yucatan Fort Site; Houston county.
- Subd. 114. Zebulon Pike's 1805-1806 Wintering Headquarters; Morrison county.

Sec. 5. [138.665] [DUTIES OF THE STATE IN REGARD TO HISTORIC PROPERTIES.]

Subdivision 1. [NOTICE.] The state, state departments, agencies, and political subdivisions, including the board of regents of the University of Minnesota, are by sections 1 to 4 and by this section notified of the existence of the state historic site network, state register of historic places, and the National Register of Historic Places.

Subd. 2. [MEDIATION.] The state, state departments, agencies, and political subdivisions, including the board of regents of the University of Minnesota, have a responsibility to protect the physical features and historic character of properties designated in sections 2 and 4 or listed on the National Register of Historic Places created by Public Law Number 89-665. Before carrying out any undertaking that will affect designated or listed properties, or funding or licensing an undertaking by other parties, the state department or agency shall consult with the Minnesota historical society pursuant to the society's established procedures to determine appropriate treatments and to seek ways to avoid and mitigate any adverse effects on designated or listed properties. If the state department or agency and the Minnesota historical society agree in writing on a suitable course of action, the project may proceed. If the parties cannot agree, any one of the parties may request that the governor appoint and convene a mediation task force consisting of five members, two appointed by the governor, the chair of the state review board of the state historic

preservation office, the commissioner of administration or the commissioner's designee, and one member who is not an employee of the Minnesota historical society appointed by the director of the society. The two appointees of the governor and the one of the director of the society shall be qualified by training or experience in one or more of the following disciplines: (1) history; (2) archaeology; and (3) architectural history. The mediation task force is not subject to the conditions of section 15.059. This subdivision does not apply to section 2, subdivision 24, and section 4, subdivisions 8 and 111.

Subd. 3. [NOTICE TO MINNESOTA HISTORICAL SOCIETY OF LAND ACQUISITION.] If the state or a governmental subdivision acquires any of the property in section 4, it is the duty of the officer in charge of the acquisition to notify in writing, as promptly as possible, the Minnesota historical society of the acquisition.

Sec. 6. [138.666] [COOPERATION.]

The state, state departments and agencies, political subdivisions, and the board of regents of the University of Minnesota shall cooperate with the Minnesota historical society in safeguarding state historic sites and in the preservation of historic and archaeological properties.

Sec. 7. [138.667] [HISTORIC PROPERTIES; CHANGES.]

Properties designated as historic properties by sections 1 to 4 may be changed from time to time, and the Minnesota historical society shall notify the legislature of the need for changes, and shall make recommendations to keep the state historic sites network and the State Register of Historic Places current and complete. The significance of properties proposed for designation shall be documented under the documentation standards established by the Minnesota historical society. This documentation shall include the opinion of the Minnesota historical society as to whether the property meets the selection criteria.

Sec. 8. [138.668] [ADMISSION FEES.]

The Minnesota historical society may establish and collect reasonable fees for admission to state-owned historic sites in the state historic site network in section 1 for deposit in an account in the state treasury. These fees shall be available to the society.

Sec. 9. [138.669] [CONTRACTS FOR HISTORIC SITE MANAGEMENT.]

The Minnesota historical society may contract with a county, municipality, or a county or local historical society for the management and operation of sites in the state historic site network. Notwithstanding section 8, the contract may provide for the retention of admission fees received by the management unit and for grants-in-aid to the management unit for use in the site's operation and maintenance.

Sec. 10. [138.6691] [CITATION.]

Sections 138.661 to 138.669 may be cited as the "Minnesota historic sites act."

Sec. 11. [138.96] [RECORDED MUSIC CENTER.]

Subdivision 1. [DEFINITION.] "Recorded music center" means an area in the state history center to collect recorded music produced in Minnesota which is made by Minnesota performers and composers.

Subd. 2. [COOPERATION.] The historical society shall coordinate collecting activities relating to this act with other Minnesota archives and libraries.

Subd. 3. [NOTIFICATION.] The historical society shall notify and encourage producers of music, including musical groups, to offer one copy of each recorded music item to the historical society for consideration as an addition to its collections. Items the society accepts for deposit shall be a part of the recorded music center.

Sec. 12. [CARVER'S CAVE STUDY.]

The historical society, in consultation and considering recommendations of the city of St. Paul, the department of natural resources and the Indian affairs council, must review the use and interpretation of Carver's Cave historic place in St. Paul, including the potential for a park, picnic area, historic site, interpretive area, or other appropriate use.

The society shall report its findings and recommendations to the economic development, infrastructure and regulation finance committee in the house and the state government division of the finance committee in the senate by February 1, 1994.

Sec. 13. [REVISOR INSTRUCTION.]

The revisor need not include the legal description for each named historic site in section 2 and each named historic place in section 4, but must include a history of the session laws establishing or amending the boundaries of the historic sites or places under each subdivision in the same manner as provided for state parks under Minnesota Statutes, section 85.012.

The lands described in the session laws establishing or changing the boundaries of each historic site or place are included in the historic sites or places as established or changed.

Sec. 14. [REPEALER.]

Minnesota Statutes 1990, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66, are repealed."

Delete the title and insert:

"A bill for an act relating to the Minnesota historical society; recodifying the historic sites act of 1965; providing for a recorded music center; requiring a study of Carver's Cave; proposing coding for new law in Minnesota Statutes, chapter 138; repealing Minnesota Statutes 1992, sections 138.025; 138.027; 138.52; 138.53; 138.55; 138.56; 138.58; 138.59; 138.60; 138.61; 138.62; 138.63; 138.64; 138.65; and 138.66."

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. Nos. 1042, 1131, 1178, 1301, 1436, 1585, 1749 and 1750 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 240, 429, 636, 639, 653, 782, 1006, 1129, 1171, 1221, 1315, 1368 and 1496 were read for the second time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Greenfield moved that the rule therein be suspended and an urgency be declared so that S. F. No. 1496 be given its third reading and be placed upon its final passage. The motion prevailed.

Greenfield moved that the Rules of the House be so far suspended that S. F. No. 1496 be given its third reading and be placed upon its final passage. The motion prevailed.

S. F. No. 1496 was reported to the House.

Greenfield moved to amend S. F. No. 1496, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HUMAN SERVICES APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this 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 fiscal year ending June 30, 1994, or June 30, 1995, respectively.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$2,052,768,000	\$2,164,484,000	\$4,217,252,000
State Government Special Revenue	214,000	205,000	419,000
TOTAL	\$2,052,982,000	\$2,164,689,000	\$4,217,671,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Sec. 2. COMMISSIONER OF HUMAN SERVICES

Subdivision 1. Appropriation by Fund

General Fund	2,051,858,000	2,163,576,000
State Government Special Revenue Fund	214,000	205,000

Subd. 2. Finance and Management Administration

General	\$22,349,000	\$21,344,000
State Government Special Revenue	\$214,000	\$205,000

For the biennium ending June 30, 1995, federal money received in excess of the estimates shown in 1994-1995 proposed biennial budget document for the department of human services reduces the state appropriation by the amount of the excess receipts, unless the governor directs otherwise after consulting with the legislative advisory commission.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

For the biennium ending June 30, 1995, if the amount of federal money anticipated to be received is less than the estimates shown in the 1994-1995 proposed biennial budget document for the department of human services, the commissioner of finance shall reduce the amount available from the direct appropriation by a corresponding amount. The reductions must be noted in the budget document submitted to the 80th legislature, in addition to an estimate of similar federal money anticipated for the biennium ending June 30, 1997. At the end of fiscal year 1994 and 1995 the chairs of the human services division of the house health and human services committee and the health care and family services finance division of the senate committees on health care and family services shall receive written notification explaining these reductions.

For the biennium ending June 30, 1995, the commissioner of human services, with the approval of the commissioner of finance and by direction of the governor after consulting with the legislative advisory commission, may transfer unencumbered appropriation balances among the aid to families with dependent children, AFDC child care, general assistance, general assistance medical care, medical assistance, Minnesota supplemental aid, and work readiness programs, and the entitlement portion of the chemical dependency consolidated treatment fund, and between fiscal years of the biennium.

Effective the day following final enactment, the commissioner of human services, with the approval of the commissioner of finance, and upon notification of the chairs of the human services division of the house health and human services committee and the health care and family services finance division of the senate committees on health care and family services may transfer unencumbered appropriation balances for fiscal year 1993 among the aid to families with dependent children, general assistance, general assistance medical care, medical assistance, Minnesota supplemental aid, and work readiness programs.

For the biennium ending June 30, 1995, appropriations and federal receipts for the following information system projects must be deposited in the state systems account authorized in Minnesota Statutes, section 256.014: MAXIS, the child support enforcement system, and the Medicaid management information system. Money appropriated for these computer projects approved by the information policy office, funded by the legislature, and approved by the commissioner of finance may be transferred from one project to another, and from development to operations, as the commissioner of human services considers necessary. Any unexpended balance in an appropriation for these projects does not cancel, but is available to pay for ongoing development or operations or both.

The commissioner of human services shall establish a special revenue fund account to manage shared communication costs necessary for the operation of the programs the commissioner supervises. The commissioner may distribute the costs of operating

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

and maintaining communication systems to participants in a manner that reflects actual system usage. Costs may include acquisition, licensing, insurance, maintenance, repair, staff time and other direct costs as determined by the commissioner. The commissioner of human services may accept for and on behalf of the state any gift, bequest, devise, or personal property of any kind or money tendered to the state for any purpose pertaining to the communication activities of the department. Any money so received must be deposited in the state communication systems account. Money collected by the commissioner for the use of communication systems must be deposited in the state communication systems account and is appropriated to the commissioner for purposes of this section.

For the biennium ending June 30, 1995, the commissioner of human services may transfer money from nonsalary accounts to salary accounts, and unencumbered salary money may be transferred to the next fiscal year, in order to avoid layoffs. Before these transfers may be made the commissioner must have received the advance approval of the commissioner of finance, and must have notified the chairs of the human services division of the house health and human services committee and the health care and family services finance division of the senate committees on health care and family services about the transfers. Amounts transferred to fiscal year 1995 shall not increase the base funding level of the appropriation for the following biennium. The commissioner shall not transfer money to or from the "grants and aid" object of expenditure without the written approval of the governor after consulting with the legislative advisory commission.

Before hardware or software can be purchased by the department of human services, there must be information policy office approval that all appropriate policies, standards, and budget review requirements and recommendations have been met.

Money appropriated to Beltrami and Clearwater counties for purposes of Minnesota Statutes, section 245.765, subdivision 1, for the biennium ending June 30, 1995, is available for either year of the biennium.

The commissioner of health shall begin discussions with those local units of government to whom the commissioner has delegated all or part of the licensing, inspection, reporting, and enforcement duties authorized under Minnesota Statutes, section 145A.07. These discussions may be designed to recommend an orderly transition period in which the commissioner will be responsible for all inspections authorized by law under Minnesota Statutes, section 145A.07.

The commissioners of health and agriculture shall also begin a process in which the inspection of all grocery stores may be delegated to the commissioner of health.

The commissioners' report shall be made to the chairs of the house committees on agriculture and health and human services, and of

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the senate committees on agriculture and rural development and health care, by January 15, 1994. Licensing fees for food, beverage, and lodging establishments may not be increased in a retroactive manner until the appropriate legislative committees have had an opportunity to examine the appropriateness of such increases.

Subd. 3. Social Services Administration

General

\$65,350,000

\$67,783,000

All of the fees paid to the commissioner for interpreter referral services for people with hearing impairments shall be used for direct client referral activities. None of the fees shall be used to pay for state agency administrative and support costs.

The supplemental funding for nutrition programs serving counties where congregate and home-delivered meals were locally financed prior to participation in the nutrition program of the Older Americans Act shall be awarded at the same levels as in fiscal year 1993.

The Minnesota board on aging, in cooperation with the area agencies on aging and statewide senior citizen organizations, shall develop and present to the legislature by February 1, 1994, a plan for operating the aging ombudsman programs through grants to private, nonprofit organizations. Goals of the plan and its implementation are to improve advocacy services for nursing home residents, acute care patients and home care clients by strengthening quality, access, and independence, as well as by taking full advantage of local matching funds.

For the biennium ending June 30, 1995, the amount of state semi-independent living services (SILS) funds and funds transferred to the state medical assistance account for the purpose of transferring certain persons from the SILS program to the home and community-based waived services program for persons with mental retardation or related conditions, shall be based on each county's participation in transferring persons to the waiver program. Funds shall not be transferred for any person until that person begins receiving waived services. No person for whom these funds are transferred shall be required to obtain a new living arrangement, notwithstanding Minnesota Statutes, section 252.28, subdivision 3, paragraph (4) and Minnesota Rules, parts 9525.1800, subpart 26a and 9525.1860, subpart 6. When supported living services are provided to persons for whom these funds are transferred, the commissioner may substitute the licensing standards of Minnesota Rules, parts 9525.0500 to 9525.0660 for Minnesota Rules, parts 9525.2000 to 9525.2140 if the services remain nonresidential as defined in Minnesota Statutes, section 245A.02, subdivision 10.

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For the biennium ending June 30, 1995, and contingent upon federal approval of expanding eligibility for home and community-based services for persons with mental retardation or related conditions, the commissioner shall reduce the state semi-independent living services (SILS) payments to each county by the total medical assistance expenditures for nonresidential services attributable to former SILS recipients transferred by the county to the home and community-based services program for persons with mental retardation or related conditions. The commissioner shall transfer to the state medical assistance account an amount equal to the nonfederal share of the nonresidential services under the home and community-based services for persons with mental retardation or related conditions. Of the remaining SILS funds, 80 percent shall be returned to the SILS grant program to provide additional SILS services and 20 percent shall be transferred to the general fund.

For the biennium ending June 30, 1995, an additional \$20,000 per year is appropriated from the children's trust fund account to the children's trust fund special revenue fund for administration and indirect costs of the program.

From money appropriated in this subdivision, the commissioner shall make a concentrated residential area action planning grant to a city. The city must have at least 30 percent renter-occupied housing. The action plan must address an area within the city, containing at least 20 percent of the city's population and at least three percent of its land area. The median household income of the area must be 80 percent or less than the county median income. Residential buildings in the area must be at least 50 percent renter-occupied with 50 percent or more built before 1970. The state grant must be equally matched by the city.

The area plan developed with this appropriation must describe:

- (1) the area, its residents, and its needs;
- (2) residential structures, tenure, turnover, and vacancy rates;
- (3) public facilities and their conditions;
- (4) redevelopment objectives and the means to achieve them;
- (5) strategies and recommendations to preserve housing and to assist residents to achieve self-sufficiency; and
- (6) how area residents have been involved in developing the plan.

The commissioner of human services shall study and report on the adequacy and effectiveness of investigations of child maltreatment in day care centers licensed under Minnesota Rules, parts 9503.0005 to 9503.0175. The commissioner shall report back to the legislature by February 1, 1994, with recommendations on whether the county or state agency should conduct such investigations. In preparing the study, the commissioner shall consult with providers and representatives of county social service agencies.

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\$57,000 of the funds appropriated to the commissioner of human services for the biennium ending June 30, 1995 for operation of the Early Childhood Care and Education Council under Minnesota Statutes, section 256H.195, shall be used to enable the commissioner to contract with the greater Minneapolis day care association to establish a pilot apprenticeship program for training child care workers.

The pilot project shall be designed to provide (1) in-service training, (2) coursework, and (3) salary upgrades, for child care workers employed in facilities licensed by the commissioner of human services under Minnesota Rules, chapters 9502 and 9503. Projects shall be designed to train child care workers to qualify as assistant teachers, teachers, and in-service trainers or mentors, in a sequenced professional development program. The commissioner shall evaluate the pilot projects and shall present a report to the legislature by February 15, 1995.

The report shall contain recommendations on the feasibility of establishing a statewide apprenticeship program for training child care workers.

Of this appropriation, \$300,000 is available for the planning and design stage for the social services information system, which shall include:

- (a) general requirements definition for the county-based system and the state system;
- (b) detailed design specifications;
- (c) system life cycle analysis, including detailed analysis of system size and scope during its life cycle; and
- (d) implementation plan, including detailed estimates of costs to implement and operate the system.

The department shall prepare a report to the legislature in January 1994 specifying the costs required to implement and operate the system and the federal financial participation rates expected, and seeking approval for continuation of development and implementation.

For the biennium ending June 30, 1995, money is appropriated each year to provide a grant to the New Chance demonstration project that provides comprehensive services to young AFDC recipients who became pregnant as teenagers and dropped out of high school. The commissioner of human services shall provide an annual report on the progress of the demonstration project, including specific data on participant outcomes in comparison to a control group that received no services. The commissioner shall also include recommendations on whether strategies or methods that have proven successful in the demonstration project should be incorporated into the STRIDE employment program for AFDC recipients.

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Subd. 4. Health Care Administration

General

\$1,351,039,000

\$1,491,708,000

Notwithstanding Minnesota Statutes, section 13.03, subdivision 5, the rate-setting computer program except the edits and screens for nursing home payment rates is not trade secret information and is public data not on individuals. If a person requests this data, the commissioner of human services shall require the requesting person to pay no more than the actual costs of searching for and retrieving the data, including the cost of employee time, and for making, certifying, compiling, and electronically transmitting the copies of the data or the data, but may not charge for separating public data from not public data.

For the biennium ending June 30, 1995, medical assistance and general assistance medical care payments for mental health services provided by masters-prepared mental health professionals, except services provided by community mental health centers, shall be 75 percent of the rate paid to doctoral-prepared professionals.

For the biennium ending June 30, 1995, money appropriated for preadmission screening and the alternative care program for fiscal year 1995 may be used for these purposes in fiscal year 1994.

For the biennium ending June 30, 1995, in the event that a large community-based facility licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, for more than 16 beds, but not certified as an intermediate care facility for persons with mental retardation or related conditions, closes and alternative services for the residents are necessary, the commissioner may transfer on a quarterly basis to the state medical assistance account from each affected county's community social service allocation an amount equal to the state share of medical assistance reimbursement for such residential and day habilitation services funded by the medical assistance program and provided to clients for whom the county is financially responsible.

For the biennium ending June 30, 1995, the nonfederal share of the costs of case management services provided to persons with mental retardation or related conditions who are relocated from nursing facilities as required by federal law and who receive home- and community-based services that are funded through the waiver granted under section 1915(c)(7)(B) of the Social Security Act shall be provided from state-appropriated funding for medical assistance grants. The division of cost is subject to Minnesota Statutes, section 256B.19, and the services are included as covered programs and services under Minnesota Statutes, section 256.025, subdivision 2.

For the biennium ending June 30, 1995, any money allocated to the alternative care program that is not spent for the purposes indicated does not cancel, but shall be transferred to the medical assistance account.

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Effective for money received on or after March 25, 1993, and during the biennium ending June 30, 1995, the state share of the settlement from the Sandoz company clozaril litigation shall be dedicated to the commissioner of human services to supplement the HIV drug program that is funded through the federal Ryan White Act.

For the biennium ending June 30, 1995, the pharmacy dispensing fee shall be \$4.10 per prescription.

For the biennium ending June 30, 1995, up to \$40,000 of the appropriation for the preadmission screening and alternative care programs for fiscal year 1994 may be transferred to the health care administration account to pay the state's share of county claims for conducting nursing home assessments for persons with mental illness or mental retardation that are required by Public Law Number 100-203.

Money appropriated in fiscal year 1994 for the administration and handling of vaccinations purchased from the Centers for Disease Control shall be transferred to the commissioner of health and is available until expended. The administration and handling must be done in a cost-effective manner, either by using existing storage capacity at the department of health, or by contracting out to a private vendor.

For the fiscal year ending June 30, 1994, a newly constructed or newly established intermediate care facility for the mentally retarded that is developed and financed during that period shall not be subject to the equity requirements in Minnesota Statutes, section 256B.501, subdivision 11, paragraph (d), or in Minnesota Rules, part 9553.0060, subpart 3, item F, provided that the provider's interest rate does not exceed the interest rate available through state agency tax-exempt financing.

For the fiscal year ending June 30, 1994, if a facility which is in receivership under Minnesota Statutes, section 245A.12 or 245A.13, is sold to an unrelated organization: (a) notwithstanding Minnesota Statutes, section 256B.501, subdivision 11, the facility shall be considered a new facility for rate setting purposes; and (b) the facility's historical basis for the physical plant, land, and land improvements for each facility must not exceed the prior owner's aggregate historical basis for these same assets for each facility. The allocation of the purchase price between land, land improvements, and physical plant shall be based on the real estate appraisal using the depreciated replacement cost method.

For the biennium ending June 30, 1995, the preadmission screening payment to a county not participating in projects under Minnesota Statutes, section 256B.0917, shall be the greater of the county's fiscal year 1993 payment or the county's fiscal year 1993 estimate as provided to the commissioner of human services by February 15, 1992.

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For the biennium ending June 30, 1995, counties shall receive payment for screening activities in fiscal years 1994 and 1995 identical to the payment they were allotted in fiscal year 1993, except that counties participating in projects under Minnesota Statutes, section 256B.0917, and that did not receive an inflation adjustment for fiscal year 1993 shall receive a one-time five percent inflation adjustment to the payment that they were allotted in fiscal year 1993.

For the biennium ending June 30, 1995, the commissioner of human services shall grant inflation adjustments for nursing facilities with rate years beginning during the biennium according to Minnesota Statutes, section 256B.431, subdivision 21, and shall grant inflation adjustments for intermediate care facilities for persons with mental retardation or related conditions with rate years beginning during the biennium according to Minnesota Statutes, section 256B.501, subdivision 3c.

For the fiscal year beginning July 1, 1994, the commissioner shall provide intermediate care facilities for persons with mental retardation and related conditions with an additional inflation adjustment of 1.5 percent. This inflation adjustment is in addition to the adjustment provided for that fiscal year using the methodology provided in Minnesota Statutes, section 256B.501, subdivision 3c.

Loss reserves required under Minnesota Statutes, section 60A.12, subdivision 5, and applicable ERISA regulations, for group self-insurance health, dental, short-term disability, and self-insured workers' compensation plans are allowable costs for intermediate care facilities for persons with mental retardation for purposes of cost reporting.

The paragraph in Laws 1991, chapter 292, article 1, section 2, subdivision 9, providing for the implementation of a reduced reimbursement rate for therapy services provided by a physical or occupational therapy assistant is repealed. Services provided by a physical therapy assistant shall be reimbursed at the same rate as services performed by a physical therapist when the services of the physical therapy assistant are provided under the direction of a physical therapist who is on the premises. Services provided by a physical therapy assistant that are provided under the direction of a physical therapist who is not on the premises shall be reimbursed at 65 percent of the physical therapist rate. Services provided by an occupational therapy assistant shall be reimbursed at the same rate as services performed by an occupational therapist when the services of the occupational therapy assistant are provided under the direction of the occupational therapist who is on the premises. Services provided by an occupational therapy assistant that are not provided under the direction of an occupational therapist who is not on the premises shall be reimbursed at 65 percent of the occupational therapist rate.

Notwithstanding statutory provisions to the contrary, the commissioner of human services shall increase reimbursement rates for the following by three percent for the fiscal year ending

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June 30, 1995: personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a; private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7; home- and community-based services waiver for persons with mental retardation and related conditions under Minnesota Statutes, section 256B.501; community alternatives for disabled individuals waiver under Minnesota Statutes, section 256B.49; community alternative care waiver under Minnesota Statutes, section 256B.49; home- and community-based services waiver for the elderly under Minnesota Statutes, section 256B.0915; alternative care program under Minnesota Statutes, section 256B.0913; traumatic brain injury waiver under Minnesota Statutes, section 256B.093; adult residential program grants, under rule 12, under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants, under rules 14 and 78, under Minnesota Rules, parts 9535.1700 to 9535.1760; day training and habilitation services for adults with mental retardation and related conditions under Minnesota Statutes, sections 252.40 to 252.47; and semi-independent living services under Minnesota Statutes, section 252.275.

The commissioner of human services shall develop a plan to downsize intermediate care facilities for persons with mental retardation. The plan must establish procedures and timelines for a transition period during which facility bed size is reduced. The commissioner shall submit the plan to the legislature by January 15, 1994.

Of this appropriation, \$28,000 is provided to the Harmony Community Hospital to fund a study for development of a hospice program and hospice room in the hospital and coordinating a five-to-seven member hospice team, including nurse, clergy, social worker, and home health care aid.

Of this appropriation, \$25,000 is for the Spring Valley Community Memorial Hospital for converting an operating room to an emergency room to provide additional space for critical care and emergency patients.

\$25,000 is appropriated for the biennium to the commissioner of human services for a planning grant for the 30-bed hospital located in Chisago county.

Minnesota Rules, parts 4655.1070 to 4655.1098, as in effect on September 1, 1989, are adopted as an emergency rule of the department of health. The commissioner of health shall publish in the State Register a notice of intent to adopt Minnesota Rules, parts 4655.1070 to 4655.1098 [Emergency]. The same notice shall be mailed to all persons registered with the agency to receive notice of any rulemaking proceedings. The emergency rule is exempt from the requirements of Minnesota Statutes, sections 14.32 to 14.35, and shall take effect five working days after publication in the State Register. Those rules shall govern the process for granting exceptions to the moratorium on nursing homes under Minnesota Statutes, section 144A.073, during the biennium.

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The department of human services, in cooperation with the information policy office and other affected agencies, shall study the feasibility of using the medical management information system for all state government medical claims processing. The department shall submit the study to the legislature by February 1, 1994.

The commissioner shall implement a point-of-sale electronic claims management system to process claims for medical assistance payment from pharmacy providers. The system must be able to perform on-line, real-time eligibility verifications, and enhanced claims data capture, for pharmacy providers by January 31, 1994. No later than 60 days after that date the system must be able to perform on-line real-time adjudication of pharmacy claims. If the system is not able to perform the claims adjudication within 60 days after January 31, 1994, the commissioner must, as soon as possible thereafter, enter into a contract with a private vendor for a similar system.

In the event that the commissioner of health is ordered by a court or otherwise agrees to assume responsibility for the handling of patient's medical records from a closed hospital, such records shall be considered as medical data under the provisions of Minnesota Statutes, section 13.42, subdivision 3. The commissioner of health is authorized to handle and to provide access to these records in accordance with the provisions of Minnesota Statutes, sections 145.30 to 145.32 and 144.335. A written certification by the commissioner of health or the commissioner's designee that a photographic or photostatic copy of a record is a complete and correct copy shall have the same force and effect as a comparable certification of an officer or employee in charge of the records of the closed hospital. Costs incurred for the handling of these records pursuant to Minnesota Statutes, sections 145.30 to 145.32, shall be considered as a lien on the property of the closed hospital in accordance with the provisions of Minnesota Statutes, section 514.67. At the commissioner of health's discretion, all or a portion of this lien may be released in consideration for payment of a reasonable portion of the costs incurred by the commissioner. Any costs incurred by the commissioner for the handling of or providing access to the medical records which are not covered through charges for the access to records under Minnesota Statutes, section 144.335, or through any collections from the closed hospital, shall be recovered through an annual assessment to the license fee for each hospital in the state. The commissioner of health shall determine the amount of the assessment by evenly dividing the costs incurred among all licensed hospitals. The commissioner of health shall publish in the State Register the amount of the assessment and the basis for reaching this figure. The commissioner may contract for services for the handling of the medical records pursuant to Minnesota Statutes, sections 145.30 to 145.32, and for the provision of access to these records. Any revenues received by the commissioner through collections from the closed hospital, license assessments or fees charged for access shall be used to cover any contractual costs. Any remaining funds shall be deposited into the state government special revenue fund.

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The commissioner of human services may implement demonstration projects designed to create alternative delivery systems for acute and long-term care services to elderly and disabled persons which provide increased coordination, improve access to quality services, and mitigate future cost increases. Before implementing the projects, the commissioner must provide information regarding the projects to the appropriate committees of the house and senate.

Subd. 5. Family Self-Sufficiency Administration

General

\$355,341,000

\$333,024,000

Effective the day after final enactment, the following moneys are added to the appropriation in Laws 1991, chapter 292, article 1, section 2, subdivision 4. Of this amount, \$15,186,000 is to cover MAXIS operating deficiencies in fiscal year 1993 and \$200,000 is to be transferred to the department of administration's information policy office for an evaluation and audit of the MAXIS system. The appropriation for the evaluation and audit may be carried forward to fiscal year 1994. The findings should be submitted to the legislature by January 15, 1994, and should include specific recommendations for reducing the cost of the MAXIS system by ten percent in fiscal year 1995.

The commissioner shall set the monthly standard of assistance for general assistance and work readiness assistance units consisting of an adult recipient who is childless and unmarried or living apart from his or her parents or a legal guardian at \$203.

For the biennium ending June 30, 1995, federal food stamp employment and training funds received for the work readiness program are appropriated to the commissioner to reimburse counties for work readiness service expenditures.

During the biennium ending June 30, 1995, the commissioner of human services shall provide supplementary grants not to exceed \$200,000 a year for aid to families with dependent children. The commissioner shall include the following costs in determining the amount of the supplementary grants: major home repairs; repair of major home appliances; utility recaps; supplementary dietary needs not covered by medical assistance; and replacement of furnishings and essential major appliances.

For the biennium ending June 30, 1995, any federal money remaining from receipt of state legalization impact assistance grants, after reimbursing the department of education for actual expenditures, must be deposited in the aid to families with dependent children account.

Unexpended funds appropriated for the provision of project STRIDE work experience activities under Minnesota Statutes, section 256.737, for fiscal year 1994 do not cancel but are available to the commissioner for fiscal year 1995. Money carried forward does not become part of the base level funding for purposes of the 1996-1997 biennial budget.

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Unexpended funds appropriated for the provision of work readiness employment and training services for fiscal year 1994 do not cancel but are available to the commissioner for fiscal year 1995. Money carried forward does not become part of the base level funding for purposes of the 1996-1997 biennial budget.

Unexpended funds appropriated for the provision of the child support restructuring initiative for fiscal year 1994 do not cancel but are available to the commissioner for fiscal year 1995. Money carried forward does not become part of the base level funding for purposes of the 1996-1997 biennial budget.

Money appropriated for the Minnesota family investment plan in fiscal year 1994 does not cancel but is available for fiscal year 1995.

Notwithstanding any other law to the contrary, for the biennium ending June 30, 1995, the commissioner may accept on behalf of the state any gift or bequest of money tendered to the state for the purpose of financing an evaluation of the Minnesota family investment plan. Any money so received must be deposited in the MFIP evaluation account in the department and is appropriated to the commissioner for financing of this evaluation.

For the food stamp program error rate sanction for federal fiscal year 1986, the commissioner is granted an exception to the provisions of Minnesota Statutes, section 256.01, subdivision 2, clause (14), requiring allocation of sanctions to county human service agencies.

For the biennium ending June 30, 1995, payments to the commissioner from other governmental units and private enterprises for services performed by the issuance operations center shall be deposited in the state systems account authorized in Minnesota Statutes, section 256.014. The payments so received by the commissioner are appropriated for the purposes of that section for the operation of the issuance center, and are to be used according to the provisions of that section.

Notwithstanding any other law to the contrary, the commissioner of human services may accept assignment of an existing contract for electronic benefit transfer services, under terms and conditions approved by the attorney general. The term of any contract assigned to the state may not extend beyond June 30, 1995, and the commissioner must publish a request for proposals for succeeding electronic benefit services in the State Register before January 1, 1995.

The department of human services shall submit electronic benefit transfer project plans to the information policy office for its review and approval. The plans shall include an evaluation of the Ramsey county system and a life cycle analysis of the project. The department shall examine ways to share network development and operating costs with businesses participating in the electronic benefits program, and ways that the system can be used for the delivery of other government services.

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Beginning July 1, 1993, the commissioner of human services shall develop an intensive training program for county workers who do general assistance intake work. The program shall be designed to provide county workers with expertise in implementing the restrictions on eligibility in general assistance that will take effect on July 1, 1994. Those restrictions will affect the eligibility of undocumented aliens and nonimmigrants for these programs. The training programs must be provided to all county social workers who do general assistance intake. The programs shall include training in the following: federal immigration law, state and federal human rights and civil rights standards, and multi-cultural awareness and sensitivity. The commissioner shall report to the legislature by February 15, 1994, with specific information on the components and on the status of these training programs.

Subd. 6. Mental Health and Regional Treatment Center
Administration

General

\$257,779,000

\$249,717,000

During the biennium ending June 30, 1995, for purposes of restructuring the regional treatment centers, any regional treatment center employee whose position is to be eliminated shall be afforded the options provided in applicable collective bargaining agreements. All salary and mitigation allocations from fiscal year 1994 shall be carried forward into fiscal year 1995. Provided there is no conflict with any collective bargaining agreement, any regional treatment center position reduction must only be accomplished through mitigation, attrition, transfer, and other measures as provided in state or applicable collective bargaining agreements and in Minnesota Statutes, section 252.50, subdivision 11, and not through layoff.

For the biennium ending June 30, 1995, if the resident population at the regional treatment centers is projected to be higher than the estimates upon which the medical assistance forecast and budget recommendations were based, the amount of the medical assistance appropriation that is attributable to the cost of services that would have been provided as an alternative to regional treatment center services is transferred to the residential facilities appropriation.

For the biennium ending June 30, 1995, the commissioner of human services is prohibited from transferring any building on the campus of the Faribault regional treatment center to any other state agency, or from declaring any building or acreage on the campus to be surplus, unless specifically authorized to do so by the legislature.

During the biennium ending June 30, 1995, the commissioner may determine the need for conversion of a state-operated home and community-based service program to a state-operated intermediate care facility for persons with mental retardation if the conversion will produce a net savings to the state general fund and the persons receiving home and community-based services choose to receive services in an intermediate care facility for persons with mental

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retardation. After the commissioner has determined the need to convert the program, the commissioner of health shall certify the program as an intermediate care facility for persons with mental retardation if the program meets applicable certification standards.

Of the state enhanced waiver slots authorized for regional treatment center downsizing, 36 each year shall be for state-operated services, of which a minimum of eight each year shall be utilized by the Cambridge Regional Treatment Center and a minimum of eight in fiscal year 1994 and 12 in fiscal year 1995 shall be utilized at the Fergus Falls regional treatment center.

Of the enhanced waiver slots authorized for the Faribault regional treatment center, 60 shall be for state-operated services.

Of the enhanced waiver slots authorized for the Moose Lake regional treatment center, 12 shall be for state-operated services. Of the mental health community services, 15 crisis capacity beds shall be state-operated.

Any unexpended appropriations from the regional treatment center supplements for state enhanced waiver slots shall be transferred into the regional treatment center salary account.

For the biennium ending June 30, 1995, the commissioner may transfer unencumbered appropriation balances between fiscal years for the state residential facilities repairs and betterments account and special equipment.

For the biennium ending June 30, 1995, wages for project labor may be paid by the commissioner of human services out of repairs and betterments money if the individual is to be engaged in a construction project or a repair project of short-term and nonrecurring nature. Compensation for project labor shall be based on the prevailing wage rates, as defined in Minnesota Statutes, section 177.42, subdivision 6. Project laborers are excluded from the provisions of Minnesota Statutes, sections 43A.22 to 43A.30, and shall not be eligible for state-paid insurance and benefits.

When the operation of the regional treatment center chemical dependency fund created by Minnesota Statutes, section 246.18, subdivision 2, is threatened with projected cash deficiencies resulting from delays in the receipt of grants, dedicated income or other similar receivables, and when the deficiencies could be corrected within the budget period involved, the commissioner of finance may transfer general fund cash reserves into the regional treatment center chemical dependency fund as necessary to meet cash demands. The cash flow transfers must be returned to the general fund in the fiscal year that the transfer was made. Any interest earned on general fund cash flow transfers accrues to the general fund and not to the regional treatment center chemical dependency fund.

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Money is appropriated from the federal block grant for mental health to hire one full-time equivalent to work with local advisory councils established under Minnesota Statutes, sections 245.466, subdivision 5 and 245.4875, subdivision 5, with an emphasis on involving more consumers in the planning and implementation of mental health policy at the state and local levels. The person shall work under the supervision of the director of the state advisory council on mental health established under Minnesota Statutes, section 245.697.

Money is appropriated from the mental health special projects account for adults and children with mental illness from across the state, for a camping program which utilizes the Boundary Waters Canoe Area and is cooperatively sponsored by client advocacy, mental health treatment, and outdoor recreation agencies.

Funds received by the commissioner of human services from the state lottery director shall be used for the compulsive gambling treatment programs authorized by Minnesota Statutes, section 245.98, subdivision 2, including programs operated at the following facilities: St. Mary's hospital, Minneapolis; Gamblers Choice, Intervention Institute, Minneapolis; Upper Mississippi Health Service, Bemidji; Gamestar, St. Cloud; Lake Superior Area Family Services, Duluth; and Project Turnabout, Granite Falls. In determining the amount of money to be given to each facility the commissioner shall consider the projected number of clients to be served, quality of services and whether the treatment will be inpatient or outpatient.

The legislature recognizes that orderly transfer of buildings at the Moose Lake regional center from the commissioner of human services to the commissioner of corrections is necessary to assure the welfare of vulnerable persons, to facilitate a shared campus, and to abide by legislated policies concerning the future of regional treatment centers and state correctional facilities.

In accordance with legislative policies, the transfer of buildings at the Moose Lake regional center from the commissioner of human services to the commissioner of corrections during fiscal year 1994 shall be carried out as follows:

(1) buildings that house developmentally disabled persons may be transferred by the commissioner of human services to the commissioner of corrections when the commissioner of human services certifies that all persons with developmental disabilities from the Moose Lake regional center have been placed in appropriate community-based programs and that at least 12 of the same residents have been placed in state operated community services; and

(2) buildings housing programs for chemically dependent persons at the Moose Lake regional center may be transferred by the commissioner of human services to the commissioner of corrections after alternative facilities for state operated chemical dependency programs have been located off campus in the Moose Lake catchment area and all program residents and staff have been relocated to the new state operated community-based program.

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It is the intent of the legislature that the transfer of vulnerable persons, construction of the psychiatric hospital, and the conversion of existing buildings at Moose Lake for use by the department of corrections shall be coordinated in order to minimize any disruptive impact on the care and treatment of vulnerable persons.

\$50,000 is appropriated for the biennium to the commissioner of human services for costs associated with establishing a consolidated financial record management facility at the Cambridge regional treatment center. This facility must be operational by July 1, 1994. By July 1, 1994, the commissioner shall report to the legislature on other opportunities to consolidate department records at the regional treatment center.

The transfer of the hospital building at the Faribault regional treatment center to the department of administration, to the department of corrections, or to any other state agency, may take place only after alternative, state-operated, skilled nursing facility, or intermediate care facility for persons with mental retardation and infirmary space has been developed for residents of the Faribault regional treatment center.

For the biennium ending June 30, 1995, money appropriated to the commissioner of human services for the purchase of provisions within the item "current expense" must be used solely for that purpose. Money provided and not used for the purchase of provisions must be canceled into the fund from which appropriated, except that money provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the written approval of the governor after consultation with the legislative advisory commission.

The allowance for food may be adjusted annually to reflect changes in the producer price index, as prepared by the United States Bureau of Labor Statistics, with the approval of the commissioner of finance. Adjustments for fiscal year 1994 and fiscal year 1995 must be based on the June 1993 and June 1994 producer price index respectively, but the adjustment must be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

Sec. 3. OMBUDSMAN FOR MENTAL HEALTH AND MENTAL RETARDATION

910,000

908,000

Sec. 4. SUNSET OF UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 1995, unless a different expiration is explicit. All uncodified language contained in Laws 1992, chapter 513, article 5, expires on June 30, 1993, unless a different expiration is explicit.

ARTICLE 2

DEPARTMENT OF HUMAN SERVICES FINANCE AND ADMINISTRATION

Section 1. Minnesota Statutes 1992, section 245.765, subdivision 1, is amended to read:

Subdivision 1. The commissioner of human services, to the extent that state and federal money is available ~~therefor~~, shall reimburse ~~any county Beltrami and Clearwater counties~~ for all administrative and other welfare costs not reimbursed under section 256.025, which are expended by the county to any Indian who is an enrolled member of the Red Lake Band of Chippewa Indians and resides upon the Red Lake Indian Reservation. The commissioner may advance payments to a county on an estimated basis subject to audit and adjustment at the end of each state fiscal year. Reimbursements shall be prorated if the state appropriation for this purpose is insufficient to provide full reimbursement.

Sec. 2. Minnesota Statutes 1992, section 256.025, subdivision 3, is amended to read:

Subd. 3. [PAYMENT METHODS.] (a) Beginning July 1, 1991, the state will reimburse counties for the county share of county agency expenditures for benefits and services distributed under subdivision 2 ~~and funded by the human services account established under section 273.1392.~~

(b) Payments under subdivision 4 are only for client benefits and services distributed under subdivision 2 and do not include reimbursement for county administrative expenses.

(c) The state and the county agencies shall pay for assistance programs as follows:

(1) Where the state issues payments for the programs, the county shall monthly advance to the state, as required by the department of human services, the portion of program costs not met by federal and state funds. The advance shall be an estimate that is based on actual expenditures from the prior period and that is sufficient to compensate for the county share of disbursements as well as state and federal shares of recoveries;

(2) Where the county agencies issue payments for the programs, the state shall monthly advance to counties all federal funds available for those programs together with an amount of state funds equal to the state share of expenditures; and

(3) Payments made under this paragraph are subject to section 256.017. Adjustment of any overestimate or underestimate in advances shall be made by the state agency in any succeeding month.

Sec. 3. Minnesota Statutes 1992, section 256.025, subdivision 4, is amended to read:

Subd. 4. [PAYMENT SCHEDULE.] Except as provided for in subdivision 3, beginning July 1, 1991, the state will reimburse counties, according to the following payment schedule, for the county share of county agency expenditures for the programs specified in subdivision 2.

(a) Beginning July 1, 1991, the state will reimburse or pay the county share of county agency expenditures according to the reporting cycle as established by the commissioner, for the programs identified in subdivision 2. Payments for the period of January 1 through July 31, for calendar years 1991, 1992, ~~and 1993,~~ 1994, and 1995 shall be made on or before July 10 in each of those years. Payments for the period August through December for calendar years 1991, 1992, ~~and 1993,~~ 1994, and 1995 shall be made on or before the third of each month thereafter through December 31 in each of those years.

(b) Payment for 1/24 of the base amount and the January ~~1994~~ 1996 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before January 3, ~~1994~~ 1996. For the period of February 1, ~~1994~~ 1996, through July 31, ~~1994~~ 1996, payment of the base amount shall be made on or before July 10, ~~1994~~ 1996, and payment of the growth amount over the base amount shall be made on or before July 10, ~~1994~~ 1996. Payments for the period August ~~1994~~ 1996 through December ~~1994~~ 1996 shall be made on or before the third of each month thereafter through December 31, ~~1994~~ 1996.

(c) Payment for the county share of county agency expenditures during January ~~1995~~ 1997 shall be made on or before January 3, ~~1995~~ 1997. Payment for 1/24 of the base amount and the February ~~1995~~ 1997 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before February 3, ~~1995~~ 1997. For the period of March 1, ~~1995~~ 1997, through July 31, ~~1995~~ 1997, payment of the base amount

shall be made on or before July 10, ~~1995~~ 1997, and payment of the growth amount over the base amount shall be made on or before July 10, ~~1995~~ 1997. Payments for the period August ~~1995~~ 1997 through December ~~1995~~ 1997 shall be made on or before the third of each month thereafter through December 31, ~~1995~~ 1997.

(d) Monthly payments for the county share of county agency expenditures from January ~~1996~~ 1998 through February ~~1996~~ 1998 shall be made on or before the third of each month through February ~~1996~~ 1998. Payment for 1/24 of the base amount and the March ~~1996~~ 1998 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before March ~~1996~~ 1998. For the period of April 1, ~~1996~~ 1998, through July 31, ~~1996~~ 1998, payment of the base amount shall be made on or before July 10, ~~1996~~ 1998, and payment of the growth amount over the base amount shall be made on or before July 10, ~~1996~~ 1998. Payments for the period August ~~1996~~ 1998 through December ~~1996~~ 1998 shall be made on or before the third of each month thereafter through December 31, ~~1996~~ 1998.

(e) Monthly payments for the county share of county agency expenditures from January ~~1997~~ 1999 through March ~~1997~~ 1999 shall be made on or before the third of each month through March ~~1997~~ 1999. Payment for 1/24 of the base amount and the April ~~1997~~ 1999 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before April 3, ~~1997~~ 1999. For the period of May 1, ~~1997~~ 1999, through July 31, ~~1997~~ 1999, payment of the base amount shall be made on or before July 10, ~~1997~~ 1999, and payment of the growth amount over the base amount shall be made on or before July 10, ~~1997~~ 1999. Payments for the period August ~~1997~~ 1999 through December ~~1997~~ 1999 shall be made on or before the third of each month thereafter through December 31, ~~1997~~ 1999.

(f) Monthly payments for the county share of county agency expenditures from January ~~1998~~ 2000 through April ~~1998~~ 2000 shall be made on or before the third of each month through April ~~1998~~ 2000. Payment for 1/24 of the base amount and the May ~~1998~~ 2000 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before May 3, ~~1998~~ 2000. For the period of June 1, ~~1998~~ 2000, through July 31, ~~1998~~ 2000, payment of the base amount shall be made on or before July 10, ~~1998~~ 2000, and payment of the growth amount over the base amount shall be made on or before July 10, ~~1998~~ 2000. Payments for the period August ~~1998~~ 2000 through December ~~1998~~ 2000 shall be made on or before the third of each month thereafter through December 31, ~~1998~~ 2000.

(g) Monthly payments for the county share of county agency expenditures from January ~~1999~~ 2001 through May ~~1999~~ 2001 shall be made on or before the third of each month through May ~~1999~~ 2001. Payment for 1/24 of the base amount and the June ~~1999~~ 2001 county share of county agency expenditures growth amount for the programs identified in subdivision 2 shall be made on or before June 3, ~~1999~~ 2001. Payments for the period July ~~1999~~ 2001 through December ~~1999~~ 2001 shall be made on or before the third of each month thereafter through December 31, ~~1999~~ 2001.

(h) Effective January 1, ~~2000~~ 2002, monthly payments for the county share of county agency expenditures shall be made subsequent to the first of each month.

Payments under this subdivision are subject to the provisions of section 256.017.

Sec. 4. [256.026] [ANNUAL APPROPRIATION.]

(a) There shall be appropriated from the general fund to the commissioner of human services in fiscal year 1994 and each fiscal year thereafter the amount of \$142,339,359, which is the sum of the amount of human services aid determined for all counties in Minnesota for calendar year 1992 under Minnesota Statutes 1992, section 273.1398, subdivision 5a, before any adjustments for calendar year 1991.

(b) In addition to the amount in paragraph (a), there shall also be annually appropriated from the general fund to the commissioner of human services in fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 the amount of \$5,930,807.

(c) The amounts appropriated under paragraphs (a) and (b) shall be used with other appropriations to make payments required under section 256.025 for fiscal year 1994 and thereafter.

Sec. 5. Minnesota Statutes 1992, section 273.1392, is amended to read:

273.1392 [PAYMENT; SCHOOL DISTRICTS; ~~COUNTIES.~~]

(1) ~~[AIDS TO SCHOOL DISTRICTS.]~~ The amounts of conservation tax credits under section 273.119; disaster or emergency reimbursement under section 273.123; attached machinery aid under section 273.138; homestead credit under section 273.13; aids and credits under section 273.1398; enterprise zone property credit payments under section 469.171; and metropolitan agricultural preserve reduction under section 473H.10, shall be certified to the department of education by the department of revenue. The amounts so certified shall be paid according to section 124.195, subdivisions 6 and 10.

(2) ~~[AIDS TO COUNTIES.]~~ ~~The amounts of human services aid increase determined under section 273.1398, subdivision 5b, shall be deposited in a human services aid account hereby created as an account within the state's general fund. The amount within the account shall annually be transferred to the department of human services by the department of revenue. The amounts so transferred shall be paid according to section 256.025.~~

Sec. 6. Minnesota Statutes 1992, section 273.1398, subdivision 5b, is amended to read:

Subd. 5b. [STATE AID FOR COUNTY HUMAN SERVICES COSTS.] (a) Human services aid increase for each county equals an amount representing the county's costs for human services programs cited in subdivision 1, paragraph (i). The amount of the aid increase is calculated as provided in this section. ~~The aid increase shall be deposited in the human services account created pursuant to section 273.1392.~~

(b) On July 15, 1990, each county shall certify to the department of revenue the estimated difference between the county's base amount costs as defined in section 256.025 for human services programs cited in subdivision 1, paragraph (i), for calendar year 1990 and human services program revenues from all nonproperty tax sources excluding revenue from state and federal payments for the programs listed in subdivision 1, paragraph (i), and revenue from incentive programs pursuant to sections 256.019, 256.98, subdivision 7, 256D.06, subdivision 5, 256D.15, and 256D.54, subdivision 3, used at the time the levy was certified in 1989. At that time each county may revise its estimate for taxes payable in 1990 for purposes of this subdivision. The human services program estimates provided pursuant to this clause shall only include those costs and related revenues up to the extent the county provides benefits within statutory mandated standards. This amount shall be the county's human services aid amount under this section.

(c) On July 15, 1991, each county shall certify to the department of revenue the actual difference between the county's human services program costs and nonproperty tax revenues as provided in paragraph (b) for calendar year 1990. If the actual difference is larger than the estimated difference as calculated in paragraph (b), the aid amount for the county shall be increased by that amount. If the actual difference is smaller than the estimated difference as calculated in paragraph (b), the aid amount to the county shall be reduced by that amount.

(d) ~~On January 1, 1991, the department of finance shall certify to the department of revenue the estimated amount of county receipts deducted from county human services expenditures pursuant to Minnesota Statutes 1988, section 287.12, in calendar year 1990. This amount shall be added to the human services aid increase amount under this section.~~

Sec. 7. Minnesota Statutes 1992, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1, except for the equalization levies defined in section 273.1398, subdivision 2a, paragraph (a), by the amount of homestead and agricultural credit aid certified by section 273.1398, subdivision 2, ~~reduced by the amount under section 273.1398, subdivision 5a;~~ fiscal disparity homestead and agricultural credit aid under section 273.1398, subdivision 2b; and equalization aid certified by section 477A.013, subdivision 5.

Sec. 8. [COMPUTER MONEY TRANSFERRED.]

Notwithstanding other law, fiscal year 1993 appropriations made to the commissioner of human services for computer projects may be transferred from project to project or between operations and development. A transfer under this section may be made at the discretion of the commissioner, but must not be made to any project not previously approved by the commissioner of finance and the information policy office. A transfer under this section may be made in fiscal year 1993 only. This section is effective upon final enactment.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, section 273.1398, subdivisions 5a and 5c, are repealed.

ARTICLE 3

SOCIAL SERVICES AND CHILD WELFARE PROGRAMS

Section 1. [145.56] [FUNDING OF MATERNAL AND CHILD HEALTH SOCIAL SERVICE PROGRAMS.]

To the extent of money appropriated, the commissioner may fund maternal and child health social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, education, and social services through the child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among high-risk populations.

Sec. 2. Minnesota Statutes 1992, section 145.883, subdivision 5, is amended to read:

Subd. 5. [LOW INCOME.] "Low income" means an individual or family ~~with an~~ income determined to be at or below 175 percent of the ~~income~~ official poverty line ~~defined established~~ by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended ~~through December 31, 1982~~. With respect to an individual who is a high risk person, "low income" means that the income of the high risk person or the person's family is determined to be at or below 200 percent of the ~~income~~ official poverty line ~~defined established~~ by the office of management and budget and revised annually in accordance with United States Code, title 42, section 9902, as amended ~~through December 31, 1982, or that the person is pregnant and determined eligible for to meet the income eligibility requirements of medical assistance, MinnesotaCare, or the special supplemental food program for women, infants and children (WIC).~~ The commissioner shall establish the low income level for eligibility for services to children with handicaps.

Sec. 3. Minnesota Statutes 1992, section 148C.01, subdivision 3, is amended to read:

Subd. 3. [OTHER TITLES.] For the purposes of sections 148C.01 to 148C.11 and 595.02, subdivision 1, all individuals, except as provided in section 148C.11, who practice, ~~as their main vocation~~, chemical dependency counseling as defined in subdivision 2, regardless of their titles, shall be covered by sections 148C.01 to 148C.11. This includes, but is not limited to, individuals who may refer to themselves as "alcoholism counselor," "drug abuse therapist," "chemical dependency recovery counselor," "chemical dependency relapse prevention planner," "addiction therapist," "chemical dependency intervention specialist," "family chemical dependency counselor," "chemical health specialist," "chemical health coordinator," and "substance abuse counselor."

Sec. 4. Minnesota Statutes 1992, section 148C.01, subdivision 6, is amended to read:

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of ~~human services~~ health.

Sec. 5. Minnesota Statutes 1992, section 148C.02, is amended to read:

148C.02 [CHEMICAL DEPENDENCY COUNSELING LICENSING ADVISORY COUNCIL.]

Subdivision 1. [MEMBERSHIP; STAFF.] (a) The chemical dependency counseling licensing advisory council consists of 13 members. The ~~governor~~ commissioner shall appoint:

- (1) except for those members initially appointed, seven members who must be licensed chemical dependency counselors;
- (2) three members who must be public members as defined by section 214.02;
- (3) one member who must be a director or coordinator of an accredited chemical dependency training program; and
- (4) one member who must be a former consumer of chemical dependency counseling service and who must have received the service more than three years before the person's appointment.

The American Indian advisory committee to the department of human services chemical dependency office shall appoint the remaining member.

(b) The provision of staff, administrative services, and office space are as provided in chapter 214.

Subd. 2. [DUTIES.] ~~The council shall study the provision of chemical dependency counseling and advise the commissioner, the profession, and the public.~~ The commissioner, after consultation with the advisory council, shall:

- (1) develop rules for the licensure of chemical dependency counselors; and
- (2) administer or contract for the competency testing, licensing, and ethical review of chemical dependency counselors.

Sec. 6. Minnesota Statutes 1992, section 148C.03, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The commissioner shall:

(a) adopt and enforce rules for licensure of chemical dependency counselors and for regulation of professional conduct. The rules must be designed to protect the public;

(b) adopt rules establishing standards and methods of determining whether applicants and licensees are qualified under section 148C.04. The rules must provide for examinations ~~and must~~; establish standards for professional conduct, including adoption of a professional code of ethics; and provide for sanctions as described in section 148C.09;

(c) hold examinations at least twice a year to assess applicants' knowledge and skills. The examinations ~~may~~ must be written ~~or~~ and oral and may be administered by the commissioner or by a nonprofit agency under contract with the commissioner to administer the licensing examinations. Examinations must minimize cultural bias and must be balanced in various theories relative to practice of chemical dependency;

(d) issue licenses to individuals qualified under sections 148C.01 to 148C.11;

(e) issue copies of the rules for licensure to all applicants;

(f) establish and implement procedures, including a standard disciplinary process and a code of ethics, to ensure that individuals licensed as chemical dependency counselors will comply with the commissioner's rules;

(g) establish, maintain, and publish annually a register of current licensees;

(h) establish initial and renewal application and examination fees sufficient to cover operating expenses of the commissioner;

(i) educate the public about the existence and content of the rules for chemical dependency counselor licensing to enable consumers to file complaints against licensees who may have violated the rules; and

(j) evaluate the rules in order to refine and improve the methods used to enforce the commissioner's standards.

Sec. 7. Minnesota Statutes 1992, section 148C.03, subdivision 2, is amended to read:

Subd. 2. [CONTINUING EDUCATION COMMITTEE.] The commissioner shall appoint or contract for a continuing education committee of five persons, including a chair, which shall advise the commissioner on the administration of continuing education requirements in section 148C.05, subdivision 2.

Sec. 8. Minnesota Statutes 1992, section 148C.03, subdivision 3, is amended to read:

Subd. 3. [RESTRICTIONS ON MEMBERSHIP.] A member or an employee of the ~~department~~ entity that carries out the functions under this section may not be an officer, employee, or paid consultant of a trade association in the counseling services industry.

Sec. 9. Minnesota Statutes 1992, section 148C.04, subdivision 2, is amended to read:

Subd. 2. [FEE.] Each applicant shall pay a nonrefundable fee set by the commissioner. Fees paid to the commissioner shall be deposited in the general special revenue fund.

Sec. 10. Minnesota Statutes 1992, section 148C.04, subdivision 3, is amended to read:

Subd. 3. [LICENSING REQUIREMENTS FOR CHEMICAL DEPENDENCY COUNSELOR; EVIDENCE.] (a) To be licensed as a chemical dependency counselor, an applicant must meet the requirements in clauses (1) to (3).

(1) Except as provided in subdivision 4, the applicant must have received an associate degree including 270 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

(2) The applicant must have completed a written ~~and oral~~ case presentation and oral examination that demonstrates competence in the 12 core functions.

(3) The applicant must have satisfactorily passed a written examination as established by the commissioner.

(b) To be licensed as a chemical dependency counselor, an applicant must furnish evidence satisfactory to the commissioner that the applicant has met the requirements of paragraph (a).

Sec. 11. Minnesota Statutes 1992, section 148C.04, subdivision 4, is amended to read:

Subd. 4. [ADDITIONAL LICENSING REQUIREMENTS.] Beginning five years after the effective date of ~~sections 148C.01 to 148C.11~~ the rules authorized in section 148C.03, subdivision 1, an applicant for licensure must have received a bachelor's degree in a human services area, and must have completed 480 clock hours of chemical dependency education and 880 clock hours of chemical dependency practicum.

Sec. 12. Minnesota Statutes 1992, section 148C.05, subdivision 2, is amended to read:

Subd. 2. [CONTINUING EDUCATION.] At the time of renewal, each licensee shall furnish evidence satisfactory to the commissioner that the licensee has completed ~~annually~~ at least the equivalent of 40 clock hours of continuing professional postdegree education every two years, in programs approved by the commissioner, and that the licensee continues to be qualified to practice under sections 148C.01 to 148C.11.

Sec. 13. Minnesota Statutes 1992, section 148C.06, is amended to read:

148C.06 [~~LICENSE WITHOUT EXAMINATION; TRANSITION PERIOD.~~]

For two years from ~~July 1, 1993~~ the effective date of the rules authorized in section 148C.03, subdivision 1, the commissioner shall issue a license without examination to an applicant if the applicant meets one of the following qualifications:

(a) is credentialed as a certified chemical dependency counselor (CCDC) or certified chemical dependency counselor reciprocal (CCDCR) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.;

(b) has three years or 6,000 hours of supervised chemical dependency counselor experience as defined by the 12 core functions, 270 clock hours of chemical dependency training, 300 hours of chemical dependency practicum, and has successfully completed ~~a written and oral test~~ the requirements in section 148C.04, subdivision 3, paragraph (a), clauses (2) and (3);

(c) has five years or 10,000 hours of chemical dependency counselor experience as defined by the 12 core functions, 270 clock hours of chemical dependency training, and has successfully completed ~~a written or oral test~~ the requirements in section 148C.04, subdivision 3, paragraph (a), clause (2) or (3), or is credentialed as a certified chemical dependency practitioner (CCDP) by the Institute for Chemical Dependency Professionals of Minnesota, Inc.; or

(d) has seven years or 14,000 hours of supervised chemical dependency counselor experience as defined by the 12 core functions and 270 clock hours of chemical dependency training with 60 hours of this training occurring within the past five years.

After July 1, 1995, Beginning two years after the effective date of the rules authorized in section 148C.03, subdivision 1, no person may be licensed without passing the examination meeting the requirements in section 148C.04, subdivision 3, paragraph (a), clauses (2) and (3).

Sec. 14. Minnesota Statutes 1992, section 148C.11, subdivision 3, is amended to read:

Subd. 3. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NONPROFIT AGENCIES WITH A MINORITY FOCUS.] (a) The licensing of chemical dependency counselors who are employed by federally recognized tribes shall be voluntary.

(b) The commissioner shall develop special licensing criteria for issuance of a license to chemical dependency counselors who: (1) are members of ethnic minority groups; and (2) are employed by private, nonprofit agencies, including agencies operated by private, nonprofit hospitals, whose primary agency service focus addresses ethnic minority populations. These licensing criteria may differ from the licensing criteria specified in section 148C.04. To develop these criteria, the commissioner shall establish a committee comprised of but not limited to representatives from the council on hearing impaired, the council on affairs of Spanish-speaking people, the council on Asian-Pacific Minnesotans, the council on Black Minnesotans, and the Indian affairs council.

Sec. 15. Minnesota Statutes 1992, section 148C.11, is amended by adding a subdivision to read:

Subd. 5. [CITY, COUNTY, AND STATE AGENCY CHEMICAL DEPENDENCY COUNSELORS.] The licensing of city, county, and state agency chemical dependency counselors shall be voluntary. City, county, and state agencies employing chemical dependency counselors shall not be required to employ licensed chemical dependency counselors, nor shall they require their chemical dependency counselors to be licensed.

Sec. 16. Minnesota Statutes 1992, section 214.01, subdivision 2, is amended to read:

Subd. 2. [HEALTH-RELATED LICENSING BOARD.] "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the board of medical practice created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of psychology established pursuant to section 148.90, the social work licensing board pursuant to section 148B.19, the board of marriage and family therapy pursuant to section 148B.30, the mental health practitioner advisory council established pursuant to section 148B.62, the chemical dependency counseling licensing advisory council established pursuant to section 148C.02, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatric medicine established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 17. Minnesota Statutes 1992, section 252A.101, subdivision 7, is amended to read:

Subd. 7. [LETTERS OF GUARDIANSHIP.] Letters of guardianship or conservatorship must be issued by the court and contain:

~~(1) the name, address, and telephone number of the person delegated by the commissioner to act as the guardian or conservator;~~

(2) the name, address, and telephone number of the ward or conservatee; and

~~(3)~~ (2) the powers to be exercised on behalf of the ward or conservatee.

The letters must be served by mail upon the ward or conservatee, the ward's counsel, the commissioner, and the local agency.

Sec. 18. Minnesota Statutes 1992, section 252A.111, subdivision 4, is amended to read:

Subd. 4. [APPOINTMENT OF GUARDIAN OR CONSERVATOR OF THE ESTATE.] If the ward has a personal estate beyond that which is necessary for the ward's personal and immediate needs, the commissioner shall determine whether a guardian of the estate ~~has been~~ should be appointed for the ward. ~~If no guardian of the estate has been appointed,~~ The commissioner, ~~after consulting~~ shall consult with the parents, spouse, or nearest relative of the ward. The commissioner may petition the probate court for the appointment of a private guardian or conservator of the estate of the ward. The commissioner cannot act as guardian or conservator of the estate for public wards or public conservatees.

Sec. 19. [254A.085] [HENNEPIN COUNTY PILOT ALTERNATIVE FOR CHEMICAL DEPENDENCY SERVICES.]

The commissioner of human services shall grant variances from the requirements of Minnesota Rules, parts 9530.4100 to 9530.4450, and the commissioner of health shall grant variances from the requirements of Minnesota Rules, parts 4665.0100 to 4665.9900, that are consistent with the provisions of this section and do not compromise the health or safety of the clients, to establish a nonmedical detoxification pilot program in Hennepin county. The program shall be designed to provide care in a secure shelter for persons diverted or referred from detoxification facilities, so as to prevent chronic recidivism and ensure appropriate treatment referrals for persons who are chemically dependent. For purposes of this section, a "secure shelter" is a facility licensed by the commissioner of human services under Minnesota Rules, parts 9530.4100 to 9530.4450 and this section, and by the commissioner of health as a supervised living facility to provide care for chemically dependent persons. A secure shelter is considered a treatment facility under section 253B.02, subdivision 19. The secure facility authorized by this section shall be licensed by the commissioner of human services only after the county has entered into a contract for the detoxification program authorized by section 254A.086.

The pilot program established under this section must have standards for using video and advocacy group members for monitoring and surveillance to ensure the safety of clients and staff. In addition, in hiring staff, the program must ensure that the criminal background check requirements of Minnesota Rules, part 9543.3040, are met; and the commissioner of human services must ensure compliance with Minnesota Rules, parts 9543.3000 to 9543.3090. The program administrator and all staff of a secure shelter who observe or have personal knowledge of violations of section 626.556 or 626.557 must report to the office of the ombudsman for mental health and mental retardation within 24 hours of its occurrence, any serious injury, as defined in section 245.91, subdivision 6, or the death of a person admitted to the shelter. The ombudsman shall acknowledge in writing the receipt of all reports made to the ombudsman's office under this section. Acknowledgment must be mailed to the facility and to the county social service agency within five working days of the day the report was made. In addition, the program administrator and staff of the facility must comply with all of the requirements of section 626.557, the vulnerable adults act. If the program administrator does not suspend the alleged perpetrator during the pendency of the investigation, reasons for not doing so must be given to the ombudsman in writing.

The licenseholder, in coordination with the commissioner of human services, shall keep detailed records of admissions, length of stay, client outcomes according to standards set by the commissioner, discharge destinations, referrals, and costs of the program. The commissioner of human services shall report to the legislature by February 15, 1996, on the operation of the program and shall include recommendations on whether such a program has been shown to be an effective, safe, and cost-efficient way to serve clients.

Sec. 20. [254A.086] [CULTURALLY TARGETED DETOXIFICATION PROGRAM.]

The commissioner of human services shall provide technical assistance to enable development of a special program designed to provide culturally targeted detoxification services in accordance with section 254A.08, subdivision 2. The program must meet the standards of Minnesota Rules, parts 9530.4100 to 9530.4450, as they apply to detoxification programs. The program established under this section must have standards for using video and advocacy group members for monitoring and surveillance to ensure the safety of clients and staff. In addition, in hiring staff, the program must ensure that the criminal background check requirements of Minnesota Rules, part 9543.3040, are met; and the commissioner of human services must ensure compliance with Minnesota Rules, parts 9543.3000 to 9543.3090. The program administrator and all staff of the facility must report to the office of the ombudsman for mental health and mental retardation within 24 hours of its occurrence, any serious injury, as defined in section 245.91, subdivision 6, or the death of a person admitted to the shelter. The ombudsman shall acknowledge in writing the receipt of all reports made to the ombudsman's office under this section. Acknowledgment must be mailed to the facility and to the county social service agency within five working days of the day the report was made. In addition, the program administrator and staff of the facility must comply with all of the requirements of section 626.557, the vulnerable adults act. The program shall be designed with a community outreach component and shall provide services to clients in a safe environment and in a culturally specific manner.

Sec. 21. Minnesota Statutes 1992, section 254A.17, subdivision 1, is amended to read:

Subdivision 1. [MATERNAL AND CHILD SERVICE PROGRAMS.] (a) ~~The commissioner shall fund maternal and child health and social service programs designed to improve the health and functioning of children born to mothers using alcohol and controlled substances. Comprehensive programs shall include immediate and ongoing intervention, treatment, and coordination of medical, educational, and social services through a child's preschool years. Programs shall also include research and evaluation to identify methods most effective in improving outcomes among this high risk population.~~

(b) The commissioner of human services shall develop models for the treatment of children ages 6 to 12 who are in need of chemical dependency treatment. The commissioner shall fund at least two pilot projects with qualified providers to provide nonresidential treatment for children in this age group. Model programs must include a component to monitor and evaluate treatment outcomes.

Sec. 22. Minnesota Statutes 1992, section 254A.17, subdivision 3, is amended to read:

Subd. 3. [STATEWIDE DETOXIFICATION TRANSPORTATION PROGRAM.] The commissioner shall provide grants to counties, Indian reservations, other nonprofit agencies, or local detoxification programs for provision of transportation of intoxicated individuals to detoxification programs to open shelters, and to secure shelters as defined in section 254A.085 and shelters serving intoxicated persons. In state fiscal years 1994 and 1995, funds shall be allocated to counties in proportion to each county's allocation in fiscal year 1993. In subsequent fiscal years, funds shall be allocated among counties annually in proportion to each county's average number of detoxification admissions for the prior two years, except that no county shall receive less than \$400. Unless a county has approved a grant of funds under this section, the commissioner shall make quarterly payments of detoxification funds to a county only after receiving an invoice describing the number of persons transported and the cost of transportation services for the previous quarter. The program administrator and all staff of the program must report to the office of the ombudsman for mental health and mental retardation within 24 hours of its occurrence, any serious injury, as defined in section 245.91, subdivision 6, or the death of a person admitted to the shelter. The ombudsman shall acknowledge in writing the receipt of all reports made to the ombudsman's office under this section. Acknowledgment must be mailed to the facility and to the county social service agency within five working days of the day the report was made. In addition, the program administrator and staff of the program must comply with all of the requirements of section 626.557, the vulnerable adults act.

Sec. 23. Minnesota Statutes 1992, section 254B.03, subdivision 1, is amended to read:

Subdivision 1. [LOCAL AGENCY DUTIES.] (a) Every local agency shall provide chemical dependency services to persons residing within its jurisdiction who meet criteria established by the commissioner for placement in a chemical dependency residential or nonresidential treatment service. Chemical dependency money must be administered by the local agencies according to law and rules adopted by the commissioner under sections 14.001 to 14.69.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select eligible vendors of chemical dependency services who can provide economical and appropriate treatment. Unless the local agency is a social services department directly administered by a county or human services board, the local agency shall not be an eligible vendor under section 254B.05. The commissioner may approve proposals from county boards to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. The proposals may include pilot programs that exempt a portion of a county's allocation from the relevant provisions of state laws and regulations governing the use of these funds. The commissioner may make grants to counties or otherwise utilize up to 20 percent of a county's allocation for implementation of pilot project activities. The commissioner may not approve a pilot project unless the commissioner finds that:

(1) the county, during the operation of the project, will meet the chemical dependency service needs of all persons who are entitled to services under section 254B.05, subdivision 1, and to the extent that funds are appropriated, persons who are eligible for services under section 254B.04, subdivision 1, paragraphs (b) and (c);

(2) all clients will have full access to appeal procedures available to nonpilot project clients;

(3) persons eligible for services under sections 256B.055 and 256B.056 are provided services only from vendors eligible under section 254B.05, subdivision 1; and

(4) alternative services offered are reasonably able to meet the needs of each client.

Each pilot client must be assessed and assessment records must be maintained for review according to Minnesota Rules, part 9530.6615, subparts 1 to 4. Each pilot service must participate in the drug and alcohol abuse normative evaluation system and the chemical dependency treatment accountability plan. If a county implements a demonstration or experimental medical services funding plan, the commissioner shall transfer the money as appropriate. If a county selects a vendor located in another state, the county shall ensure that the vendor is in compliance with the rules governing licensure of programs located in the state.

(c) A culturally specific vendor that provides assessments under a variance under Minnesota Rules, part 9530.6610, shall be allowed to provide assessment services to persons not covered by the variance.

Sec. 24. Minnesota Statutes 1992, section 254B.06, subdivision 3, is amended to read:

Subd. 3. [PAYMENT; DENIAL.] The commissioner shall pay eligible vendors for placements made by local agencies under section 254B.03, subdivision 1, and placements by tribal designated agencies according to section 254B.09. The commissioner may reduce or deny payment of the state share when services are not provided according to the placement criteria established by the commissioner. The commissioner may pay for all or a portion of improper county chemical dependency placements and bill the county for the entire payment made when the placement did not comply with criteria established by the commissioner. The commissioner may make payments to vendors and charge the county 100 percent of the payments if documentation of a county approved placement is received more than 30 working days, exclusive of weekends and holidays, after the date services began; or if the county approved invoice is received by the commissioner more than 120 days after the last date of service provided. The commissioner shall not pay vendors until private insurance company claims have been settled.

Sec. 25. [256.8711] [EMERGENCY ASSISTANCE; INTENSIVE FAMILY PRESERVATION SERVICES.]

Subdivision 1. [SCOPE OF SERVICES.] For a family experiencing an emergency as defined in subdivision 2, and for whom the county authorizes services under subdivision 3, intensive family preservation services authorized under this section are:

(1) crisis family based services including crisis nursery services under section 256F.10 for a period not to exceed three days;

(2) counseling family based services; and

(3) mental health family based services.

Intensive family preservation services also include family based life management skills when it is provided in conjunction with any of the three family based services in this subdivision. The intensive family preservation services in clauses (1), (2), and (3) and life management skills have the meanings given in section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e).

Subd. 2. [DEFINITION OF EMERGENCY.] For the purposes of this section, an emergency is a situation in which the dependent children are at risk for out of home placement due to abuse, neglect, or delinquency; or when the children are returning home from placements but need services to prevent another placement; or when the parents are unable to provide care.

Subd. 3. [COUNTY AUTHORIZATION.] The county agency shall assess current and prospective client families with a dependent under 21 years of age to determine if there is an emergency, as defined in subdivision 2, and to determine if there is a need for intensive family preservation services. Upon such determinations, counties shall authorize intensive family preservation services for up to 90 days for eligible families under this section and under section 256.871, subdivisions 1 and 3.

Subd. 4. [COST TO FAMILIES.] Family preservation services provided under this section or sections 256F.01 to 256F.07 shall be provided at no cost to the client and without regard to the client's available income or assets.

Subd. 5. [EMERGENCY ASSISTANCE RESERVE.] The commissioner shall establish an emergency assistance reserve for families who receive intensive family preservation services under this section. A family is eligible to receive assistance once from the emergency assistance reserve if it received intensive family preservation services under this section within the past 12 months, but has not received emergency assistance under section 256.871 during that period. The emergency assistance reserve shall cover the cost of the federal share of the assistance that would have been available under section 256.871, except for the provision of intensive family preservation services provided under this section. The emergency assistance reserve shall be authorized and paid in the same manner as emergency assistance is provided under section 256.871. Funds set aside for the emergency assistance reserve that are not needed as determined by the commissioner shall be distributed by the terms of subdivision 6, paragraph (a).

Subd. 6. [DISTRIBUTION OF NEW FEDERAL REVENUE.] (a) All federal funds not set aside under paragraph (b), and at least 50 percent of all federal funds earned under this section and earned through assessment activity undersubdivision 3, shall be paid to each county based on its earnings and assessment activity, respectively, and shall be used by each county to expand family preservation services as defined in section 256F.03, subdivision 5.

(b) The commissioner shall set aside a portion, not to exceed 50 percent, of the federal funds earned under this section and earned through assessment activity described under subdivision 3. The set aside funds shall be used to expand intensive family preservation services statewide and establish an emergency assistance reserve as provided in subdivision 5. Except for the portion needed for the emergency assistance reserve provided in subdivision 5, the commissioner may distribute the funds set aside through grants to a county or counties to establish and maintain approved intensive family preservation services statewide. Funds available for crisis family based services through section 256F.05, subdivision 8, shall be considered in establishing intensive family preservation services statewide. The commissioner may phase in intensive family preservation services in a county or group of counties as new federal funds become available. The commissioner's priority is to establish a minimum level of intensive family preservation services statewide.

Subd. 7. [EXPANSION OF SERVICES AND BASE LEVEL OF EXPENDITURES.] (a) Counties must continue the base level of expenditures for family preservation services as defined in section 256F.03, subdivision 5, from any state, county, or federal funding source, which, in the absence of federal funds earned under this section and earned through assessment activity described under subdivision 3, would have been available for these services. The commissioner shall review the county expenditures annually, using reports required under sections 245.482, 256.01, subdivision 2, clause (17), and 256E.08, subdivision 8, to ensure that the base level of expenditures for family preservation services as defined in section 256F.03, subdivision 5, is continued from sources other than the federal funds earned under this section and earned through assessment activity described under subdivision 3.

(b) The commissioner may reduce, suspend, or eliminate either or both of a county's obligations to continue the base level of expenditures and to expand family preservation services as defined in section 256F.03, subdivision 5, if the commissioner determines that one or more of the following conditions apply to that county:

- (1) imposition of levy limits that significantly reduce available social service funds;
 - (2) reduction in the net tax capacity of the taxable property within a county that significantly reduces available social service funds;
 - (3) reduction in the number of children under age 19 in the county by 25 percent when compared with the number in the base year using the most recent data provided by the state demographer's office; or
 - (4) termination of the federal revenue earned under this section.
- (c) The commissioner may suspend for one year either or both of a county's obligations to continue the base level of expenditures and to expand family preservation services as defined in section 256F.03, subdivision 5, if the commissioner determines that in the previous year one or more of the following conditions applied to that county:

- (1) the unduplicated number of families who received family preservation services under section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e), equals or exceeds the unduplicated number of children who entered placement under sections 257.071 and 393.07, subdivisions 1 and 2 during the year;
- (2) the total number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, has been reduced by 50 percent from the total number in the base year; or
- (3) the average number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, on the last day of each month is equal to or less than one child per 1,000 children in the county.

(d) For the purposes of this section, the base year is calendar year 1992. For the purposes of this section, the base level of expenditures is the level of county expenditures in the base year for eligible family preservation services under section 256F.03, subdivision 5, paragraphs (a), (b), (c), and (e).

Subd. 8. [COUNTY RESPONSIBILITIES.] (a) Notwithstanding section 256.871, subdivision 6, for intensive family preservation services provided under this section, the county agency shall submit quarterly fiscal reports as required under section 256.01, subdivision 2, clause (17), and provide the nonfederal share.

(b) County expenditures eligible for federal reimbursement under this section must not be made from federal funds or funds used to match other federal funds.

(c) The commissioner may suspend, reduce, or terminate the federal reimbursement to a county that does not meet the reporting or other requirements of this section.

Subd. 9. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments to counties for social service expenditures for intensive family preservation services under this section shall be made only from the federal earnings under this section and earned through assessment activity described under subdivision 3. Counties may use up to ten percent of federal earnings received under subdivision 6, paragraph (a), to cover costs of income maintenance activities related to the operation of this section and sections 256B.094 and 256F.10.

Sec. 26. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 32. [CHILD WELFARE TARGETED CASE MANAGEMENT.] Medical assistance, subject to federal approval, covers child welfare targeted case management services as defined in section 256B.094 to children under age 21 who have been assessed and determined in accordance with section 256F.10 to be:

- (1) at risk of placement or in placement as defined in section 257.071, subdivision 1;
- (2) at risk of maltreatment as defined in section 626.556, subdivision 10e; or
- (3) in need of protection or services as defined in section 260.015, subdivision 2a.

Sec. 27. [256B.094] [CHILD WELFARE TARGETED CASE MANAGEMENT SERVICES.]

Subdivision 1. [DEFINITION.] "Child welfare targeted case management services" means activities that coordinate social and other services designed to help the child under age 21 and the child's family gain access to needed social services, mental health services, habilitative services, educational services, health services, vocational services, recreational services, and related services including, but not limited to, the areas of volunteer services, advocacy, transportation, and legal services. Case management services include developing an individual service plan and assisting the child and the child's family in obtaining needed services through coordination with other agencies and assuring continuity of care. Case managers must assess the delivery, appropriateness, and effectiveness of services on a regular basis.

Subd. 2. [ELIGIBLE SERVICES.] Services eligible for medical assistance reimbursement include:

- (1) assessment of the recipient's need for case management services to gain access to medical, social, educational, and other related services;
- (2) development, completion, and regular review of a written individual service plan based on the assessment of need for case management services to ensure access to medical, social, educational, and other related services;
- (3) routine contact or other communication with the client, the client's family, primary caregiver, legal representative, substitute care provider, service providers, or other relevant persons identified as necessary to the development or implementation of the goals of the individual service plan, regarding the status of the client, the individual service plan, or the goals for the client, exclusive of transportation of the child;
- (4) coordinating referrals for, and the provision of, case management services for the client with appropriate service providers, consistent with section 1902(a)(23) of the Social Security Act;
- (5) coordinating and monitoring the overall service delivery to ensure quality of services;
- (6) monitoring and evaluating services on a regular basis to ensure appropriateness and continued need;
- (7) completing and maintaining necessary documentation that supports and verifies the activities in this subdivision;
- (8) traveling to conduct a visit with the client or other relevant person necessary to the development or implementation of the goals of the individual service plan; and

(9) coordinating with the medical assistance facility discharge planner in the 30-day period before the client's discharge into the community. This case management service provided to patients or residents in a medical assistance facility is limited to a maximum of two 30-day periods per calendar year.

Subd. 3. [CASE MANAGEMENT PROVIDER.] To be eligible to receive medical assistance reimbursement, the case management provider must meet all provider qualification and certification standards under section 256F.10.

Subd. 4. [CASE MANAGER.] To provide case management services, a case manager must be employed by and authorized by the case management provider to provide case management services and meet all requirements under section 256F.10.

Subd. 5. [MEDICAL ASSISTANCE REIMBURSEMENT OF CASE MANAGEMENT SERVICES.] (a) Medical assistance reimbursement for services under this section shall be made on a monthly basis. Payment is based on face-to-face or telephone contacts between the case manager and the client, client's family, primary caregiver, legal representative, or other relevant person identified as necessary to the development or implementation of the goals of the individual service plan regarding the status of the client, the individual service plan, or the goals for the client. These contacts must meet the minimum standards in clauses (1) and (2):

(1) There must be a face to face contact with each client at least once a month except as provided in clause (2).

(2) For a client placed outside of the county of financial responsibility in an excluded time facility under section 256G, subdivision 6, or through the interstate compact on the placement of children, section 257.40, and the placement in either case is more than 60 miles beyond the county boundaries, there must be at least one contact per month and not more than two consecutive months without a face to face contact.

(b) The payment rate is established using time study data on activities of provider service staff and reports required under sections 245.482, 256.01, subdivision 2, clause (17), and 256E.08, subdivision 8. Separate payment rates may be established for different groups of providers to maximize reimbursement as determined by the commissioner. The payment rate will be reviewed annually and revised periodically to be consistent with the most recent time study and other data. Payment for services will be made upon submission of a valid claim and verification of proper documentation described in subdivision 6. Federal administrative revenue earned through the time study shall be distributed according to earnings, to counties or groups of counties which have the same payment rate under this subdivision, and to the group of counties which are not certified providers under section 256F.095. The commissioner shall modify the requirements set out in Minnesota Rules, parts 9550.0300 to 9550.0370, as necessary to accomplish this.

Subd. 6. [DOCUMENTATION FOR CASE RECORD AND CLAIM.] (a) The assessment, case finding, and individual service plan shall be maintained in the individual case record under the data practices act, chapter 13. The individual service plan must be reviewed at least annually and updated as necessary. Each individual case record must maintain documentation of routine, ongoing, contacts and services. Each claim must be supported by written documentation in the individual case record.

(b) Each claim must include:

(1) the name of the recipient;

(2) the date of the service;

(3) the name of the provider agency and the person providing service;

(4) the nature and extent of services; and

(5) the place of the services.

Subd. 7. [PAYMENT LIMITATION.] Services that are not eligible for payment as a child welfare targeted case management service include but are not limited to:

(1) assessments prior to opening a case;

(2) therapy and treatment services;

- (3) legal services, including legal advocacy, for the client;
- (4) information and referral services that are part of a county's community social services plan, that are not provided to an eligible recipient;
- (5) outreach services including outreach services provided through the community support services program;
- (6) services that are not documented as required under subdivision 6 and Minnesota Rules, parts 9505.1800 to 9505.1880;
- (7) services that are otherwise eligible for payment on a separate schedule under rules of the department of human services;
- (8) services to a client that duplicate the same case management service from another case manager;
- (9) case management services provided to patients or residents in a medical assistance facility except as described under subdivision 2, clause 9; and
- (10) for children in foster care, group homes, or residential care, payment for case management services is limited to case management services that focus on permanency planning or return to the family home and that do not duplicate the facility's discharge planning services.

Sec. 28. Minnesota Statutes 1992, section 256F.06, subdivision 2, is amended to read:

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

Sec. 29. [256F.095] [CHILD WELFARE TARGETED CASE MANAGEMENT.]

Subdivision 1. [ELIGIBILITY.] Persons under 21 years of age who are eligible to receive medical assistance are eligible for child welfare targeted case management services under section 256B.094 and this section if they have received an assessment and have been determined by the local county agency to be:

- (1) at risk of placement or in placement as described in section 257.071, subdivision 1;
- (2) at risk of maltreatment or experiencing maltreatment as defined in section 626.556, subdivision 10e; or
- (3) in need of protection or services as defined in section 260.015, subdivision 2a.

Subd. 2. [AVAILABILITY OF SERVICES.] Child welfare targeted case management services are available from providers meeting qualification requirements and the certification standards specified in subdivision 4. Eligible recipients may choose any certified provider of child welfare targeted case management services.

Subd. 3. [VOLUNTARY PROVIDER PARTICIPATION.] Providers may seek certification for medical assistance reimbursement to provide child welfare targeted case management services. The certification process is initiated by submitting a written statement of interest to the commissioner.

Certified providers may elect to discontinue participation by a written notice to the commissioner at least 120 days before the end of the final calendar quarter of participation.

Subd. 4. [PROVIDER QUALIFICATIONS AND CERTIFICATION STANDARDS.] The commissioner must certify each provider before enrolling it as a child welfare targeted case management provider of services under section 256B.094 and this section. The certification process shall examine the provider's ability to meet the qualification requirements and certification standards in this subdivision and other federal and state requirements of this service. A certified child welfare targeted case management provider is an enrolled medical assistance provider who is determined by the commissioner to have all of the following:

- (1) the legal authority to provide public welfare under sections 393.01, subdivision 7, and 393.07;

(2) the demonstrated capacity and experience to provide the components of case management to coordinate and link community resources needed by the eligible population;

(3) administrative capacity and experience in serving the target population for whom it will provide services and in ensuring quality of services under state and federal requirements;

(4) the legal authority to provide complete investigative and protective services under section 626.556, subdivision 10, and child welfare and foster care services under section 393.07, subdivisions 1 and 2;

(5) a financial management system that provides accurate documentation of services and costs under state and federal requirements; and

(6) the capacity to document and maintain individual case records under state and federal requirements.

Subd. 5. [CASE MANAGERS.] Case managers are individuals employed by and authorized by the certified child welfare targeted case management provider to provide case management services under section 256B.094 and this section. A case manager must have:

(1) skills in identifying and assessing a wide range of children's needs;

(2) knowledge of local child welfare and a variety of community resources and effective use of those resources for the benefit of the child; and

(3) a bachelor's degree in social work, psychology, sociology, or a closely related field from an accredited four-year college or university; or a bachelor's degree from an accredited four-year college or university in a field other than social work, psychology, sociology or a closely related field, plus one year of experience in the delivery of social services to children as a supervised social worker in a public or private social services agency.

Subd. 6. [DISTRIBUTION OF NEW FEDERAL REVENUE.] (a) Except for portion set aside in paragraph (b), the federal funds earned under this section and section 256B.094 by counties shall be paid to each county based on its earnings, and must be used by each county to expand preventive child welfare services.

(b) The commissioner shall set aside a portion of the federal funds earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The repayment is limited to:

(1) the costs of developing and implementing this section and sections 256.8711 and 256B.094;

(2) programming the information systems; and

(3) the lost federal revenue for the central office claim directly caused by the implementation of these sections.

Any unexpended funds from the set aside under this paragraph shall be distributed to counties according to paragraph (a).

Subd. 7. [EXPANSION OF SERVICES AND BASE LEVEL OF EXPENDITURES.] (a) Counties must continue the base level of expenditures for preventive child welfare services from either or both of any state, county, or federal funding source, which, in the absence of federal funds earned under this section, would have been available for these services. The commissioner shall review the county expenditures annually using reports required under sections 245.482, 256.01, subdivision 2, paragraph 17, and 256E.08, subdivision 8, to ensure that the base level of expenditures for preventive child welfare services is continued from sources other than the federal funds earned under this section.

(b) The commissioner may reduce, suspend, or eliminate either or both of a county's obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that one or more of the following conditions apply to that county:

(1) imposition of levy limits that significantly reduce available social service funds;

(2) reduction in the net tax capacity of the taxable property within a county that significantly reduces available social service funds;

(3) reduction in the number of children under age 19 in the county by 25 percent when compared with the number in the base year using the most recent data provided by the state demographer's office; or

(4) termination of the federal revenue earned under this section.

(c) The commissioner may suspend for one year either or both of a county's obligations to continue the base level of expenditures and to expand child welfare preventive services if the commissioner determines that in the previous year one or more of the following conditions applied to that county:

(1) the total number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, has been reduced by 50 percent from the total number in the base year; or

(2) the average number of children in placement under sections 257.071 and 393.07, subdivisions 1 and 2, on the last day of each month is equal to or less than one child per 1,000 children in the county.

(d) For the purposes of this section, child welfare preventive services are those services directed toward a specific child or family that further the goals of section 256F.01 and include assessments, family preservation services, service coordination, community-based treatment, respite care except when it is provided under a medical assistance waiver, home-based services, and other related services. For the purposes of this section, child welfare preventive services shall not include shelter care to address an emergency, residential services except for respite care, child care for the purposes of employment and training, adult services, services other than child welfare targeted case management when they are provided under medical assistance, placement services, or activities not directed toward a specific child or family. Respite care must be planned, routine care to support the continuing residence of the child with its family or long-term primary caretaker and must not be provided to address an emergency.

(e) For the counties beginning to claim federal reimbursement for services under this section and section 256B.094, the base year is the calendar year ending at least two calendar quarters before the first calendar quarter in which the county begins claiming reimbursement. For the purposes of this section, the base level of expenditures is the level of county expenditures in the base year for eligible child welfare preventive services described in this subdivision.

Subd. 8. [PROVIDER RESPONSIBILITIES.] (a) Notwithstanding section 256B.19, subdivision 1, for the purposes of child welfare targeted case management under section 256B.094 and this section, the nonfederal share of costs shall be provided by the provider of child welfare targeted case management from sources other than federal funds or funds used to match other federal funds.

(b) Provider expenditures eligible for federal reimbursement under this section must not be made from federal funds or funds used to match other federal funds.

(c) The commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of section 256B.094 and this section.

Subd. 9. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments to certified providers for child welfare targeted case management expenditures under section 256B.094 and this section shall only be made of federal earnings from services provided under section 256B.094 and this section.

Subd. 10. [CENTRALIZED DISBURSEMENT OF MEDICAL ASSISTANCE PAYMENTS.] Notwithstanding section 256B.041, county payments for the cost of child welfare targeted case management services shall not be made to the state treasurer. For the purposes of child welfare targeted case management services under section 256B.094 and this section, the centralized disbursement of payments to providers under section 256B.041 consists only of federal earnings from services provided under section 256B.094 and this section.

Sec. 30. [256F.10] [GRANT PROGRAM FOR CRISIS NURSERIES.]

Subdivision 1. [CRISIS NURSERIES.] The commissioner of human services shall establish a grant program to assist private and public agencies and organizations to provide crisis nurseries to offer temporary care for children who are abused, neglected, and those children at high risk of abuse and neglect, and children who are in families receiving child protective services. This service shall be provided without fee for a maximum of 30 days in any year. Crisis nurseries shall provide referral to support services and provide family support services as needed.

Subd. 2. [FUND DISTRIBUTION.] In distributing funds, the commissioner shall give priority consideration to agencies and organizations with experience in working with abused or neglected children and their families, and with children at high risk of abuse and neglect and their families, and serve communities which demonstrate the greatest need for these services.

(a) The crisis nurseries must:

(1) be available 24 hours a day, seven days a week;

(2) provide services for children up to three days at any one time;

(3) make referrals for parents to counseling services and other community resources to help alleviate the underlying cause of the precipitating stress or crisis;

(4) provide services without a fee for a maximum of 30 days in any year;

(5) provide services to children from birth to 12 years of age;

(6) provide an initial assessment and intake interview conducted by a skilled professional who will identify the presenting problem and make an immediate referral to an appropriate agency or program to prevent maltreatment and out-of-home placement of children;

(7) maintain the clients' confidentiality to the extent required by law, and also comply with statutory reporting requirements which may mandate a report to child protective services;

(8) contain a volunteer component;

(9) provide preservice training and ongoing training to providers and volunteers;

(10) evaluate the services provided by documenting use of services, the result of family referrals made to community resources, and how the services reduced the risk of maltreatment;

(11) provide age appropriate programming;

(12) provide developmental assessments;

(13) provide medical assessments as determined by using a risk screening tool;

(14) meet United States Department of Agriculture regulations concerning meals and provide three meals a day and three snacks during a 24-hour period; and

(15) provide appropriate sleep and nap arrangements for children.

(b) The crisis nurseries are encouraged to provide:

(1) on-site support groups for facility model programs, or agency sponsored parent support groups for volunteer family model programs;

(2) parent education classes or programs that include parent-child interaction; and

(3) opportunities for parents to volunteer, if appropriate, to assist with child care in a supervised setting in order to enhance their parenting skills and self-esteem, in addition to providing them the opportunity to give something back to the program.

(c) Parents shall retain custody of their children during placement in a crisis facility.

The crisis nurseries are encouraged to include one or more parents who have used the crisis nursery services on the program's multidisciplinary advisory board.

Subd. 3. [EVALUATIONS.] The commissioner of human services shall submit an annual report to the legislature evaluating the program. The report must include information concerning program costs, the number of program participants, the program's impact on family stability, the incidence of abuse and neglect, and all other relevant information determined by the commissioner.

Sec. 31. [256F.11] [GRANT PROGRAM FOR RESPITE CARE.]

Subdivision 1. [RESPITE CARE PROGRAM.] The commissioner of human services shall establish a grant program to provide respite care services to families or caregivers who are under stress and at risk of abusing or neglecting their children, families with children suffering from emotional problems, and families receiving child protective services.

Subd. 2. [SERVICE GOALS.] Respite care programs shall provide temporary services for families or caregivers in order to:

- (1) allow the family to engage in the family's usual daily activities;
- (2) maintain family stability during crisis situations;
- (3) help preserve the family unit by lessening pressures that might lead to divorce, institutionalization, neglect, or child abuse;
- (4) provide the family with rest and relaxation;
- (5) improve the family's ability to cope with daily responsibilities; and
- (6) make it possible for individuals with disabilities to establish independence and enrich their own growth and development.

Subd. 3. [DEFINITION.] "Respite care" means in-home or out-of-home temporary, nonmedical child care for families and caregivers who are under stress and at risk of abusing or neglecting their children, and families with children suffering from emotional problems. Respite care shall be available for time periods varying from one hour to two weeks.

In-home respite care is provided in the home of the person needing care.

Out-of-home respite care will be given in the provider's home or other facility. In these cases, the provider's home or facility must be currently licensed for day care or foster home care.

Subd. 4. [SLIDING FEE SCALE.] The commissioner shall establish a sliding fee scale that takes into account family income, expenses, and ability to pay. Grant funds shall be used to subsidize the respite care of children. Funded projects must:

- (1) prevent and reduce mental, physical, and emotional stress on parents and children;
- (2) provide training for caregivers;
- (3) establish a network of community support groups and resources for families;
- (4) conduct an intake assessment in order to identify the presenting problems and make appropriate referrals;
- (5) provide age appropriate programming; and
- (6) ensure that respite care providers complete at least 120 hours of training in child development, child care, and related issues.

Subd. 5. [EVALUATIONS.] The commissioner of human services shall submit an annual report to the legislature evaluating funded programs. The report must include information concerning program costs, the number of program participants, the impact on family stability, the incidence of abuse and neglect, and all other relevant information determined by the commissioner.

Sec. 32. [256F.12][COUNTY INITIATIVES FOR ENHANCING FEDERAL REIMBURSEMENT; DEMONSTRATION PROJECTS.]

Subdivision 1. [AUTHORITY AND RESPONSIBILITIES OF THE COMMISSIONER.] The commissioner may contract with one or more lead counties, at least one of which shall be outside the seven-county metropolitan area, to develop and implement demonstration initiatives to enhance federal reimbursement under Title IV-E of the Social Security Act and federal administrative reimbursement under Title XIX of the Social Security Act. In regard to such demonstration initiatives, the commissioner shall have the following authority and responsibilities:

(a) The commissioner shall ensure that the demonstration initiatives allowed under this subdivision are not in contradiction with any state or federal policy or program and that they are not implemented in such a manner as to have negative impact on the state budget.

(b) The commissioner shall submit amendments to state plans and seek waivers as necessary to implement the provisions of this section.

(c) Except for the set aside under paragraph (d), the commissioner shall pay the federal reimbursement earned under this section to each lead county based on their earnings. Notwithstanding section 256.025, subdivision 2, payments to lead counties for expenditures under this section will only be made of federal earnings from services provided under the demonstration initiative.

(d) The commissioner may set aside a portion of the federal reimbursement earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The repayment is limited to: (1) the costs of developing and implementing this subdivision; (2) programming the information systems; (3) any lost federal revenue for the central office claim directly caused by the implementation of this subdivision; and (4) the costs of technical assistance provided to the demonstration initiative. Any unexpended funds from the set aside under this paragraph shall be distributed to the lead county based on its earning. The set aside must cover the department's actual costs of implementation, not to exceed five percent of the federal reimbursement earned by the demonstration initiative over the term of its contract with the state.

(e) The commissioner shall review expenditures of the lead county and all subcontractors in the demonstration initiative, using reports specified in the demonstration initiative contract to ensure that the base level of expenditures is continued and new federal reimbursement is used to expand social, health, or health-related services to children and families.

(f) The commissioner may reduce, suspend, or eliminate a lead county's or subcontractor's obligations to continue the base level of expenditures or expansion of services if the commissioner determines that one or more of the following conditions apply:

(1) imposition of levy limits that significantly reduce available funds for social, health, or health-related services to families and children;

(2) reduction in the net tax capacity of the taxable property eligible to be taxed by the lead county or subcontractor that significantly reduces available funds for social, health, or health-related services to families and children;

(3) reduction in the number of children under age 19 in the county or subcontractor's district or catchment area when compared to the number in the base year using the most recent data provided by the state demographer's office;
or

(4) termination of the federal revenue earned under the demonstration initiative contract.

(g) The commissioner shall not use the federal reimbursement earned under this section in determining the allocation or distribution of other funds to counties or subcontractors.

(h) The commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the reporting or other requirements of this section.

(i) The commissioner shall recover from the lead county any federal fiscal disallowances or sanctions for audit exceptions directly attributable to the lead county's or its subcontractor's actions in the demonstration initiative, or the proportional share if federal fiscal disallowances or sanctions are based on a statewide random sample.

(j) The commissioner shall make an annual report to the legislature regarding the status of the demonstration initiatives and recommendations concerning expansion or statewide implementation.

Subd. 2. [LEAD COUNTY RESPONSIBILITIES.] The lead county in such demonstration initiatives shall have the following authority and responsibilities.

(a) The lead county shall be the party with which the commissioner contracts, and shall act as the fiscal agent for reporting, claiming, and receiving payments on behalf of the demonstration initiative.

(b) The lead county may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement, or to expand social, health, or health-related services to families and children, or both.

(c) The lead county, a subcontractor, or another entity may take the lead role in service planning, service provision, policy development and governance of the family and children's services plan under paragraph (d), as specified in the contract between a lead county and its subcontractors.

(d) The lead county shall arrange for the development of a written annual plan for family and children's services, and this plan shall be submitted to the commissioner and be consistent with the demonstration initiative contract. This plan may be part of an existing county plan, such as a CSSA plan developed under section 256E.08 or a CHS plan developed under section 145A.10, or a new and separate plan.

(e) The lead county and all subcontractors must implement the demonstration initiative in a manner which is fiscally neutral to the state budget.

(f) The lead county and all subcontractors must continue the base level of expenditures for social, health, or health-related services to families and children from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services, except as provided in this subdivision. The base year for purposes of this subdivision shall be the calendar quarter ending at least two calendar quarters before the first calendar quarter in which the new federal reimbursement is earned.

(g) The lead county and all subcontractors must use all new federal reimbursement resulting from this demonstration initiative to expand expenditures for social, health, or health-related services to families and children beyond the base level, except as provided in subdivision 1, paragraph (f).

(h) The lead county and all subcontractors must ensure that expenditures submitted for federal reimbursement are not made from federal funds or funds used to match other federal funds. Notwithstanding section 256B.19, subdivision, for the purposes of lead county and subcontractor expenditures under contract with the department for the purpose of implementing a demonstration initiative, the nonfederal share of costs shall be provided by the lead county and subcontractors from sources other than federal funds or funds used to match other federal funds.

(i) The lead county and all subcontractors must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the demonstration initiative contract.

(j) The lead county shall submit an annual report of the demonstration initiative to the commissioner as specified in the contract.

Subd. 3. [CONTRACTS WITH LEAD COUNTIES.] At a minimum, the demonstration initiative contract between the commissioner and the lead county shall include the following provisions:

(1) Specific documentation of the expenditures eligible for federal reimbursement.

(2) The process for developing and submitting claims to the commissioner.

(3) Specific identification of the social, health, or health-related services to families and children which are to be expanded with the federal reimbursement.

(4) Collaboration between the lead county, one or more school districts in the county, and community-based service groups.

(5) Reporting and review procedures ensuring that the county and all subcontractors must continue their base level of expenditures for the social, health, or health-related services for families and children as specified in subdivision 2, paragraph (f).

(6) Reporting and review procedures to ensure that federal revenue earned under this section is spent specifically to expand social, health or health-related services for families and children as specified in subdivision 2, paragraph (g).

(7) Procedures for establishing implementation costs as provided in subdivision 1, paragraph (d) and recovering such costs by the commissioner.

(8) The period of time, not to exceed two years, governing the terms of the contract and provisions for amendments to, and renewal of the contract.

(9) An annual report prepared by the lead county on behalf of the demonstration initiative.

Sec. 33. Minnesota Statutes 1992, section 256H.03, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION FORMULA.] Beginning July 1, 1992, the basic sliding fee state and federal funds shall be allocated according to the following formula:

(a) One-half of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the 12-month period ending on December 31 of the preceding state fiscal year.

(b) One-fourth of the funds shall be allocated based on the number of children under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and the children's health plan on July 1, of each year.

(c) One-fourth of the funds shall be allocated based on the number of children under age 13 who reside in each county, from the most recent estimates of the state demographer.

(d) In fiscal year 1993 only, a maximum of \$600,000 in federal funds designated for the basic sliding fee program shall be distributed to counties that, due to the allocation formula change in paragraphs (a) to (c), do not have sufficient funds available in the basic sliding fee program to continue services in fiscal year 1993 to families participating in the basic sliding fee program in fiscal year 1992. This maximum of \$600,000 increase for the sliding fee child care fund in fiscal year 1993 is a one-time increase and does not increase the allocation base for the 1994-1995 biennium. The funds shall be distributed as a supplemental fiscal year 1993 allocation to counties without regard to the allocation formula identified in this subdivision. The amount distributed to a county shall be based on earnings in excess of its original fiscal year 1993 allocation after the maintenance of effort requirements in section 256H.12. The sum of a county's original and supplemental fiscal year 1993 allocations may not exceed its fiscal year 1992 allocation. If the amount of funds earned under this paragraph is in excess of \$600,000, the distribution shall be prorated to each county based on the ratio of the county's earnings in excess of its allocation to the total of all counties' earnings in excess of their allocations.

Sec. 34. Minnesota Statutes 1992, section 256I.04, subdivision 3, is amended to read:

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF GROUP RESIDENTIAL HOUSING BEDS.] County agencies shall not enter into agreements for new general assistance or Minnesota supplemental aid group residence housing beds except:

(1) for adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265;

(2) for facilities licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers;

(3) to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; or

(4) up to 80 beds in a single, specialized facility located in Hennepin county that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication. Planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the housing finance agency under section 462A.05, subdivision 20a, paragraph (b); or

(5) for up to 40 beds in a specialized facility located in Hennepin county that will provide housing primarily for American Indian persons who have been refused placement in emergency shelters because of their state of intoxication.

Sec. 35. Minnesota Statutes 1992, section 257.3573, is amended by adding a subdivision to read:

Subd. 3. [REVENUE ENHANCEMENT.] The commissioner shall submit claims for federal reimbursement earned through the activities and services supported through Indian child welfare grants. The commissioner may set aside a portion of the federal funds earned under this subdivision to establish and support a new Indian child welfare position in the department of human services to provide program development. The commissioner shall use any federal revenue not set aside to expand services under section 257.3571. The federal revenue earned under this subdivision is available for these purposes until the funds are expended.

Sec. 36. Minnesota Statutes 1992, section 257.803, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY TO DISBURSE FUNDS.] The commissioner, with the advice and consent of the advisory council established under this section, may disburse trust fund money to any public or private nonprofit agency to fund a child abuse prevention program. State funds appropriated for child maltreatment prevention grants may be transferred to the children's trust fund special revenue account and are available to carry out this section.

Sec. 37. Minnesota Statutes 1992, section 259.40, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY PAYMENTS ADOPTION ASSISTANCE.] ~~The commissioner of human services may make subsidy payments as necessary after the subsidized adoption agreement is approved to~~ shall enter into an adoption assistance agreement with an adoptive parent or parents who adopt a child who meets the eligibility requirements under title IV-E of the Social Security Act, United States Code, title 42, section sections 670 to 679a, or who otherwise meets the requirements in subdivision 4, is a Minnesota resident and is under guardianship of the commissioner or of a licensed child placing agency after the final decree of adoption is issued. The subsidy payments and any subsequent modifications to the subsidy payments shall be based on the needs of the adopted person that the commissioner has determined cannot be met using other resources including programs available to the adopted person and the adoptive parent or parents.

Sec. 38. Minnesota Statutes 1992, section 259.40, subdivision 2, is amended to read:

Subd. 2. [SUBSIDY ADOPTION ASSISTANCE AGREEMENT.] ~~The placing agency shall certify a child as eligible for a subsidy adoption assistance according to rules promulgated by the commissioner. When a parent or parents are found and approved for adoptive placement of a child certified as eligible for a subsidy adoption assistance, and before the final decree of adoption is issued, a written agreement must be entered into by the commissioner, the adoptive parent or parents, and the placing agency. The written agreement must be in the form prescribed by the commissioner and must set forth the responsibilities of all parties, the anticipated duration of the subsidy adoption assistance payments, and the payment terms. The subsidy adoption assistance agreement shall be subject to the commissioner's approval.~~

~~The commissioner shall provide adoption subsidies to the adoptive parent or parents according to the terms of the subsidy agreement. The subsidy may include payment for basic maintenance expenses of food, clothing, and shelter; amount of adoption assistance shall be determined through agreement with the adoptive parents. The agreement shall take into consideration the circumstances of the adopting parent or parents, the needs of the child being adopted and may provide ongoing monthly assistance, supplemental maintenance expenses related to the adopted person's special needs, nonmedical expenses periodically necessary for purchase of services, items, or equipment related to the special needs, and medical expenses. The placing agency or the adoptive parent or parents shall provide written documentation to support requests the need for subsidy adoption assistance payments. The commissioner may require periodic reevaluation of subsidy adoption assistance payments. The amount of the subsidy payment ongoing monthly adoption assistance granted may in no case exceed that which would be allowable for the child under foster family care and is subject to the availability of state and federal funds.~~

Sec. 39. Minnesota Statutes 1992, section 259.40, subdivision 3, is amended to read:

Subd. 3. [ANNUAL AFFIDAVIT.] When subsidies adoption assistance agreements are for more than one year, the adoptive parents or guardian or conservator shall annually present an affidavit stating whether the adopted person remains under their care and whether the need for subsidy adoption assistance continues to exist. The commissioner may verify the affidavit. The subsidy adoption assistance agreement shall continue in accordance with its terms as long as the need for subsidy adoption assistance continues and the adopted person ~~is under 22 years of age and is the legal or financial dependent of the adoptive parent or parents or guardian or conservator and is under 18 years of age.~~ The adoption assistance agreement may be extended to age 22 as allowed by rules adopted by the commissioner. Termination or modification of the subsidy adoption assistance agreement may be requested by the adoptive parents or subsequent guardian or conservator at any time. When the commissioner determines that a child is eligible for adoption assistance under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 679a, the commissioner shall modify the subsidy adoption assistance agreement in order to obtain the funds under that act.

Sec. 40. Minnesota Statutes 1992, section 259.40, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY CONDITIONS.] The placing agency shall determine the child's eligibility for adoption assistance under title IV-E of the Social Security Act. If the child does not qualify, the placing agency shall certify a child as eligible for ~~a state funded subsidy state funded adoption assistance~~ only if the following criteria are met:

(a) ~~A placement agency has made reasonable efforts to place the child for adoption without subsidy, but has been unsuccessful; or~~ Due to the child's characteristics or circumstances it would be difficult to provide the child and adoptive home without adoption assistance.

(b)(1) A placement agency has made reasonable efforts to place the child for adoption without subsidy adoption assistance, but has been unsuccessful; or

~~(b)(2) the child's licensed foster parents desire to adopt the child and it is determined by the placing agency that:~~

~~(1) the adoption is in the best interest of the child; and~~

~~(2) due to the child's characteristics or circumstances it would be difficult to provide the child an adoptive home without subsidy; and.~~

(c) The child has been a ward of the commissioner or ~~licensed a~~ Minnesota-licensed child placing agency.

Sec. 41. Minnesota Statutes 1992, section 259.40, subdivision 5, is amended to read:

Subd. 5. [DETERMINATION OF RESIDENCY.] A child who is a resident of any county in this state when eligibility for subsidy adoption assistance is certified shall remain eligible and receive ~~the subsidy adoption assistance~~ in accordance with the terms of the subsidy adoption assistance agreement, regardless of the domicile or residence of the adopting parents at the time of application for adoptive placement, legal decree of adoption, or thereafter.

Sec. 42. Minnesota Statutes 1992, section 259.40, subdivision 7, is amended to read:

Subd. 7. [REIMBURSEMENT OF COSTS.] Subject to rules of the commissioner, and the provisions of this subdivision a Minnesota-licensed child placing agency or county social service agency shall receive a reimbursement from the commissioner equal to 100 percent of the reasonable and appropriate cost of providing or purchasing adoption services for a child certified as eligible for a subsidy, including adoption assistance. Such assistance may include adoptive family recruitment, counseling, and special training when needed. A Minnesota-licensed child placing agency shall receive reimbursement for adoption services it purchases for or directly provides to an eligible child. A county social service agency shall receive such reimbursement only for adoption services it purchases for an eligible child.

A Minnesota-licensed child placing agency or county social service agency seeking reimbursement under this subdivision shall enter into a reimbursement agreement with the commissioner before providing adoption services for which reimbursement is sought. No reimbursement under this subdivision shall be made to an agency for services provided prior to entering a reimbursement agreement. Separate reimbursement agreements shall be made for each child and separate records shall be kept on each child for whom a reimbursement agreement is made. Funds encumbered and obligated under such an agreement for the child remain available until the terms of the agreement are fulfilled or the agreement is terminated.

Sec. 43. Minnesota Statutes 1992, section 259.40, subdivision 8, is amended to read:

Subd. 8. [INDIAN CHILDREN.] The commissioner is encouraged to work with American Indian organizations to assist in the establishment of American Indian child adoption organizations able to be licensed as child placing agencies. Children certified as eligible for a subsidy adoption assistance under this section who are protected under the Federal Indian Child Welfare Act of 1978 should, whenever possible, be served by the tribal governing body, tribal courts, or a licensed Indian child placing agency.

Sec. 44. Minnesota Statutes 1992, section 259.40, subdivision 9, is amended to read:

Subd. 9. [EFFECT ON OTHER AID.] Subsidy Adoption assistance payments received under this section shall not affect eligibility for any other financial payments to which a person may otherwise be entitled.

Sec. 45. Minnesota Statutes 1992, section 525.539, subdivision 2, is amended to read:

Subd. 2. "Guardian" means a person or entity who is appointed by the court to exercise all of the powers and duties designated in section 525.56 for the care of an incapacitated person or that person's estate, or both.

Sec. 46. Minnesota Statutes 1992, section 525.551, subdivision 7, is amended to read:

Subd. 7. [~~NOTIFICATION OF COMMISSIONER OF HUMAN SERVICES.~~] ~~If the ward or conservatee is a patient of a state hospital for the mentally ill, or committed to the, regional center, or any state-operated service has a guardianship or conservatorship established, modified, or terminated, the head of the state hospital, regional center, or state-operated service shall be notified. If a ward or conservatee is under the guardianship or conservatorship of the commissioner of human services as mentally retarded or dependent and neglected or is under the temporary custody of the commissioner of human services, the court shall notify the commissioner of human services of the appointment of a guardian, conservator or successor guardian or conservator of the estate of the ward or conservatee if the public guardianship or conservatorship is established, modified, or terminated.~~

Sec. 47. Minnesota Statutes 1992, section 626.559, is amended by adding a subdivision to read:

Subd. 5. [TRAINING REVENUE.] The commissioner of human services shall submit claims for federal reimbursement earned through the activities and services supported through department of human services child protection or child welfare training funds. Federal revenue earned must be used to improve and expand training services by the department. The department expenditures eligible for federal reimbursement under this section must not be made from federal funds or funds used to match other federal funds. The federal revenue earned under this subdivision is available for these purposes until the funds are expended.

Sec. 48. [PINE COUNTY SOCIAL SERVICE GRANT APPLICATION PROCESS.]

Pine county is granted the discretion to use a letter of intent in lieu of completing a grant application for categorical social service funding. The commissioner of the department of human services shall distribute the amount of funds requested by Pine county up to the amount of its allocation or an amount consistent with the purposes of this legislation. Pine county shall be required to amend its social service plan within 12 months of receipt of funding to address the requirements of the grant application with its social service plan. The commissioner of the department of human services may withhold future funding if a determination is made that Pine county has not met the requirements of the social services program for which it used the alternative funding mechanism. The commissioner shall first provide Pine county an appeal process and a 60-day notice of intent to reduce or end funding received under this legislation. The commissioner of the department of human services shall provide the legislature an annual report on the effectiveness of this approach and its applicability to other small counties. The department shall include in its evaluation of Pine county's mandates reform project the advantages of this alternative funding process for small counties. The department shall also prepare a report to the legislature by January 1, 1996, on the feasibility of using this approach for counties with less than 30,000 population.

Sec. 49. [EFFECTIVE DATES.]

Subdivision 1. Sections 33 and 36 [256H.03, subdivision 4; and 257.803, subdivision 1], are effective the day following final enactment.

Subd. 2. Section 32 [256F.12] is effective July 1, 1993.

Subd. 3. Sections 23 and 24 [254B.03, subdivision 1; and 254B.06, subdivision 3], are effective January 2, 1994.

ARTICLE 4

DEVELOPMENTAL DISABILITIES

Section 1. Minnesota Statutes 1992, section 252.275, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM.] The commissioner of human services shall establish a statewide program to provide support for persons with mental retardation or related conditions to live as independently as possible in the community. An objective of the program is to reduce unnecessary use of intermediate care facilities for persons with mental retardation or related conditions and home and community-based services. The commissioner shall reimburse county boards for the provision of semi-independent living services licensed by the commissioner pursuant to provided by agencies or individuals that meet the applicable standards of sections 245A.01 to 245A.16 and 252.28, and for the provision of one-time living allowances to secure and furnish a home for a person who will receive semi-independent living services under this section, if other public funds are not available for the allowance.

For the purposes of this section, "semi-independent living services" means training and assistance in managing money, preparing meals, shopping, maintaining personal appearance and hygiene, and other activities which are needed to maintain and improve an adult with mental retardation or a related condition's capability to live in the community. Eligible persons: (1) must be age 18 or older, must need less than a 24-hour plan of care, and; (2) must be unable to function independently without semi-independent living services; and (3) must not be at risk of placement in an intermediate care facility for persons with mental retardation in the absence of less restrictive services.

Semi-independent living services costs and one-time living allowance costs may be paid directly by the county, or may be paid by the recipient with a voucher or cash issued by the county.

Sec. 2. Minnesota Statutes 1992, section 252.275, subdivision 8, is amended to read:

Subd. 8. [USE OF FEDERAL FUNDS AND TRANSFER OF FUNDS TO MEDICAL ASSISTANCE.] (a) The commissioner shall make every reasonable effort to maximize the use of federal funds for semi-independent living services.

(b) The commissioner shall reduce the payments to be made under this section to each county from January 1, 1994 to June 30, 1996, by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home- and community-based waiver program under section 256B.092 from January 1, 1994 to June 30, 1996, for clients for whom the county is financially responsible and who have been transferred by the county from the semi-independent living services program to the home- and community-based waiver program. Unless otherwise specified, all reduced amounts shall be transferred to the medical assistance state account.

(c) For fiscal year 1997, the base appropriation available under this section shall be reduced by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home- and community-based waiver program authorized in section 256B.092 from January 1, 1995 to December 31, 1995, for persons who have been transferred from the semi-independent living services program to the home- and community-based waiver program. The base appropriation for the medical assistance state account shall be increased by the same amount.

(d) For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1996 allocations, each county's original allocation for calendar year 1995 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on June 30, 1995. For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1997 allocations, each county's original allocation for calendar year 1996 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on June 30, 1996.

Sec. 3. Minnesota Statutes 1992, section 252.40, is amended to read:

252.40 [SERVICE PRINCIPLES AND RATE-SETTING PROCEDURES FOR DAY TRAINING AND HABILITATION SERVICES FOR ADULTS WITH MENTAL RETARDATION AND RELATED CONDITIONS.]

Sections 252.40 to ~~252.47~~ 252.46 apply to day training and habilitation services for adults with mental retardation and related conditions when the services are authorized to be funded by a county and provided under a contract between a county board and a vendor as defined in section 252.41. Nothing in sections 252.40 to ~~252.47~~ 252.46 absolves intermediate care facilities for persons with mental retardation or related conditions of the responsibility for providing active treatment and habilitation under federal regulations with which those facilities must comply to be certified by the Minnesota department of health.

Sec. 4. Minnesota Statutes 1992, section 252.41, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 252.40 to ~~252.47~~ 252.46.

Sec. 5. Minnesota Statutes 1992, section 252.41, subdivision 3, is amended to read:

Subd. 3. [DAY TRAINING AND HABILITATION SERVICES FOR ADULTS WITH MENTAL RETARDATION, RELATED CONDITIONS.] "Day training and habilitation services for adults with mental retardation and related conditions" means services that:

(1) include supervision, training, assistance, and supported employment, work-related activities, or other community-integrated activities designed and implemented in accordance with the individual service and individual habilitation plans required under Minnesota Rules, parts 9525.0015 to 9525.0165, to help an adult reach and maintain the highest possible level of independence, productivity, and integration into the community;

(2) are provided under contract with the county where the services are delivered by a vendor licensed under sections 245A.01 to 245A.16 and 252.28, subdivision 2, to provide day training and habilitation services; and

(3) are regularly provided to one or more adults with mental retardation or related conditions in a place other than the adult's own home or residence unless medically contraindicated.

Day training and habilitation services reimbursable under this section do not include special education and related services as defined in the Education of the Handicapped Act, United States Code, title 20, chapter 33, section 1401, clauses (6) and (17), or vocational services funded under section 110 of the Rehabilitation Act of 1973, United States Code, title 29, section 720, as amended.

Sec. 6. Minnesota Statutes 1992, section 252.43, is amended to read:

252.43 [COMMISSIONER'S DUTIES.]

The commissioner shall supervise county boards' provision of day training and habilitation services to adults with mental retardation and related conditions. The commissioner shall:

(1) determine the need for day training and habilitation services under section 252.28;

(2) approve payment rates established by a county under section 252.46, subdivision 1;

(3) adopt rules for the administration and provision of day training and habilitation services under sections 252.40 to ~~252.47~~ 252.46 and sections 245A.01 to 245A.16 and 252.28, subdivision 2;

(4) enter into interagency agreements necessary to ensure effective coordination and provision of day training and habilitation services;

(5) monitor and evaluate the costs and effectiveness of day training and habilitation services; and

(6) provide information and technical help to county boards and vendors in their administration and provision of day training and habilitation services.

Sec. 7. [252.450] [AGREEMENTS WITH BUSINESSES TO PROVIDE SUPPORT AND SUPERVISION OF PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS IN COMMUNITY-BASED EMPLOYMENT.]

Subdivision 1. [DEFINITION.] For the purposes of this section, "qualified business" means a business that employs primarily nondisabled persons and will employ persons with mental retardation or related conditions. For purposes of this section, licensed providers of residential services for persons with mental retardation or related conditions are not a qualified business. A qualified business and its employees are exempt from Minnesota Rules, parts 9525.1500 to 9525.1690 and 9525.1800 to 9525.1930.

Subd. 2. [VENDOR PARTICIPATION AND REIMBURSEMENT.] (a) Notwithstanding requirements in chapter 245A, and sections 252.28, 252.40 to 252.46, and 256B.501, vendors of day training and habilitation services may enter into agreements or contracts with qualified businesses to provide additional training and supervision that is needed by individuals to maintain their employment.

(b) For a vendor to be eligible to receive the day training and habilitation optional community job support rate in section 252.46, there must be a written agreement or contract that meets the requirements of subdivision 4 between the vendor and the qualified business. When an agreement or contract is in effect for an individual, the vendor may receive medical assistance reimbursement consistent with applicable federal regulation for that individual and the vendor is exempt from Minnesota Rules, part 9525.1850, items B, F, and G.

Subd. 3. [AGREEMENT AND CONTRACT SPECIFICATIONS.] Agreements and contracts must include the following:

(1) the type and amount of supervision and support to be provided by the business to the individual in accordance with their needs as identified in their individual service plan;

(2) the methods used to assess periodically the individual's satisfaction with their work, training, and support;

(3) the measures taken by the qualified business and the vendor under subdivision 2, or the qualified business and the county under subdivision 3, to ensure the health, safety, and protection of the individual during working hours, including the reporting of abuse and neglect under state law and rules;

(4) the training and support services the vendor under subdivision 2, or county under subdivision 3, will provide to the qualified business, including the frequency of on-site supervision and support; and

(5) any payment to be made to the qualified business by the vendor under subdivision 2, or by the county under subdivision 3. Payment shall be limited to:

(i) additional costs of training coworkers and managers that exceed ordinary and customary training costs and are a direct result of employing a person with mental retardation or a related condition; and

(ii) additional costs for training, supervising, and assisting the person with mental retardation or a related condition that exceeds normal and customary costs required for performing similar tasks or duties.

Payments made to a qualified business under this section must not include incentive payments to the qualified business or salary supplementation for the person with mental retardation or a related condition.

Subd. 4. [CLIENT PROTECTION.] Persons receiving training and support under this section may not be denied their rights or procedural protections under section 256.045, subdivision 4a, or 256B.092, including the county agency's responsibility to arrange for appropriate services, as necessary, in the event that persons lose their job or the contract with the qualified business is terminated.

Sec. 8. [252.451] [VENDOR REQUIREMENTS.]

Vendors of day training and habilitation services are subject to the requirements of Minnesota Rules, parts 9525.1200 to 9525.1330, except as provided in paragraphs (a) to (f).

(a) In Minnesota Rules, part 9525.1620, subpart 2, item B, the orientation must be completed within the first 60 days of employment.

(b) Employees of a business who are subsequently employed by the day training and habilitation program for the purpose of providing job supports to a client at the business site are exempt from the requirements of Minnesota Rules, part 9525.1620 except for the explanation required in subpart 2, item A, subitem (4).

(c) In Minnesota Rules, part 9525.1590, subpart 2, providers must annually collect data for each person receiving employment services. Data must be current as of the last day of the calendar year and must include:

(1) the type of employment activity, location, and job title;

(2) the number of hours the person worked per week;

(3) the number of disabled coworkers receiving provider services at the same work site where the person for whom the data is reported is working; and

(4) the number of nondisabled and nonsubsidized coworkers employed at the work site.

(d) Space owned or leased by a day training and habilitation vendor which is used solely as office space for a community-integrated program is exempt from Minnesota Rules, parts 9525.1520, subpart 2, item B, subitems (1), (2), and (4); and 9525.1650.

(e) If one or more of the conditions in clauses (1) to (4) are met, the day training and habilitation vendor may provide support at the office site for five or fewer persons at any time and be exempt from Minnesota Rules, parts 9525.1520, subpart 2, item B, subitems (1), (2), and (4); and 9525.1650. Notwithstanding the exemptions in this paragraph, the vendor shall be required to document that the building satisfactorily meets local fire regulations. This requirement may be met by obtaining a copy of the routine fire inspection done for the building. If a routine inspection has not been completed, a separate inspection must be completed unless:

(1) the services are temporary, with an anticipated duration of not more than 60 calendar days. Examples of this include when a person begins receiving services, or is between community jobs, the person must spend some portion of each service day involved in the community;

(2) the services provided include at least 75 percent of the service week with persons involved outside the office site in the community;

(3) the purpose is for planning meetings or other individualized meetings with persons receiving support; or

(4) the person is in transit to a job site or other community-based site.

(f) In Minnesota Rules, part 9525.1630, subparts 4 and 5, the license holder shall be required to assess and reassess persons in the areas specified in Minnesota Rules, part 9525.1630, subpart 4, items B to E, as authorized by the case manager. Those items that are not specifically authorized shall not be required.

Sec. 9. Minnesota Statutes 1992, section 252.46, is amended to read:

252.46 [PAYMENT RATES.]

Subdivision 1. [RATES.] Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board are governed by subdivisions 2 to 11 19. "Payment rate" as used in subdivisions 2 to 11 refers to three kinds of payment rates The commissioner shall approve the following three payment rates and may approve any of the optional payment rates under subdivision 17 for services provided by a vendor:

(1) a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site;

(2) a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and

(3) a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

Medical assistance rates for home and community-based service provided under section 256B.501, subdivision 4, by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.46. For very dependent persons with special needs the commissioner may approve an exception to the approved payment rate under section 256B.501, subdivision 4 or 8. Except for billing optional rates under subdivision 17, the vendor must bill only for services provided directly to clients by employees of the vendor in the amount and of the type authorized by the county.

Subd. 2. [RATE MINIMUM.] Unless a variance is granted under subdivision 6, the minimum payment rates set by a county board for each vendor must be equal to the payment rates approved by the commissioner for that vendor in effect January 1 of the previous calendar year.

Subd. 3. [RATE MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1 of the previous calendar year. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual inflation adjustments in reimbursement rates for each vendor, based upon the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year. The commissioner shall not provide an annual inflation adjustment for the biennium ending June 30, 1993.

Subd. 4. [NEW VENDORS.] (a) Payment rates established by a county for a new vendor for which there were no previous rates must not exceed 125 percent of the average payment rates in the regional development commission district under sections 462.381 to 462.396 in which the new vendor is located unless the criteria in paragraph (b) are met. When at least 50 percent of the persons to be served by the new vendor are persons discharged from a regional treatment center on or after January 1, 1990, the recommended payment rates for the new vendor shall not exceed twice the current statewide average payment rates.

~~For purposes of this subdivision, persons discharged from the regional treatment center do not include persons who received temporary care under section 252A.111, subdivision 3.~~

(b) A payment rate equal to 200 percent of the statewide average rates shall be assigned to persons served by the new vendor when those persons are persons with very severe self-injurious or assaultive behaviors, persons with medical conditions requiring delivery of physician-prescribed medical interventions at one-to-one staffing for at least 15 minutes each time they are performed, or persons discharged from a regional treatment center after May 1, 1993, to the vendor's program. All other persons for whom the new service is determined as needed shall be assigned a rate of 125 percent of the regional average rates. The maximum payment rate that can be recommended under these conditions is determined by summing the amounts calculated by multiplying the number of clients at each limit by the rate corresponding to that limit and then dividing the sum by the total number of clients. When the recommended payment rates exceed 125 percent of the regional average rates, the county must include documentation verifying the medical or behavioral needs of clients. The approved payment rates must be based on 12 months budgeted expenses divided by no less than 90 percent of authorized service units associated with the new vendor's licensed capacity. The county must include documentation verifying the person's discharge from a regional treatment center and that they considered admission of new clients to existing services that would be eligible for a rate variance under subdivision 6 before recommending payment rates for a new vendor under this subdivision. Nothing in this subdivision shall allow the development of a new program with the primary result being the refinancing of services for individuals already receiving services in existing programs.

Subd. 5. [SUBMITTING RECOMMENDED RATES.] The county board shall submit recommended payment rates to the commissioner on forms supplied by the commissioner at least 60 days before revised payment rates or payment rates for new vendors are to be effective. The forms must require include the county board's written verification of the individual documentation required under section 252.44, clause (a). If the number of days of service provided by a licensed vendor are projected to increase, the county board must recommend payment rates based on the projected increased days of attendance and resulting lower per-unit fixed costs. Recommended increases in payment rates for vendors whose approved payment rates are ten or more than ten percent below the statewide median payment rates must be equal to the maximum increases allowed for that vendor under subdivision 3. If a vendor provides services at more than one licensed site, the county board may recommend the same payment rates for each site based on the average rate for all sites. The county board may also recommend differing payment rates for each

licensed site if it would result in a total annual payment to the vendor that is equal to or less than the total annual payment that would result if the average rates had been used for all sites. For purposes of this subdivision, the average payment rate for all service sites used by a vendor must be computed by adding the amounts that result when the payment rates for each licensed site are multiplied by the projected annual number of service units to be provided at that site and dividing the sum of those amounts by the total units of service to be provided by the vendor at all sites.

Subd. 6. [VARIANCES.] (a) A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request on forms supplied by the commissioner with the recommended payment rates. The commissioner shall develop by October 1, 1989, a uniform format for submission of documentation for the variance requests. This format shall be used by each vendor requesting a variance. The form shall be developed by the commissioner and shall be reviewed by representatives of advocacy and provider groups and counties. A variance to the rate maximum may be utilized for costs associated with compliance with state administrative rules, compliance with court orders, capital costs required for continued licensure, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries and benefits, and transportation. The county board shall review all vendors' payment rates that are ten or more than ten percent lower than the statewide median payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section. When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. any of the following:

(1) changes necessary to comply with licensing citations;

(2) a significant change approved by the commissioner under section 252.28 that is necessary to provide authorized services to new clients with very severe self-injurious or assaultive behavior, or medical conditions requiring delivery of physician-prescribed medical interventions requiring one-to-one staffing for at least 15 minutes each time they are performed, or to new clients directly discharged to the vendor's program from a regional treatment center;

(3) a significant increase in the average level of staffing needed to provide authorized services approved by the commissioner under section 252.28, that is necessitated by a decrease in licensed capacity and loss of clientele when counties choose alternative services under section 252.451 or Laws 1992, chapter 513, article 9, section 41.

For the variance under this paragraph to be approved, the costs to the medical assistance program shall not exceed the medical assistance costs for all clients served by the alternatives and all clients remaining in the existing services.

(b) A variance to the rate minimum may be used when the county board contracts for increased services from a vendor for some or all individuals receiving services from the vendor resulting in lower per unit fixed costs or when the actual costs of delivering authorized service over a 12-month contract period have decreased.

(c) The written variance request under this subdivision must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates and recommended an effective date for the change in the rate.

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes are necessary to demonstrate compliance with minimum licensing standards.

(4) The vendor documents that the changes cannot be achieved by reallocating efforts to reallocate current staff or by reallocating financial resources.

(5) The county board submits evidence that the need for and any additional staff staffing needs cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(3) The vendor documents that financial resources have been reallocated before applying for a variance. No variance may be granted for equipment, supplies, or other capital expenditures when depreciation expense for repair and replacement of such items is part of the current rate.

(4) For variances related to loss of clientele, the vendor documents the other program and administrative expenses that have been reduced.

(6) (5) The county board submits verification of the conditions for which the variance is requested, a description of the nature and cost of the proposed changes, and how the county will monitor the use of money by the vendor to make necessary changes in services.

(7) (6) The county board's recommended payment rates do not exceed 125 percent of the current calendar year's statewide median regional average payment rates for each of the regional commission districts under sections 462.381 to 462.396 in which the vendor is located except for the following condition. When a variance request is recommended to allow authorized service delivery to new clients with severe self-injurious or assaultive behaviors, or medical conditions requiring delivery of physician prescribed medical interventions, or to persons being directly discharged from a regional treatment center to the vendor's program, those persons shall be assigned a payment rate of 200 percent of the current statewide average rates. All other clients receiving services from the vendor shall be assigned a payment rate equal to the lesser of the vendor's current rate or 125 percent of the regional average payment rates. The maximum payment rate that can be recommended for the vendor under these conditions is determined by summing the amounts calculated by multiplying the number of clients at each limit by the rate corresponding to that limit and then dividing the sum by the total number of clients.

(7) The vendor for which the variance to the payment rate limits has been requested has not received a variance under this subdivision in the past 12 months.

(d) The commissioner shall have 60 calendar days from the date of the receipt of the complete request to accept or reject it, or the request shall be deemed to have been granted. If the commissioner rejects the request, the commissioner shall state in writing the specific objections to the request and the reasons for its rejection.

Subd. 7. [TIME REQUIREMENTS AND APPEALS PROCESS FOR VARIANCES RATE RECONSIDERATIONS.] The commissioner shall notify in writing county boards requesting variances within 60 days of receiving the variance request from the county board. The notification shall give reasons for denial of the variance, if it is denied. If the host county disagrees with a rate decision of the commissioner under subdivision 6 or 9, the host county may request reconsideration by the commissioner. The reconsideration must be requested within 30 days of the date the host county received notification of the commissioner's decision. The request must state the reasons why the host county is requesting reconsideration of the commissioner's decision and present evidence explaining why the host county disagrees with the commissioner's decision.

The commissioner shall review the evidence by the host county and provide the host county with written notification of the decision on the request within 60 days. The commissioner's decision on the request is final.

Until a reconsideration request is resolved, payments must continue at a rate the commissioner determines complies with this section. If a higher rate is approved, the commissioner shall order a retroactive payment as determined in the rate reconsideration request.

Subd. 8. [COMMISSIONER'S NOTICE TO BOARDS, VENDORS.] The commissioner shall notify the county boards and vendors of:

(1) the average regional payment rates and 125 percent of the average regional payments rates for each of the regional development commission districts designated in sections 462.381 to 462.396, and the statewide average rates, and 200 percent of the statewide average rates.

(2) the projected inflation rate for the year in which the rates will be effective equal to the most recent projected change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year.

Subd. 9. [APPROVAL OR DENIAL OF RATES.] The commissioner shall approve the county board's recommended payment rates when the rates and verification justifying the projected service units comply with subdivisions 2 to 40 19. The commissioner shall notify the county board in writing of the approved payment rates within 60 days of

receipt of the rate recommendations. If the rates are not approved, or if rates different from those originally recommended are approved, the commissioner shall within 60 days of receiving the rate recommendation notify the county board in writing of the reasons for denying or substituting a different rate for the recommended rates. Approved payment rates remain effective until the commissioner approves different rates in accordance with subdivisions 2 and 3.

Subd. 10. [VENDOR'S REPORT; AUDIT.] The vendor shall report to the commissioner and the county board on forms prescribed by the commissioner at times specified by the commissioner. The reports shall include programmatic and fiscal information. Fiscal information shall be provided in accordance with an annual audit that complies with the requirements of Minnesota Rules, parts 9550.0010 to 9550.0092. The audit must be done in accordance with generally accepted auditing standards to result in statements that include a balance sheet, income statement, changes in financial position, and the certified public accountant's opinion. The audit must provide supplemental statements for each day training and habilitation program with an approved unique set of rates.

Subd. 11. [IMPROPER TRANSACTIONS.] Transactions that have the effect of circumventing subdivisions 1 to ~~10~~ 19 must not be considered by the commissioner for the purpose of payment rate approval under the principle that the substance of the transaction prevails over the form.

Subd. 12. [~~RATES ESTABLISHED AFTER 1990.~~] ~~Unless a variance is granted under subdivision 6, payment rates established by a county for calendar year 1990 and which are in effect December 31, 1990, remain in effect until June 30, 1991. Payment rates established by a county board to be paid to a vendor on or after July 1, 1991, must be determined under permanent rules adopted by the commissioner. Until permanent rules are adopted, the payment rates must be determined according to subdivisions 1 to 11 except for the period from July 1, 1991, through December 31, 1991, when the increase determined under subdivision 3 must not exceed the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the current calendar year over the previous calendar year. No county shall pay a rate that is less than the minimum rate determined by the commissioner.~~

In developing procedures for setting minimum payment rates and procedures for establishing payment rates, the commissioner shall consider the following factors:

- ~~(1) a vendor's payment rate and historical cost in the previous year;~~
- ~~(2) current economic trends and conditions;~~
- ~~(3) costs that a vendor must incur to operate efficiently, effectively and economically and still provide training and habilitation services that comply with quality standards required by state and federal regulations;~~
- ~~(4) increased liability insurance costs;~~
- ~~(5) costs incurred for the development and continuation of supported employment services;~~
- ~~(6) cost variations in providing services to people with different needs;~~
- ~~(7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and~~
- ~~(8) other appropriate factors.~~

The commissioner may develop procedures to establish differing hourly rates that take into account variations in the number of clients per staff hour, to assess the need for day training and habilitation services, and to control the utilization of services.

In developing procedures for setting transportation rates, the commissioner may consider allowing the county board to set those rates or may consider developing a uniform standard.

Medical assistance rates for home and community based services provided under section 256B.501 by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47.

~~Subd. 13. [REVIEW AND REVISION OF PROCEDURES FOR RATE EXCEPTIONS FOR VERY DEPENDENT PERSONS WITH SPECIAL NEEDS.] The commissioner shall review the procedures established in Minnesota Rules, parts 9510.1020 to 9510.1140, that counties must follow to seek authorization for a medical assistance rate exception for services for very dependent persons with special needs. The commissioner shall appoint an advisory task force to work with the commissioner. Members of the task force must include vendors, providers, advocates, and consumers. After considering the recommendations of the advisory task force and county rate setting procedures developed under this section, the commissioner shall:~~

- ~~(1) revise administrative procedures as necessary;~~
- ~~(2) implement new review procedures for county applications for medical assistance rate exceptions for services for very dependent persons with special needs in a manner that accounts for services available to the person within the approved payment rates of the vendor;~~
- ~~(3) provide training and technical assistance to vendors, providers, and counties in use of procedures governing medical assistance rate exceptions for very dependent persons with special needs and in county rate setting procedures established under this subdivision; and~~
- ~~(4) develop a strategy and implementation plan for uniform data collection for use in establishing equitable payment rates and medical assistance rate exceptions for services provided by vendors.~~

~~Subd. 14. [PILOT STUDY.] The commissioner may initiate a pilot payment rate system under section 252.47. The pilot project may establish training and demonstration sites. The pilot payment rate system must include actual transfers of funds, not simulated transfers. The pilot payment rate system may involve vendors representing different geographic regions and rates of reimbursement. Participation in the pilot project is voluntary. Selection of participants by the commissioner is based on the vendor's submission of a complete application form provided by the commissioner. The application must include letters of agreement from the host county, counties of financial responsibility, and residential service providers. Evaluation of the pilot project must include consideration of the effectiveness of procedures governing establishment of equitable payment rates. Implementation of the pilot payment rate system is contingent upon federal approval and systems feasibility. The policies and procedures governing administration, participation, evaluation, service utilization, and payment for services under the pilot payment rate system are not subject to the rulemaking requirements of chapter 14.~~

Subd. 16. [PAYMENT RATE CRITERIA; ALLOCATION OF EXPENDITURES.] Payment rates approved under subdivision 9 shall reflect the payment rate criteria in paragraphs (a) and (b) and the allocation principles in paragraph (c).

(a) Payment rates shall be based on costs that are ordinary, necessary, and related to delivery of authorized client services, and are what a prudent and cost conscious business person would pay for the specific good or service in the open market in an arm's length transaction.

(b) The commissioner shall not pay for: (i) unauthorized service delivery; (ii) services provided in accordance with receipt of a special grant; (iii) services provided under contract to a local school district; (iv) extended employment services under Minnesota Rules, parts 3300.1950 to 3300.3050, or vocational rehabilitation services provided under Title I, section 110 or Title VI-C, Rehabilitation Act of 1986, as amended, and not through use of medical assistance or county social service funds; or (v) services provided to a client by a licensed medical, therapeutic, or rehabilitation practitioner or any other vendor of medical care which are billed separately on a fee for service basis.

(c) On an annual basis, actual and projected contract year expenses must be allocated to standard budget line items corresponding to direct and other program and administrative expenses as submitted to the commissioner with the host county's recommended payment rates. Central or corporate office costs must be allocated to licensed vendor sites within the group served by the central or corporate office according to the cost allocation principles under section 256B.432.

(d) The vendor must maintain records documenting that clients received the billed services.

Subd. 17. [OPTIONAL COMMUNITY JOB SUPPORT RATES.] The commissioner may approve community job support payment rates for any vendor when the county recommends the optional rates under subdivision 5 and when billing and payment is possible through the Medicaid management information system. These rates are for services and payments directed at community employers with the outcome of supporting or retaining a community job placement for a client where no other clients are receiving services at the same time or in the same work location. Rates available include: follow-along community job support and full-day and partial-day community job support.

(a) The follow-along community job support rate must be no more than 75 percent of the vendor's full-day rate. No more than 70 daily units of the optional rate may be billed per calendar year per client for no more than two consecutive years per job site when all the following criteria are met:

(1) the vendor has a written agreement or contract with a business under section 252.451;

(2) the vendor provides services or payments to the business to enable the business to perform services to the client that the vendor would otherwise need to perform;

(3) the client on behalf of whom the service is billed is present at the job site on all days for which the vendor bills;

(4) the daily charge to the medical assistance program for a client's licensed day training and habilitation services does not exceed the approved optional follow-along payment rate for the vendor. A separate transportation rate, partial-day rate, or full-day rate cannot be billed with the optional follow-along rate;

(5) services for which the optional follow-along rate are billed are not available through a provider of vocational rehabilitation under Title I, section 110 or Title VI-C of the Rehabilitation Act of 1986, as amended;

(6) the vendor on behalf of whom the optional follow-along rate is recommended is participating in the natural supports in the workplace grant or has utilized community job support rates for a client whose services can more cost effectively be billed under a follow-along rate; and

(7) the vendor documents and reports any payment to a business, and all other costs and revenues associated with provision of the service for which the optional follow-along rate is billed in its annual report to the commissioner.

(b) The full-day community job support rate must be no more than the vendor's approved full-day rate. The partial-day community job support rate must be no more than 75 percent of the vendor's approved full-day rate. When the criteria in clauses (1) to (8) are met, the vendor may bill a full-day community support rate when a client receives six or more hours of service from a community employer at a job site or the vendor may bill a partial-day community support rate when a client receives less than six hours of service from a community employer at a job site:

(1) the vendor has a written agreement or contract with a business under section 252.451;

(2) the vendor provides services and payments to the business to enable the business to perform services for the client that the vendor would otherwise need to perform;

(3) the client on behalf of whom the service is billed is present at the job site on all days for which the vendor bills;

(4) a separate follow-along community support rate, full-day rate, or partial-day rate cannot be billed with the community support rate;

(5) services for which the community support rate are billed are not available through a provider of vocational rehabilitation under Title I, section 110 or Title VI-C of the Rehabilitation Act of 1986, as amended;

(6) any client for whom the optional community support rate will be billed was receiving full-time services from the vendor on or before July 1, 1993, and the optional community support rate will allow the client to work with support in a community business instead of receiving any other service from the vendor;

(7) the client's service planning team reviews and approves the level of support being provided at least annually; and

(8) the vendor documents and reports any payments to business, and all other costs and revenues associated with provision of the service for which the optional community support rate is billed in its annual report to the commissioner.

Medical assistance reimbursement of services provided to persons receiving day training and habilitation services under this section are subject to the limitations on reimbursement for vocational services under federal law and regulations.

Subd. 18. [HOURLY RATE STRUCTURE.] Counties participating as host counties under the pilot study of hourly rates established under Laws 1988, chapter 689, article 2, section 17, may recommend continuation of the hourly rates for participating vendors. The recommendation shall be made annually under subdivision 5 and the methods and standards provided by the commissioner. The commissioner shall approve the hourly rates when service authorization, billing, and payment for services is possible through the Medicaid management information system and the other criteria in this subdivision are met.

Subd. 19. [PILOT STUDY RATES.] By January 1, 1994, counties and vendors operating under the pilot study of hourly rates established under Laws 1988, chapter 689, article 2, section 17, shall work with the commissioner to translate the hourly rates and actual expenditures into rates meeting the criteria in subdivisions 1 to 17 unless hourly rates are approved under subdivision 18.

Sec. 10. [252B.01] [CITATION.]

Sections 252B.01 to 252B.40 may be cited as "services for persons with mental retardation or related conditions." It may also be cited as "IMPACT."

Sec. 11. [252B.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 252B.01 to 252B.40 have the meanings given them in this section.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services or the commissioner's designated representative.

Subd. 3. [PERSON.] "Person" means a person with mental retardation as defined in subdivision 4, a person with related conditions as defined in subdivision 5, or a child under the age of five found eligible for services for persons with mental retardation or a related condition according to rules of the commissioner.

Subd. 4. [PERSON WITH MENTAL RETARDATION.] "Person with mental retardation" means a person who has been diagnosed under section 256B.092 as having substantial limitations in present functioning, manifested as significantly subaverage intellectual functioning existing concurrently with demonstrated deficits in adaptive behavior, and who manifests these conditions before the person's 22nd birthday.

Subd. 5. [PERSON WITH RELATED CONDITIONS.] "Person with related conditions" has the meaning given in section 252.27, subdivision 1a.

Subd. 6. [VOUCHER.] "Voucher" means a written authorization from the county that is given to the person, or their legal representative, if any, promising to pay directly any approved provider of service of the person's choice for the amount and type of services up to a specified maximum.

Sec. 12. [252B.05] [DESIGN GOALS.]

Subdivision 1. [AUTHORITY.] The commissioner of human services may seek federal waivers necessary to implement an integrated management and planning system for persons with mental retardation or related conditions that would enable the commissioner to achieve the goals outlined in this section.

Subd. 2. [COMPREHENSIVE REFORM.] The system shall include new methods of administering services for persons with mental retardation or related conditions that support the needs of the persons and their families in the community to the maximum extent possible by:

- (1) increasing choices in supports and services;
- (2) providing equitable and responsive distribution of funds;
- (3) improving service access and coordination of activities; and
- (4) developing outcome-based quality improvement methods.

Subd. 3. [CHOICES.] The system must increase the types of support and service options in the community for persons and their families. The supports and services shall be individually and family centered. In addition, the supports and services shall be reliable, readily available, and change as the needs of the persons or the families change. Quality improvement methods under subdivision 6 shall address choices and specifications of the person and their family or legal representative, if any.

Subd. 4. [EQUITABLE AND RESPONSIVE DISTRIBUTION OF FUNDS.] The system must provide for the allocation of available funds through a method that is equitable and responsive to local needs and promotes simplification in planning, accessing, and coordinating services. Allocation methods may include the sharing of risks and efficiencies between state and local agencies and shall provide incentives to use available funding more efficiently and more effectively in meeting the needs of unserved or underserved persons. Provisions related to the permitted use of available funding shall support flexibility and creativity in local service development. Existing funding incentives that favor the continuation or development of institutional care models, or that act as disincentives to providing services in least restrictive settings shall be eliminated. The allocation of resources shall support persons and their families in their own homes.

Subd. 5. [SERVICE ACCESS AND COORDINATION.] The system must include procedural requirements for accessing services that are simple and easily understood by the person or their legal representative if any. Where duplicative, the requirements shall be unified or streamlined, as appropriate. Service coordination activities shall be flexible to allow the person's needs and preferences to be met.

Subd. 6. [QUALITY ASSURANCE AND IMPROVEMENT METHODS.] The system must include quality improvement methods that focus on client outcomes at the individual case, county, and state levels. Regulatory standards requiring unnecessary paperwork, determined to be duplicative, or which are ineffective in establishing accountability in service delivery shall be eliminated. Quality assurance methods shall continue to include safeguards to ensure the health and welfare of persons receiving services.

The commissioner shall report to the legislature by January 1, 1994, on the results of the waiver request under section 12 (252B.05). If the waiver is approved, the report must include recommendations to implement the waiver, including budget recommendations, proposed strategies, and implementation timelines.

Sec. 13. [252B.10] [COMMISSIONER'S ADVISORY COMMITTEE.]

The commissioner shall establish an advisory committee to make recommendations supporting the intent and purpose of sections 252B.01 to 252B.40. Recommendations shall include consideration of new methods to meet the goals under section 252B.05. Advisory committee membership shall include persons who are and represent consumers and providers of service, who represent state and local agencies administering services, and who offer special expertise in the management and delivery of services to individuals with mental retardation and related conditions. The commissioner may use the advisory task force established under this section to meet requirements under section 252.31.

Sec. 14. [252B.15] [INITIAL IMPLEMENTATION.]

Subdivision 1. [EXPANSION OF HOME- AND COMMUNITY-BASED SERVICES.] (a) The commissioner shall expand availability of home- and community-based services for persons with mental retardation and related conditions to the extent allowed by federal law and regulation and shall assist counties in transferring resources from semi-independent living services to home- and community-based services where appropriate. The commissioner may transfer funds from the state semi-independent living services account available under section 252.275, subdivision 8, to the medical assistance account to pay for the nonfederal share of nonresidential home- and community-based services authorized under section 256B.092 for persons transferring from semi-independent living services. Notwithstanding sections 256.025, 256B.041, and 256B.19, for services provided beginning July 1, 1994, the counties shall pay the nonfederal share of residential costs provided under the home and community-based waiver program authorized in section 256B.092 for clients for whom the county is financially responsible and who have been transferred from semi-independent living services to the home and community-based waiver program during the period of July 1, 1994 through June 30, 1996, as billed by the commissioner. For purposes of this section, residential services include supervised living, in-home support, and respite care services.

(b) Upon federal approval, county boards are not responsible for funding semi-independent living services as a social service for those persons who have transferred to the home- and community-based waiver program as a result of the expansion under this subdivision. The county responsibility for those persons transferred shall be assumed under section 256B.092. Notwithstanding the provisions of section 252.275, the commissioner shall continue to allocate funds under that section for semi-independent living services and county boards shall continue to fund services under sections 256E.06 and 256E.14 for those persons who cannot access home- and community-based services under section 256B.092.

(c) Eighty percent of the state funds made available to the commissioner under section 252.275 as a result of persons transferring from the semi-independent living services program to the home- and community-based services program shall be used to fund additional persons in the semi-independent living services program.

Subd. 2. [DEMONSTRATION PROJECTS.] (a) The commissioner may establish demonstration projects described in paragraphs (d), (e), and (f) to improve the efficiency and effectiveness of service provision for recipients of services from:

- (1) intermediate care facilities for persons with mental retardation;
- (2) home- and community-based services for persons with mental retardation or related conditions;
- (3) day training and habilitation; and
- (4) semi-independent living services.

(b) The commissioner, with input from the advisory committee under section 252B.10, shall request and evaluate proposals from county agencies and provider organizations to determine the organizations that will participate in the demonstration projects. Demonstration projects authorized under this subdivision may be coordinated with other projects authorized in other areas. The costs of services provided under the demonstration projects shall not exceed the costs that would have otherwise been expended had the projects not occurred.

(c) The commissioner may waive rules relating to the provision of services for persons with mental retardation or related conditions to the extent necessary to implement the demonstration projects. In waiving rules, the commissioner shall consider the recommendations of the advisory committee under section 252B.10. Individuals receiving services under this subdivision may not be denied their rights or procedural protections under sections 245.825; 245.91 to 245.97; 252.41, subdivision 9; 256.045; 256B.092; 626.556; and 626.557, including the county agency's responsibility to arrange for appropriate services and procedures for the monitoring of psychotropic medications. The commissioner shall establish procedures to implement the projects. The projects must ensure that the following conditions are met:

- (1) the persons and their legal representatives, if any, must be provided with information about the service options that are or can be made available, and assisted as necessary, in evaluating alternatives and options;
- (2) the demonstration project must comply with applicable federal requirements;
- (3) the proposal must include the specific measures that will be taken by proposal applicants to ensure the health, safety, and protection of the persons participating in the demonstration projects;
- (4) the applicants must inform persons participating in the demonstration projects when any part of Minnesota Rules is waived; and
- (5) no residential programs may provide day training and habilitation services to any demonstration project participant.

The demonstration projects described in paragraphs (d), (e), and (f) shall meet the requirements of this paragraph.

(d) Upon federal approval and as applicable, the commissioner shall, as one form of demonstration project, enter into performance-based contracts which include counties and existing licensed providers and specify the amount and conditions of reimbursement, requirements for monitoring and evaluation, and the expected client-based outcomes. Counties and providers shall present potential outcome indicators for consideration in the following areas:

- (1) personal health, safety, and comfort;
- (2) personal growth, independence, and productivity;
- (3) client choice and control over daily life decisions;
- (4) consumer, family, and the case manager's satisfaction with services; and
- (5) community inclusion, including social relationships and participation in valued community roles.

Outcome indicators shall be determined by the person and the legal representative, if any, with assistance from the county case manager and provider.

Participation by providers in demonstrations under this paragraph is voluntary. For the biennium ending June 30, 1995, no more than 15 performance-based contracts for day training and habilitation services may be approved by the commissioner.

(e) For intermediate care facilities for persons with mental retardation the cost of services paid for under the contract described in paragraph (d) shall not exceed 95 percent of the cost of the services which would otherwise have been paid to the facility or group of facilities during a biennium, including special needs rates and rate adjustments, as applicable, if they had continued to be paid under the reimbursement system in effect at the time the contracted rate is effective. Any program participating in the performance-based contracting demonstration project must continue to be licensed. An intermediate care facility for persons with mental retardation that is no longer participating in the demonstration project may be recertified as an intermediate care facility for persons with mental retardation, notwithstanding the provisions of section 252.291, or the services provided under the demonstration project may be converted to home- and community-based services authorized under section 256B.092, if the applicable standards are met. The rate paid to a recertified facility shall not be greater than the rate paid to the facility before participating in the project with adjustments for inflation and changes in program, as applicable. The commissioner may establish emergency rate setting procedures to allow for the transition back to intermediate care services for persons with mental retardation or related conditions.

(f) Upon federal approval, the commissioner may, as another form of demonstration project, approve proposals from counties to demonstrate the use of various voucher systems for persons receiving services identified in paragraph (a). In addition to the requirements in paragraph (c), the voucher demonstration projects must ensure that the following conditions are met:

(1) persons must select a provider of service approved by the county. Counties may approve alternative providers of service when presented by a person. The person must pay the applicable payment rate when using a licensed provider; and

(2) the costs to the medical assistance program when applicable shall not exceed the costs that otherwise would have been paid by the medical assistance program to participating service providers.

For the biennium ending June 30, 1995, no more than five voucher demonstration proposals for day training and habilitation services may be approved by the commissioner, and counties may not approve a licensed provider of residential services for persons as an alternative provider of day training and habilitation services for the purposes of this section.

Sec. 15. Laws 1992, chapter 513, article 9, section 41, is amended to read:

Sec. 41. [ALTERNATIVE SERVICES PILOT PROJECTS.]

Subdivision 1. [ELIGIBLE PERSON.] "Eligible person" means a person with mental retardation or related conditions who is 65 years of age or older. An eligible person may be under 65 years of age if authorized by the commissioner to receive alternative services for health or medical reasons.

Subd. 2. [ALTERNATIVE SERVICES AUTHORIZED.] Notwithstanding other law to the contrary, the commissioner may develop pilot projects that provide alternatives to day training and habilitation services for persons with mental retardation or related conditions who are 65 years of age or older. For purposes of the pilot projects, the commissioner may waive requirements in state rules. In waiving rules, the commissioner shall consider the recommendations of the advisory committee under subdivision 4. Individuals receiving services under this subdivision may not be denied their rights or procedural protections under sections 245.825; 245.91 to 245.97; 256.045; 256B.092; 626.556; and 626.557, including the county agency's responsibility to arrange for appropriate services. Before implementing the pilot projects, the commissioner shall consult with the board on aging; providers of day training and habilitation programs, residential programs, state-operated community-based programs, and other alternative services for persons with mental retardation or related conditions; and other interested persons including parents, advocates, and persons who may be considered for alternative services. The commissioner shall select as pilot project vendors only current providers of day training and habilitation programs, residential programs, state-operated community-based programs, or other alternative programs.

Subd. 3. [ALTERNATIVE SERVICES PARTICIPATION.] ~~No more than 30 100 persons may receive alternative services under the pilot projects, and participants must be selected as follows: no more than seven persons from day training and habilitation programs; no more than seven persons from state-operated community-based programs; no more than seven persons from residential programs; and no more than nine persons from other community-integrated programs. Alternative services may be provided by a person's residential program provider only after other alternative services have been considered and determined not to meet the person's needs. The alternative services shall not be provided by a person's residential program provider.~~

Subd. 4. [ADVISORY COMMITTEE.] The commissioner shall convene an advisory committee consisting of persons concerned with and affected by the alternative services pilot projects and the effect of the projects on existing services to evaluate the alternative services pilot projects. The commissioner shall report the advisory committee's evaluation to the legislature by February 1, 1994.

Subd. 5. [RIGHTS AND PROTECTIONS.] (a) ~~The commissioner county~~ shall notify eligible persons or their legal representatives, in writing, when alternative services pilot projects have been authorized in the county. Eligible persons or their legal representatives may choose to participate in the alternative services pilot project that best serves the person's individual needs. Eligible persons shall not be required to participate in a pilot project.

(b) Persons participating in alternative services must continue to receive active treatment as provided in a person's individual service plan to ensure compliance with applicable federal regulations.

(c) The county must inform persons participating in alternative services when any part of Minnesota Rules is waived. No rights or procedural protections under sections 256.045, subdivision 4a, or 256B.092, may be waived.

Subd. 6. [PAYMENT FOR ALTERNATIVE SERVICES.] (a) The cost for each person's service alternative must be less than or equal to the cost of the person's day training and habilitation services.

(b) ~~Payment for alternative services shall be made to approved vendors under the conditions of existing contracts with the host county, except for intermediate care facilities for persons with mental retardation or a related condition reimbursed through Minnesota Rules, parts 9553.0010 to 9553.0080. When alternative services under this section are provided by an intermediate care facility for persons with mental retardation or related conditions, the following reimbursement and reporting procedures will be applied.~~

(b) ~~Effective upon date of enactment, the commissioner shall, for a facility determined to be eligible under this section, negotiate an adjustment to the payment rate. The negotiated adjustment must reflect only the actual programmatic costs of meeting the alternative day training and habilitation needs of persons participating in service alternatives under this section. Additional programmatic costs must not include administrative and property-related costs. The additional programmatic costs shall be limited to:~~

- ~~(1) program salaries, payroll taxes, and fringe benefits of facility employees providing direct care services;~~
- ~~(2) costs of program consultants providing direct care services;~~
- ~~(3) training costs of facility employees providing direct care services;~~
- ~~(4) costs of program supplies; and~~

(5) additional operating costs related to transporting persons to community activities which have not been included in the facility's payment rate.

The additional programmatic costs must be reported on the facility's annual cost report in the program operating cost category. A facility receiving a negotiated adjustment to its payment rate must agree to report these payments on an accrual basis as an applicable credit in the program operating cost category on its annual cost report for each reporting year in which a negotiated adjustment is in effect. The maximum amount of the negotiated adjustment shall not exceed the cost of the day training and habilitation service provided to a person just prior to entering alternative services.

(e) The negotiated per diem adjustment to the facility's payment rate shall be equal to the sum of the negotiated programmatic costs divided by the facility's resident days for the reporting year used to establish the payment rate being adjusted. The adjusted payment rate shall be effective the first day of the month following the month when a person ceases receiving day training and habilitation services. The negotiated per diem adjustment may be subject to renegotiation on October 1 of each subsequent rate year. The negotiated per diem adjustment shall terminate upon discharge of the person from the facility, or at such time when the person is determined by the commissioner to no longer require service alternatives.

(d) Upon statewide implementation of a residential client-based reimbursement system for ICF/MR facilities, parts or all of this subdivision shall be subject to amendment, if no longer applicable, as determined by the commissioner.

Sec. 16. [REPEALER.]

Minnesota Statutes 1992, sections 252.46, subdivisions 12, 13, and 14; and 252.47, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Section 8 (252.451) is effective the day following final enactment.

ARTICLE 5

HEALTH CARE ADMINISTRATION MEDICAL ASSISTANCE AND GENERAL ASSISTANCE MEDICAL CARE

Section 1. Minnesota Statutes 1992, section 144A.071, is amended to read:

144A.071 [MORATORIUM ON CERTIFICATION OF NURSING HOME BEDS.]

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes and the addition of more nursing home beds to the state's long term care resources inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita, has the fifth highest number of beds per capita elderly, and that private paying individuals and medical assistance recipients have equivalent access to nursing home care; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity is likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community. The legislature also finds that further increases in the number of licensed nursing home beds, especially in nursing homes not certified for participation in the medical assistance program, is contrary to public policy, because: (1) nursing home residents with limited resources may exhaust their resources more rapidly in these facilities, creating the need for a transfer to a certified nursing home, with the concomitant risk of transfer trauma; (2) a continuing increase in the number of nursing home beds will foster continuing reliance on institutional care to meet the long term care needs of residents of the state; (3) a further expansion of nursing home beds will diminish incentives to develop more appropriate and cost-effective alternative services and divert community resources that would otherwise be available to fund alternative services; (4) through corporate reorganization resulting in the separation of certified and licensed beds, a nursing home may evade the provisions of section 256B.48, subdivision 1, clause (a); and (5) it is in the best interests of the state to ensure that the long term care system is designed to protect the private resources of individuals as well as to use state resources most effectively and efficiently.

The legislature declares that a moratorium on the licensure and medical assistance certification of new nursing home beds and construction projects that exceed the lesser of \$500,000 or 25 percent of a facility's appraised value is necessary to control nursing home expenditure growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Subd. 1a. [DEFINITIONS.] For purposes of sections 144A.071 to 144A.073, the following terms have the meanings given them:

(a) "attached fixtures" has the meaning given in Minnesota Rules, part 9549.0020, subpart 6.

(b) "buildings" has the meaning give in Minnesota Rules, part 9549.0020, subpart 7.

(c) "capital assets" has the meaning given in section 256B.421, subdivision 16.

(d) "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were applied for.

(e) "completion date" means the date on which a certificate of occupancy is issued for a construction project, or if a certificate of occupancy is not required, the date on which the construction project is available for facility use.

(f) "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules.

(g) "construction project" means:

(1) a capital asset addition to, or replacement of a nursing home or certified boarding care home that results in new space or the remodeling of or renovations to existing facility space;

(2) the remodeling or renovation of existing facility space the use of which is modified as a result of the project described in clause (1). This existing space and the project described in clause (1) must be used for the functions as designated on the construction plans on completion of the project described in clause (1) for a period of not less than 24 months; or

(3) capital asset additions or replacements that are completed within 12 months before or after the completion date of the project described in clause (1).

(h) "new licensed" or "new certified beds" means:

(1) newly constructed beds in a facility or the construction of a new facility that would increase the total number of licensed nursing home beds or certified boarding care or nursing home beds in the state; or

(2) newly licensed nursing home beds or newly certified boarding care or nursing home beds that result from remodeling of the facility that involves relocation of beds but does not result in an increase in the total number of beds, except when the project involves the upgrade of boarding care beds to nursing home beds, as defined in section 144A.073, subdivision 1. "Remodeling" includes any of the type of conversion, renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1.

(i) "project construction costs" means the cost of the facility capital asset additions, replacements, renovations, or remodeling projects, construction site preparation costs, and related soft costs. Project construction costs also include the cost of any remodeling or renovation of existing facility space which is modified as a result of the construction project.

Subd. 2. [MORATORIUM.] ~~The commissioner of health, in coordination with the commissioner of human services, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new licensed or certified nursing home or certified boarding care beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3 or 4a, or section 144A.073. The total number of certified beds in the state shall remain at or decrease from the number of beds certified on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.~~

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under ~~sections 245A.01 to 245A.16 and section 252.28 and chapter 245A~~ to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount. ~~The commissioner of health shall deny each request for licensure of nursing home beds except as provided in subdivision 3.~~

In addition, the commissioner of health must not approve any construction project whose cost exceeds \$500,000, or 25 percent of the facility's appraised value, whichever is less, unless the project:

- (1) has been approved through the process described in section 144A.073;
- (2) meets an exception in subdivision 3 or 4a;
- (3) is necessary to correct violations of state or federal law issued by the commissioner of health;
- (4) is necessary to repair or replace a portion of the facility that was destroyed by fire, lightning, or other hazards provided that the provisions of subdivision 3 4a, clause ~~(g)~~ (a), are met; ~~or~~
- (5) as of May 1, 1992, the facility has submitted to the commissioner of health written documentation evidencing that the facility meets the "commenced construction" definition as specified in subdivision 3 1a, clause ~~(b)~~ (f), or that substantial steps have been taken prior to April 1, 1992, relating to the construction project. "Substantial steps" require that the facility has made arrangements with outside parties relating to the construction project and include the hiring of an architect or construction firm, submission of preliminary plans to the department of health or documentation from a financial institution that financing arrangements for the construction project have been made;
- (6) is being proposed by a licensed-only private pay nursing facility that will not result in new licensed or certified beds, and will not receive medical assistance reimbursement; or
- (7) is a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass county and which is directly related to that portion of the facility that must be repaired, renovated, or replaced to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993.

Prior to the final plan approval of any construction project, the commissioner of health shall be provided with an itemized cost estimate for the project construction project costs. If a construction project is anticipated to be completed in phases, the total estimated cost of all phases of the project shall be submitted to the commissioner and shall be considered as one construction project. Once the construction project is completed and prior to the final clearance by the commissioner, the total actual project construction costs for the construction project shall be submitted to the commissioner. If the final project construction cost exceeds the dollar threshold in this subdivision, the commissioner of human services shall not recognize any of the project construction costs or the related financing costs in excess of this threshold in establishing the facility's property-related payment rate.

The dollar thresholds for construction projects are as follows: for construction projects other than those authorized in clauses (1) to (7), the dollar threshold is \$500,000 or 25 percent of appraised value, whichever is less. For projects authorized on or after July 1, 1993 under clause (1), the dollar threshold is the cost estimate submitted with a proposal for an exception under section 144A.073, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a). For projects authorized under clauses (2) to (7), the dollar threshold is the itemized estimate project construction costs submitted to the commissioner of health at the time of final plan approval, plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a).

The commissioner of health shall adopt emergency or permanent rules to implement this section or to amend the emergency rules for granting exceptions to the moratorium on nursing homes under section 144A.073. The authority to adopt emergency rules continues to December 30, 1992.

Subd. 3. [EXCEPTIONS AUTHORIZING AN INCREASE IN BEDS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) ~~to replace a bed license or certify a new bed in place of one decertified after May 23, 1983, July 1, 1993, as long as the number of certified plus newly certified or recertified beds does not exceed the number of beds licensed or certified on July 1, 1993, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioner shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;~~

~~(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;~~

~~(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;~~

~~(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);~~

~~(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;~~

~~(f) (b) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration; or~~

~~(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:~~

~~(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;~~

~~(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;~~

~~(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;~~

~~(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and~~

~~(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;~~

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property related payment rate by reason of the remodeling or renovation;

(i) (c) to license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency long term care planning committee under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided:

(1) the nursing home beds are not certified for participation in the medical assistance program; and

(2) the relocation of nursing home beds under this clause should not exceed a radius of six miles;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital attached nursing home to the hospital building, or from a separate nursing home to a building formerly used as a hospital, provided the original nursing home building will no longer be operated as a nursing home and the building to which the beds are moved will no longer be operated as a hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds. The relocated beds need not be licensed and certified at the new location simultaneously with the delicensing and decertification of the old beds and may be licensed and certified at any time after the old beds are delicensed and decertified;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds;

(o) to certify or license new beds in a new facility on the Red Lake Indian Reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b);

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less; or to license as nursing home beds boarding care beds in a facility with an addendum to its provider agreement effective beginning July 1, 1983, if the boarding care beds to be upgraded meet the standards for nursing home licensure. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(q) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed

or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property related payment rate as a result of the transfers allowed under this clause;

(r) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(s) to license or certify beds that are moved from a nursing home to a separate facility under common ownership or control that was formerly licensed as a hospital and is currently licensed as a nursing facility and that is located within eight miles of the original facility, provided the original nursing home building will no longer be operated as a nursing home. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property related payment rate as a result of the relocation;

(t) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(u) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(v) to license and certify new nursing home beds to replace beds in a facility condemned as part of an economic redevelopment plan in a city of the first class, provided the new facility is located within one mile of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under existing reimbursement rules; or

(w) to license and certify up to 20 new nursing home beds in a community operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds.

Subd. 4. [MONITORING EXCEPTIONS FOR REPLACEMENT BEDS.] The commissioner of health, in coordination with the commissioner of human services, shall implement mechanisms to monitor and analyze the effect of the moratorium in the different geographic areas of the state. The commissioner of health shall submit to the legislature, no later than January 15, 1984, and annually thereafter, an assessment of the impact of the moratorium by geographic area, with particular attention to service deficits or problems and a corrective action plan.

Subd. 4a. [EXCEPTIONS FOR REPLACEMENT BEDS.] It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;

(v) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2.

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of Saint Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of \$200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility condemned as part of an economic redevelopment plan in a city of the first class, provided the new facility is located within one mile of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under existing reimbursement rules;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed 25 percent of the appraised value of the facility or \$500,000, whichever is less;

(m) to allow a 106 bed facility that as of April 16, 1993, was a licensed and certified nursing facility located in Minneapolis to lay away all of its licensed and certified beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval of the legislature. The beds may not be moved to another area of the state without the approval of the commissioner of health. This lay away provision expires April 1, 1995; or

(n) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single- or double-occupancy rooms in a nursing home that, as of January 1, 1993, was county owned and had a licensed capacity of 115 beds. This exception is funded using money appropriated to the commissioner of health.

Subd. 5. [REPORT.] The commissioner of the state planning agency, in consultation with the commissioners of health and human services, shall report to the senate health and human services committee and the house health and welfare committee by January 15, 1986 and biennially thereafter regarding:

- (1) projections on the number of elderly Minnesota residents including medical assistance recipients;
- (2) the number of residents most at risk for nursing home placement;
- (3) the needs for long-term care and alternative home and noninstitutional services;
- (4) availability of and access to alternative services by geographic region; and
- (5) the necessity or desirability of continuing, modifying, or repealing the moratorium in relation to the availability and development of the continuum of long-term care services.

Subd. 6. [PROPERTY-RELATED PAYMENT RATES OF NEW BEDS.] The property-related payment rates of nursing home or boarding care home beds certified or recertified under subdivision 3 or 4a, shall be adjusted according to Minnesota nursing facility reimbursement laws and rules unless the facility has made a commitment in writing to the commissioner of human services not to seek adjustments to these rates due to property-related expenses incurred as a result of the certification or recertification. Any licensure or certification action authorized under repealed statutes which were approved by the commissioner of health prior to July 1, 1993, shall remain in effect. Any conditions pertaining to property rate reimbursement covered by these repealed statutes prior to July 1, 1993, remain in effect.

Subd. 7. [SUBMISSION OF COST INFORMATION.] Before approval of final construction plans for a nursing home or a certified boarding care home construction project, the licensee shall submit to the commissioner of health an itemized statement of the project construction cost estimates.

If the construction project includes a capital asset addition, replacement, remodeling, or renovation of space such as a hospital, apartment, or shared or common areas, the facility must submit to the commissioner an allocation of capital asset costs, soft costs, and debt information prepared according to Minnesota Rules, chapter 9549.

Project construction cost estimates must be prepared by a contractor or architect and other licensed participants in the development of the project.

Subd. 8. [FINAL APPROVAL.] Before conducting the final inspection of the construction project required by Minnesota Rules, part 4660.0100 and issuing final clearances for use, the licensee shall provide to the commissioner of health the total project construction costs of the construction project. If total costs are not available, the most recent cost figures shall be provided. Final cost figures shall be submitted to the commissioner when available. The commissioner shall provide a copy of this information to the commissioner of human services.

Sec. 2. Minnesota Statutes 1992, section 144A.073, subdivision 2, is amended to read:

Subd. 2. [REQUEST FOR PROPOSALS.] At the intervals specified in rules, the interagency committee shall publish in the State Register a request for proposals for nursing home projects to be licensed or certified under section 144A.071, subdivision 3 4a, clause ~~(f)~~ (c). The notice must describe the information that must accompany a request and state that proposals must be submitted to the interagency committee within 90 days of the date of publication. The notice must include the amount of the legislative appropriation available for the additional costs to the medical assistance program of projects approved under this section. If no money is appropriated for a year, the notice for that year must state that proposals will not be requested because no appropriations were made. To be considered for approval, a proposal must include the following information:

- (1) whether the request is for renovation, replacement, upgrading, or conversion;
- (2) a description of the problem the project is designed to address;
- (3) a description of the proposed project;
- (4) an analysis of projected costs, including initial construction and remodeling costs, site preparation costs, financing costs, and estimated operating costs during the first two years after completion of the project;
- (5) for proposals involving replacement of all or part of a facility, the proposed location of the replacement facility and an estimate of the cost of addressing the problem through renovation;
- (6) for proposals involving renovation, an estimate of the cost of addressing the problem through replacement;
- (7) the proposed timetable for commencing construction and completing the project; and
- (8) other information required by rule of the commissioner of health.

Sec. 3. Minnesota Statutes 1992, section 144A.073, subdivision 3, is amended to read:

Subd. 3. [REVIEW AND APPROVAL OF PROPOSALS.] Within the limits of money specifically appropriated to the medical assistance program for this purpose, the interagency long-term care planning committee ~~for quality assurance~~ may recommend that the commissioner of health grant exceptions to the nursing home licensure or certification moratorium for proposals that satisfy the requirements of this section. The interagency committee shall appoint an advisory review panel composed of representatives of consumers and providers to review proposals and provide comments and recommendations to the committee. The commissioners of human services and health shall provide staff and technical assistance to the committee for the review and analysis of proposals. The interagency committee shall hold a public hearing before submitting recommendations to the commissioner of health on project requests. The committee shall submit recommendations within 150 days of the date of the publication of the notice, based on a comparison and ranking of proposals using the criteria in subdivision 4. The commissioner of health shall approve or disapprove a project within 30 days after receiving the committee's recommendations. The cost to the medical assistance program of the proposals approved must be within the limits of the appropriations specifically made for this purpose. Approval of a proposal expires 18 months after approval by the commissioner of health unless the facility has commenced construction as defined in section 144A.071, subdivision 3 1a, paragraph ~~(b)~~ (d). The committee's report to the legislature, as required under section 144A.31, must include the projects approved, the criteria used to recommend proposals for approval, and the estimated costs of the projects, including the costs of initial construction and remodeling, and the estimated operating costs during the first two years after the project is completed.

Sec. 4. Minnesota Statutes 1992, section 144A.073, is amended by adding a subdivision to read:

Subd. 3b. [AMENDMENTS TO APPROVED PROJECTS.] (a) Nursing facilities that have received approval on or after July 1, 1993 for exceptions to the moratorium on nursing homes through the process described in this subdivision may request amendments to the designs of the projects by writing the commissioner within 18 months of receiving approval. Applicants shall submit supporting materials that demonstrate how the amended projects meet the criteria described in paragraph (b).

(b) The commissioner shall approve requests for amendments for projects approved on or after July 1, 1993, according to the following criteria:

(1) the amended project designs must provide solutions to all of the problems addressed by the original application that are at least as effective as the original solutions;

(2) the amended project designs may not reduce the space in each resident's living area or in the total amount of common space devoted to resident and family uses by more than five percent;

(3) the costs recognized for reimbursement of amended project designs shall be the threshold amount of the original proposal plus inflation as calculated according to section 256B.431, subdivision 3f, paragraph (a), as identified according to section 144A.071, subdivision 2, except under conditions described in clause (4); and

(4) total costs up to ten percent greater than the cost identified in clause (3) may be recognized for reimbursement if the proposer can document that one of the following circumstances is true:

(i) changes are needed due to a natural disaster;

(ii) conditions that affect the safety or durability of the project that could not have reasonably been known prior to approval are discovered;

(iii) state or federal law require changes in project design; or

(iv) documentable circumstances occur that are beyond the control of the owner and require changes in the design.

(c) Approval of a request for an amendment under paragraph (b) does not alter the expiration of approval of the project according to subdivision 3.

Sec. 5. Minnesota Statutes 1992, section 147.02, subdivision 1, is amended to read:

Subdivision 1. [UNITED STATES OR CANADIAN MEDICAL SCHOOL GRADUATES.] The board shall, with the consent of six of its members, issue a license to practice medicine to a person who meets the following requirements:

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the national board of medical examiners or the federation of state medical boards. The board shall by rule determine what constitutes a passing score in the examination.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.

(e) The applicant shall make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a fee established by the board by rule. The fee may not be refunded. Upon application or notice of license renewal, the board must provide notice to the applicant and to the person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:

(1) state the dollar amount of the additional costs;

(2) clearly identify to the applicant the payment schedule of additional costs; and

(3) advise the applicant of the right to apply to be excused from the surcharge if a waiver is granted under section 256.9657, subdivision 1b, or relinquish the license to practice medicine in lieu of future payment if applicable.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee. If the applicant does not satisfy the requirements of this paragraph, the board may refuse to issue a license unless it determines that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

Sec. 6. Minnesota Statutes 1992, section 246.18, subdivision 4, is amended to read:

Subd. 4. [~~COLLECTIONS DEPOSITED IN MEDICAL ASSISTANCE ACCOUNT~~ THE GENERAL FUND.] Except as provided in subdivisions 2 and 5, all receipts from collection efforts for the regional treatment centers, state nursing homes, and other state facilities as defined in section 246.50, subdivision 3, must be deposited in the ~~medical assistance account and are appropriated for that purpose~~ general fund. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Sec. 7. Minnesota Statutes 1992, section 256.015, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages to the injured person when the state agency has paid for or become liable for the cost of medical care or payments related to the injury. Notice must be given as follows:

(a) Applicants for public assistance shall notify the state or county agency of any possible claims they may have against a person, firm, or corporation when they submit the application for assistance. Recipients of public assistance shall notify the state or county agency of any possible claims when those claims arise.

(b) A person providing medical care services to a recipient of public assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(c) A person who is a party to a claim upon which the state agency may be entitled to a lien under this section shall notify the state agency of its potential lien claim before filing a claim, commencing an action, or negotiating a settlement. A person who is a party to a claim includes the plaintiff, the defendant, and any other party to the cause of action.

Notice given to the county agency is not sufficient to meet the requirements of paragraphs (b) and (c).

Sec. 8. [256.027] [USE OF VANS PERMITTED.]

The commissioner, after consultation with the commissioner of public safety, shall prescribe procedures to permit the occasional use of lift-equipped vans that have been financed, in whole or in part, by public money to transport an individual whose own lift-equipped vehicle is unavailable because of equipment failure and who is thus unable to complete a trip home or to a medical facility. The commissioner shall require publicly-financed lift-equipped vans to be made available to a county sheriff's department, and to other persons who are qualified to drive the vans and who are also qualified to assist the individual in need of transportation, for this purpose.

Sec. 9. Minnesota Statutes 1992, section 256.9657, subdivision 1, is amended to read:

Subdivision 1. [NURSING HOME LICENSE SURCHARGE.] Effective October 1, 1992, each non-state-operated nursing home licensed under chapter 144A shall pay to the commissioner an annual surcharge according to the schedule in subdivision 4. The surcharge shall be calculated as ~~\$535~~ \$695 per licensed bed licensed on the previous July 1, ~~except that~~. If the number of licensed beds is reduced after July 1 but prior to August 1, the surcharge shall be based on the number of remaining licensed beds the second month following the receipt of timely notice by the commissioner of human services that beds have been delicensed. ~~A nursing home entitled to a reduction in the number of beds subject to the surcharge under this provision must demonstrate to the satisfaction of the commissioner by August 5 that the number of beds has been reduced. The nursing home must notify the commissioner of health in writing when beds are delicensed. The commissioner must notify the commissioner of human services within ten working days after receiving written notification. If the notification is received by the commissioner of human services by the 15th of the month, the invoice for the second following month must be reduced to recognize the delicensing of beds. The commissioner must acknowledge a medical care surcharge appeal within 30 days of receipt of the written appeal from the provider.~~

Sec. 10. Minnesota Statutes 1992, section 256.9657, subdivision 1a, is amended to read:

Subd. 1a. [WAIVER REQUEST.] The commissioner shall request a waiver from the secretary of health and human services to: (1) exclude from the surcharge under subdivision 1 a nursing home that provides all services free of charge; (2) make a pro rata reduction in the surcharge paid by a nursing home that provides a portion of its services free of charge; (3) limit the hospital surcharge to acute care hospitals only; and (4) limit the physician license surcharge under section 147.01, subdivision 6, to physicians licensed in Minnesota and residing in Minnesota or a state county contiguous to Minnesota. If a waiver is approved under this subdivision, the commissioner shall adjust the nursing home surcharge accordingly or shall direct the board of medical practice to adjust the physician license surcharge under section 147.01, subdivision 6, accordingly. Any waivers granted by the federal government shall be effective on or after October 1, 1992. The commissioner shall request a waiver from the secretary of health and human services to exclude from the surcharge under subdivision 1, a nursing home that does not allow for medical assistance intake on July 1, 1984 or after. The commissioner shall implement the waiver after it has been approved by the secretary.

Sec. 11. Minnesota Statutes 1992, section 256.9657, is amended by adding a subdivision to read:

Subd. 1b. [PHYSICIAN SURCHARGE WAIVER REQUEST.] (a) The commissioner shall request a waiver from the secretary of health and human services to exclude from the surcharge under section 147.01, subdivision 6, a physician whose license is issued or renewed on or after April 1, 1993, and who:

(1) provides physician services at a free clinic, community clinic, or in an underdeveloped foreign nation and does not charge for any physician services;

(2) has taken a leave of absence of at least one year from the practice of medicine but who intends to return to the practice in the future; or

(3) is unable to practice medicine because of terminal illness or permanent disability as certified by an attending physician.

(b) If a waiver is approved under this subdivision, the commissioner shall direct the board of medical practice to adjust the physician license surcharge under section 147.01, subdivision 6, accordingly.

Sec. 12. Minnesota Statutes 1992, section 256.9657, is amended by adding a subdivision to read:

Subd. 1c. [WAIVER IMPLEMENTATION.] If a waiver is approved under subdivision 1b, the commissioner shall implement subdivision 1b as follows:

(a) The commissioner, in cooperation with the board of medical practice, shall notify each physician whose license is scheduled to be issued or renewed between April 1 and September 30 that an application to be excused from the surcharge must be received by the commissioner prior to September 1 of that year for the period of 12 consecutive calendar months beginning December 15. For each physician whose license is scheduled to be issued or renewed between October 1 and March 31, the application must be received from the physician by March 1 for the period of 12 consecutive calendar months beginning June 15. For each physician whose license is scheduled to be issued or renewed prior to July 1, 1993, the commissioner shall make the notification required in this paragraph by July 1, 1993.

For each physician whose license is scheduled to be issued or renewed on or after July 1, 1993, the notification must accompany the notice of license renewal.

(b) The commissioner shall establish an application form for waiver applications. Each physician who applies to be excused from the surcharge under subdivision 1b, paragraph (a), clause (1), must include with the application:

(1) a statement from the operator of the facility at which the physician provides services, that the physician provides services without charge; and

(2) a statement by the physician that the physician will not charge for any physician services during the period for which the exemption from the surcharge is granted.

(c) Each physician who applies to be excused from the surcharge under subdivision 1b, paragraph (a), clause (2) or (3), must include with the application:

(1) the physician's own statement describing in general the reason for the leave of absence from the practice of medicine and the anticipated date when the physician will resume the practice of medicine if applicable;

(2) the physician's own statement certifying that the physician does not intend to practice medicine and will not charge for any physician services during the period for which the exemption from the surcharge is granted; and

(3) an attending physician's statement certifying that the applicant has a terminal illness or permanent disability, if applicable.

(d) The commissioner shall notify in writing the physicians who are excused from the surcharge under subdivision 1b.

(e) A physician who decides to charge for physician services prior to the end of the period for which the exemption from the surcharge has been granted under subdivision 1b, paragraph (a), clause (1), or to return to the practice of medicine prior to the end of the period for which the exemption from the surcharge has been granted under subdivision 1b, paragraph (a), clause (2), may do so by notifying the commissioner and shall be responsible for payment of the full surcharge for that period.

(f) Whenever the commissioner determines that the number of physicians likely to be excused from the surcharge under subdivision 1b may cause the physician surcharge to violate the requirements of Public Law Number 102-234 or regulations adopted under that law, the commissioner shall immediately notify the chairs of the senate health care committee and health care and family services funding division and the house health and human services committee and human services finance division.

Sec. 13. Minnesota Statutes 1992, section 256.9657, subdivision 2, is amended to read:

Subd. 2. [HOSPITAL SURCHARGE.] Effective ~~October 1, 1992~~ July 1, 1993, each Minnesota hospital except facilities of the federal Indian Health Service and regional treatment centers shall pay to the medical assistance account a surcharge equal to ~~1.4~~ 1.6 percent of net patient revenues excluding net Medicare revenues reported by that provider to the health care cost information system according to the schedule in subdivision 4.

Sec. 14. Minnesota Statutes 1992, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH MAINTENANCE ORGANIZATION SURCHARGE.] Effective ~~October 1, 1992~~ July 1, 1993, each health maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D shall pay to the commissioner of human services a surcharge equal to ~~six-tenths~~ seven-tenths of one percent of the total premium revenues of the health maintenance organization as reported to the commissioner of health according to the schedule in subdivision 4. For purposes of this section, "total premium revenue" means:

(a) 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 from the Federal Employees Health Benefit Program;

(b) premiums from Medicare wrap-around subscribers for health benefits which supplement Medicare coverage;

(c) Medicare revenue, as a result of an arrangement between a health maintenance organization and the health care financing administration of the federal Department of Health and Human Services, for services to a Medicare beneficiary; and

(d) medical assistance revenue, as a result of an arrangement between a health maintenance organization and a Medicaid state agency, for services to a medical assistance beneficiary.

If advance payments are made under clause (a) or (b) to the health maintenance organization for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

Sec. 15. Minnesota Statutes 1992, section 256.9657, subdivision 7, is amended to read:

Subd. 7. [COLLECTION; CIVIL PENALTIES.] The provisions of sections 289A.35 to 289A.50 relating to the authority to audit, assess, collect, and pay refunds of other state taxes may be implemented by the commissioner of human services with respect to the tax, penalty, and interest imposed by this section and section 147.01, subdivision 6. The commissioner of human services shall impose civil penalties for violation of this section or section 147.01, subdivision 6, as provided in section 289A.60, and the tax and penalties are subject to interest at the rate provided in section 270.75. The commissioner of human services shall have the power to abate penalties and interest when discrepancies occur resulting from, but not limited to, circumstances of error and mail delivery. The commissioner of human services shall bring appropriate civil actions to collect provider payments due under this section and section 147.01, subdivision 6.

Sec. 16. Minnesota Statutes 1992, section 256.969, subdivision 1, is amended to read:

Subdivision 1. [HOSPITAL COST INDEX.] (a) The hospital cost index shall be obtained from an independent source and shall represent a weighted average of historical, as limited to statutory maximums, and projected cost change estimates determined for expense categories to include wages and salaries, employee benefits, medical and professional fees, raw food, utilities, insurance including malpractice insurance, and other applicable expenses as determined by the commissioner. The index shall reflect Minnesota cost category weights. Individual indices shall be specific to Minnesota if the commissioner determines that sufficient accuracy of the hospital cost index is achieved. The hospital cost index may be used to adjust the base year operating payment rate through the rate year on an annually compounded basis. Notwithstanding section 256.9695, subdivision 3, paragraph (c), the hospital cost index shall not be effective under the general assistance medical care program and shall be limited to five percent under the medical assistance program for admissions occurring during the biennium ending June 30, 1993 1995, and the hospital cost index under medical assistance, excluding general assistance medical care, shall be increased by one percentage point to reflect changes in technology for admissions occurring after September 30, 1992.

(b) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for hospital payment rates under medical assistance, excluding the technology factor under paragraph (a), nor under general assistance medical care. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in hospital payment rates under medical assistance and general assistance medical care, based upon the hospital cost index.

Sec. 17. Minnesota Statutes 1992, section 256.969, subdivision 8, is amended to read:

Subd. 8. [UNUSUAL COST OR LENGTH OF STAY EXPERIENCE.] The commissioner shall establish day ~~and cost~~ outlier thresholds for each diagnostic category established under subdivision 2 at two standard deviations beyond the mean length of stay ~~or allowable cost~~. Payment for the days ~~and cost~~ beyond the outlier threshold shall be in addition to the operating and property payment rates per admission established under subdivisions 2, 2b, and 2c. Payment for outliers shall be at 70 percent of the allowable operating cost, after adjustment by the case mix index, hospital cost index, relative values and the disproportionate population adjustment. The outlier threshold for neonatal and burn diagnostic categories shall be established at one standard deviation beyond the mean length of stay ~~or allowable cost~~, and payment shall be at 90 percent of allowable operating cost calculated in the same manner as other outliers. A hospital may choose an alternative to the 70 percent outlier payment that is at a minimum of 60 percent and a maximum of 80 percent if the commissioner is notified in writing of the request by October 1 of the year preceding the rate year. The chosen percentage applies to all diagnostic categories except burns and neonates. The percentage of allowable cost that is unrecognized by the outlier payment shall be added back to the base year operating payment rate per admission. ~~Cost outliers shall be calculated using hospital specific allowable cost data. If a stay is both a day and a cost outlier, outlier payments shall be based on the higher outlier payment.~~

Sec. 18. Minnesota Statutes 1992, section 256.969, is amended by adding a subdivision to read:

Subd. 22. [HOSPITAL PEER GROUPS.] For admissions occurring on or after the later of July 1, 1994, or the implementation date of the upgrade to the Medicaid management information system, payment rates of each hospital shall be limited to the payment rates within its peer group so that the statewide payment level is reduced by ten percent under the medical assistance program and by 15 percent under the general assistance medical care program. For subsequent rate years, the limits shall be adjusted by the hospital cost index. The commissioner shall contract for the development of criteria for and the establishment of the peer groups. Peer groups must be established based on variables that affect medical assistance cost such as scope and intensity of services, acuity of patients, location, and capacity. Rates shall be standardized by the case mix index and adjusted, if applicable, for the variable outlier percentage. The peer groups may exclude and have separate limits or be standardized for operating cost differences that are not common to all hospitals in order to establish a minimum number of groups.

Sec. 19. Minnesota Statutes 1992, section 256.9695, subdivision 3, is amended to read:

Subd. 3. [TRANSITION:] Except as provided in section 256.969, subdivision 8, the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of the upgrade to the Medicaid management information system or July 1, 1992, whichever is earlier.

During the transition period:

(a) Changes resulting from section 256.969, subdivisions 7, 9, 10, 11, and 13, shall not be implemented, except as provided in section 256.969, subdivisions 12 and 20.

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. For payments made for admissions occurring on or after June 1, 1990, until the implementation date of the upgrade to the Medicaid management information system the hospital cost index excluding the technology factor shall not exceed five percent. ~~This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 20, paragraphs (a) and (b).~~

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

(e) If the upgrade to the Medicaid management information system has not been completed by July 1, 1992, the commissioner shall make adjustments for admissions occurring on or after that date as follows:

(1) provide a ten percent increase to hospitals that meet the requirements of section 256.969, subdivision 20, or, upon written request from the hospital to the commissioner, 50 percent of the rate change that the commissioner estimates will occur after the upgrade to the Medicaid management information system; and

(2) adjust the Minnesota and local trade area rebased payment rates that are established after the upgrade to the Medicaid management information system to compensate for a rebasing effective date of July 1, 1992. The adjustment shall be based on the change in rates from July 1, 1992, to the rebased rates in effect under determined using claim-specific payment changes that result from the rebased rates and revised methodology in effect after the systems upgrade. The adjustment shall reflect be reduced for payments under clause (1); and differences in the hospital cost index and dissimilar rate establishment procedures such as the variable outlier and the treatment of births and Hospitals shall revise claims so that services provided by rehabilitation units of hospitals are reported separately. The adjustment shall be in effect for a period not to exceed the amount of time from July 1, 1992, to the systems upgrade until the amount due to or owed by the hospital is fully paid over a number of admissions that is equal to the number of admissions under adjustment. The adjustment for admissions occurring from July 1, 1992 to December 31, 1992, shall be based on claims paid as of August 1, 1993, and the adjustment shall begin with the effective date of administrative rules governing rebasing. The adjustment for admissions occurring from January 1, 1993, to the effective date of the administrative rules shall be based on claims paid as of February 1, 1994, and the adjustment shall begin after the first adjustment period is fully paid. For purposes of appeals under subdivision 1, the adjustment shall be considered payment at the time of admission.

Sec. 20. Minnesota Statutes 1992, section 256B.03, is amended by adding a subdivision to read:

Subd. 3. [PAYMENT RESTRICTIONS ON LEAVE DAYS.] Effective July 1, 1993, the commissioner shall limit payment for leave days in a nursing facility to 92-1/2 percent of that nursing facility's total payment rate for the involved resident.

Sec. 21. [256B.037] [PROSPECTIVE PAYMENT OF DENTAL SERVICES.]

Subdivision 1. [CONTRACT FOR DENTAL SERVICES.] (a) The commissioner shall conduct a demonstration project to contract, on a prospective per capita payment basis, with an organization or organizations licensed under chapter 62C or 62D, for the provision of all dental care services beginning July 1, 1994, under the medical assistance, general assistance medical care, and MinnesotaCare programs, or when necessary waivers are granted by the secretary of health and human services, whichever is later. The commissioner shall identify a geographic area or areas, including both urban and rural areas, where access to dental services has been inadequate in which to conduct the demonstration project. The commissioner may exclude from participation in the demonstration project any or all groups currently excluded from participating in the prepaid medical assistance program under section 256B.69. The commissioner shall seek any federal waivers or approvals necessary to implement this section from the secretary of health and human services. The package of dental benefits provided to individuals under this subdivision shall not be less than the package of benefits provided under the medical assistance fee-for-service reimbursement system for dental services.

Subd. 2. [ESTABLISHMENT OF PREPAYMENT RATES.] The commissioner shall consult with an independent actuary to establish prepayment rates, but shall retain final authority over the methodology used to establish the rates. The prepayment rates shall not result in payments that exceed the per capita expenditures that would have been made for dental services by the programs under a fee-for-service reimbursement system.

Subd. 3. [APPEALS.] All recipients of services under this section have the right to appeal to the commissioner under section 256.045.

Subd. 4. [OTHER CONTRACTS PERMITTED.] Nothing in this section prohibits the commissioner from contracting with an organization for comprehensive health services, including dental services, under section 256B.031, 256B.035, 256B.69, or 256D.03, subdivision 4, paragraph (c).

Sec. 22. Minnesota Statutes 1992, section 256B.04, subdivision 16, is amended to read:

Subd. 16. [PERSONAL CARE SERVICES.] (a) Notwithstanding any contrary language in this paragraph, the commissioner of human services and the commissioner of health shall jointly promulgate rules to be applied to the licensure of personal care services provided under the medical assistance program. The rules shall consider standards for personal care services that are based on the World Institute on Disability's recommendations regarding personal care services. These rules shall at a minimum consider the standards and requirements adopted by the commissioner of health under section 144A.45, which the commissioner of human services determines are applicable to the provision of personal care services, in addition to other standards or modifications which the commissioner of human services determines are appropriate.

The commissioner of human services shall establish an advisory group including personal care consumers and providers to provide advice regarding which standards or modifications should be adopted. The advisory group membership must include not less than 15 members, of which at least 60 percent must be consumers of personal care services and representatives of recipients with various disabilities and diagnoses and ages. At least 51 percent of the members of the advisory group must be recipients of personal care.

The commissioner of human services may contract with the commissioner of health to enforce the jointly promulgated licensure rules for personal care service providers.

Prior to final promulgation of the joint rule the commissioner of human services shall report preliminary findings along with any comments of the advisory group and a plan for monitoring and enforcement by the department of health to the legislature by February 15, 1992.

Limits on the extent of personal care services that may be provided to an individual must be based on the cost-effectiveness of the services in relation to the costs of inpatient hospital care, nursing home care, and other available types of care. The rules must provide, at a minimum:

- (1) that agencies be selected to contract with or employ and train staff to provide and supervise the provision of personal care services;
- (2) that agencies employ or contract with a qualified applicant that a qualified recipient proposes to the agency as the recipient's choice of assistant;
- (3) that agencies bill the medical assistance program for a personal care service by a personal care assistant and supervision by the registered nurse supervising the personal care assistant;
- (4) that agencies establish a grievance mechanism; and
- (5) that agencies have a quality assurance program.

(b) The commissioner may waive the requirement for the provision of personal care services through an agency in a particular county, when there are less than two agencies providing services in that county and shall waive the requirement for personal care assistants required to join an agency for the first time during 1993 when personal care services are provided under a relative hardship waiver under section 256B.0627, subdivision 4, paragraph (b), clause (7), and at least two agencies providing personal care services have refused to employ or contract with the independent personal care assistant.

Sec. 23. Minnesota Statutes 1992, section 256B.042, subdivision 4, is amended to read:

Subd. 4. [NOTICE.] The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable to pay part or all of the cost of medical care when the state agency has paid or become liable for the cost of that care. Notice must be given as follows:

(a) Applicants for medical assistance shall notify the state or local agency of any possible claims when they submit the application. Recipients of medical assistance shall notify the state or local agency of any possible claims when those claims arise.

(b) A person providing medical care services to a recipient of medical assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(c) A person who is a party to a claim upon which the state agency may be entitled to a lien under this section shall notify the state agency of its potential lien claim before filing a claim, commencing an action, or negotiating a settlement. A person who is a party to a claim includes the plaintiff, the defendant, and any other party to the cause of action.

Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).

Sec. 24. Minnesota Statutes 1992, section 256B.055, subdivision 1, is amended to read:

Subdivision 1. [CHILDREN ELIGIBLE FOR SUBSIDIZED ADOPTION ASSISTANCE.] Medical assistance may be paid for a child eligible for or receiving adoption assistance payments under title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, and to any child who is not title IV-E eligible but who was determined eligible for adoption assistance under Minnesota Statutes, section 259.40 or 259.431, subdivision 4, clauses (a) to (c), and has a special need for medical or rehabilitative care.

Sec. 25. Minnesota Statutes 1992, section 256B.056, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD; EXCLUSION FOR INSTITUTIONALIZED PERSONS.] The homestead shall be excluded for the first six calendar months of a person's stay in a long-term care facility and shall continue to be excluded for as long as the recipient can be reasonably expected to return, ~~as provided under the methodologies for the supplemental security income program to the homestead.~~ For purposes of this subdivision, "reasonably expected to return to the homestead" means the recipient's attending physician has certified that the expectation is reasonable, and the recipient can show that the cost of care upon returning home will be met through medical assistance or other sources. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by one of the following individuals:

- (a) the spouse;
- (b) a child under age 21;
- (c) a child of any age who is blind or permanently and totally disabled as defined in the supplemental security income program;
- (d) a sibling who has equity interest in the home and who resided in the home for at least one year immediately before the date of the person's admission to the facility; or
- (e) a child of any age, or, subject to federal approval, a grandchild of any age, who resided in the home for at least two years immediately before the date of the person's admission to the facility, and who provided care to the person that permitted the person to reside at home rather than in an institution.

Sec. 26. Minnesota Statutes 1992, section 256B.0575, is amended to read:

256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

- (a) The following amounts must be deducted from the institutionalized person's income in the following order:
 - (1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, or a surviving spouse of a veteran having no child, the amount of any veteran's pension or an improved pension received from the veteran's administration not exceeding \$90 per month;
 - (2) the personal allowance for disabled individuals under section 256B.36;
 - (3) if the institutionalized person has a legally appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;
 - (4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;
 - (5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse and only if the children resided with the institutionalized person immediately prior to admission;
 - (6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;
 - (7) reparations payments made by the Federal Republic of Germany; and
 - (8) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.
- For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.
- (b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:
 - (1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;
 - (2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph (a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home, regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 27. Minnesota Statutes 1992, section 256B.059, subdivision 3, is amended to read:

Subd. 3. [COMMUNITY SPOUSE ASSET ALLOWANCE.] (a) An institutionalized spouse may transfer assets to the community spouse solely for the benefit of the community spouse. Except for increased amounts allowable under subdivision 4, the maximum amount of assets allowed to be transferred is the amount which, when added to the assets otherwise available to the community spouse, is the greater of:

(1) ~~\$12,000~~ prior to July 1, 1994,

(i) \$14,148;

~~(2) (ii) the lesser of the spousal share or \$60,000~~ \$70,740; or

~~(3) (iii) the amount required by court order to be paid to the community spouse;~~

(2) for the period from July 1, 1994, to June 30, 1995,

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(3) for the period beginning July 1, 1995,

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse.

If the assets available to the community spouse are already at the limit permissible under this section, or the higher limit attributable to increases under subdivision 4, no assets may be transferred from the institutionalized spouse to the community spouse. The transfer must be made as soon as practicable after the date the institutionalized spouse is determined eligible for medical assistance, or within the amount of time needed for any court order required for the transfer. On January 1, 1990, and every January 1 thereafter, the ~~\$12,000 and \$60,000~~ limits in this subdivision shall be adjusted by the same percentage change in the consumer price index for all urban consumers (all items; United States city average) between the two previous Septembers. These adjustments shall also be applied to the ~~\$12,000 and \$60,000~~ limits in subdivision 5.

Sec. 28. Minnesota Statutes 1992, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of application for medical assistance benefits, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the greater of:

(1) ~~\$12,000~~ prior to July 1, 1994,

(i) \$14,148; or

~~(2) (ii) the lesser of the spousal share or \$60,000~~ \$70,740; or

(3) (iii) the amount required by court order to be paid to the community spouse;

(2) for the period from July 1, 1994, to June 30, 1995.

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(3) for the period beginning July 1, 1995.

(i) \$70,740; or

(ii) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 2 3; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under clause (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under section 256B.056, without regard to the limitations on total value in that section.

Sec. 29. Minnesota Statutes 1992, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] ~~(a) If a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under section 256B.056, subdivision 3, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long term care services for the period of time determined under subdivision 2. A person, a person's spouse, or a person's authorized representative may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for medical assistance, any transfer of an asset for less than fair market value may be considered. Any transfer made within 60 months preceding application for medical assistance or during the period of medical assistance eligibility is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for medical assistance for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose. Any other transfer of an asset for less than fair market value more than 60 months prior to application for medical assistance eligibility may be considered for purposes of determining eligibility.~~

(b) This section applies to transfers, for less than fair market value, of income or assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments.

(c) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(d) This section applies to the portion of any asset or interest that a person or a person's spouse transfers to an irrevocable trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse while alive, based on estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based on the need for long-term care.

(e) For purposes of this section, long-term care services include nursing facility services, and home- and community-based services provided pursuant to section 256B.491. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or who is receiving home- and community-based services under section 256B.491.

Sec. 30. Minnesota Statutes 1992, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] For ~~any uncompensated transfer transfers~~, the number of months of ineligibility including partial months, for long-term care services shall be ~~the lesser of 30 months, or the total uncompensated transfer amount value of the resources transferred~~, divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. If a calculation of a penalty period results in a partial month, medical assistance payments for long-term care services will be reduced in an amount equal to the fraction. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred: except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin in the month the first assets were transferred. In calculating the value of uncompensated transfers, uncompensated transfers not to exceed \$1,000 in total value per month shall be disregarded for each month prior to the month of application for medical assistance. The penalty in this subdivision shall not apply to gifts not to exceed a total of \$100 in a six-month medical assistance eligibility certification period. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

Sec. 31. Minnesota Statutes 1992, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.] (a) An institutionalized person is not ineligible for ~~long-term care~~ medical assistance services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's

(i) spouse;

(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or

(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of ~~long-term care~~ medical assistance services granted ~~within 30 months of the transfer~~ during the period of ineligibility under subdivision 2 or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

Sec. 32. Minnesota Statutes 1992, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for ~~long-term care~~ medical assistance services if one of the following conditions applies:

(1) the assets were transferred to the community spouse, as defined in section 256B.059; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of ~~long-term care~~ medical assistance services granted ~~within 30 months of the transfer~~, during the period of ineligibility determined under subdivision 2 or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.

Sec. 33. Minnesota Statutes 1992, section 256B.0595, is amended by adding a subdivision to read:

Subd. 5. [WAIVERS.] The commissioner shall apply for waivers of certain provisions of Title XIX of the Social Security Act, United States Code, title 42, section 1396 et seq. to accomplish the following:

(1) change the period of time from 30 to 60 months prior to institutionalization or application for medical assistance, during which a transfer of assets for less than fair market value cannot be made without penalty according to subdivision 1;

(2) change the penalty for transfers made during the 30- or 60-month period from ineligibility for long-term care services to ineligibility for any medical assistance coverage;

(3) extend the period of ineligibility for a transfer for less than fair market value from 30 months to the fully calculated period;

- (4) aggregate and run consecutively penalties that would have run concurrently according to subdivision 2; and
- (5) penalize transfers for less than fair market value of assets that would have been allowed under subdivision 1 because the assets are excluded for the purpose of determining eligibility for medical assistance, in the same manner as other uncompensated transfers.

Each provision of this section shall be implemented 60 days after receipt of the federal waiver granting authority for that provision, notwithstanding any other provisions of this section, and shall be implemented with respect to transfers occurring on or after the 61st day after receipt of the waiver.

Sec. 34. Minnesota Statutes 1992, section 256B.0625, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS' SERVICES.] Medical assistance covers physicians' services. Rates paid for anesthesiology services provided by physicians shall be according to the formula utilized in the Medicare program and shall use a conversion factor "at percentile of calendar year set by legislature."

Sec. 35. Minnesota Statutes 1992, section 256B.0625, subdivision 6a, is amended to read:

Subd. 6a. [HOME HEALTH SERVICES.] Home health services are those services specified in Minnesota Rules, part 9505.0290. Medical assistance covers home health services at a recipient's home residence. Medical assistance does not cover home health services at for residents of a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, unless the program is funded under a home- and community-based services waiver or unless the commissioner of human services has prior authorized skilled nurse visits for less than 90 days for a resident at an intermediate care facility for persons with mental retardation, to prevent an admission to a hospital or nursing facility or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the home health services or forgoes the facility per diem for the leave days that home health services are used. Home health services must be provided by a Medicare certified home health agency. All nursing and home health aide services must be provided according to section 256B.0627.

Sec. 36. Minnesota Statutes 1992, section 256B.0625, subdivision 7, is amended to read:

Subd. 7. [PRIVATE DUTY NURSING.] Medical assistance covers private duty nursing services in a recipient's home. Recipients who are authorized to receive private duty nursing services in their home may use approved hours outside of the home during hours when normal life activities take them outside of their home and when, without the provision of private duty nursing, their health and safety would be jeopardized. Medical assistance does not cover private duty nursing services at for residents of a hospital, nursing facility, intermediate care facility, or a health care facility licensed by the commissioner of health, except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the home health services or forgoes the facility per diem for the leave days that home health services are used. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed in an in-home setting according to section 256B.0627. All private duty nursing services must be provided according to the limits established under section 256B.0627. Private duty nursing services may not be reimbursed if the nurse is the spouse of the recipient or the parent or foster care provider of a recipient who is under age 18, or the recipient's legal guardian.

Sec. 37. Minnesota Statutes 1992, section 256B.0625, subdivision 11, is amended to read:

Subd. 11. [NURSE ANESTHETIST SERVICES.] Medical assistance covers nurse anesthetist services. Rates paid for anesthesiology services provided by certified registered nurse anesthetists shall be according to the formula utilized in the Medicare program and shall use the conversion factor that is used by the Medicare program.

Sec. 38. Minnesota Statutes 1992, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from ~~the Minnesota professional medical association associations and the Minnesota pharmacists association professional pharmacist associations,~~ shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. ~~The commissioner shall appoint the~~

~~formulary committee members no later than 30 days following July 1, 1981.~~ The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve ~~two-year~~ three-year terms and shall serve without compensation. Members may be reappointed once. The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; ~~nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow's milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act.~~ The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse.

Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(c) Until January 4, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan.

Sec. 39. Minnesota Statutes 1992, section 256B.0625, subdivision 13a, is amended to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A 12-member drug utilization review board is established. The board is comprised of six licensed physicians actively engaged in the practice of medicine in Minnesota; five licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and one consumer representative. The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The physician members shall be selected from a ~~list~~ lists submitted by the ~~Minnesota professional medical association associations.~~ The pharmacist members shall be selected from a ~~list~~ lists submitted by the ~~Minnesota professional pharmacist Association associations.~~ The commissioner shall appoint the initial members of the board for terms expiring as follows: four members for terms expiring June 30, 1995; four members for terms expiring June 30, 1994; and four members for terms expiring June 30, 1993. Members may be reappointed once. The board shall annually elect a chair from among the members.

The commissioner shall, with the advice of the board:

- (1) implement a medical assistance retrospective and prospective drug utilization review program as required by United States Code, title 42, section 1396r-8(g)(3);
- (2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;
- (3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;
- (4) establish a grievance and appeals process for physicians and pharmacists under this section;
- (5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;
- (6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;
- (7) establish and implement an ongoing process to (i) receive public comment regarding drug utilization review criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and

(8) adopt any rules necessary to carry out this section.

The board may establish advisory committees. The commissioner may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to develop and implement a retrospective and prospective review program.

The board shall report to the commissioner annually on December 1. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; and any fiscal impact resulting from the program.

Sec. 40. Minnesota Statutes 1992, section 256B.0625, subdivision 15, is amended to read:

Subd. 15. [HEALTH PLAN PREMIUMS AND COPAYMENTS.] Medical assistance covers health care prepayment plan premiums and, insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act, and copayments if determined to be cost-effective by the commissioner. For purposes of obtaining Medicare part ~~parts~~ parts A and B, and copayments, expenditures may be made even if federal funding is not available.

Sec. 41. Minnesota Statutes 1992, section 256B.0625, subdivision 17, is amended to read:

Subd. 17. [TRANSPORTATION COSTS.] (a) Medical assistance covers transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this subdivision, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory.

(b) Medical assistance covers special transportation, as defined in Minnesota Rules, part 9505.0315, subpart 1, item F, if the provider receives and maintains a current physician's order by the recipient's attending physician. The commissioner shall establish maximum medical assistance reimbursement rates for special transportation services for persons who need a wheelchair lift van or stretcher-equipped vehicle and for those who do not need a wheelchair lift van or stretcher-equipped vehicle. The average of these two rates must not exceed \$13 \$14 for the base rate and \$1 \$1.10 per mile. Special transportation provided to nonambulatory persons who do not need a wheelchair lift van or stretcher-equipped vehicle, may be reimbursed at a lower rate than special transportation provided to persons who need a wheelchair lift van or stretcher-equipped vehicle.

Sec. 42. Minnesota Statutes 1992, section 256B.0625, subdivision 19a, is amended to read:

Subd. 19a. [PERSONAL CARE SERVICES.] Medical assistance covers personal care services in a recipient's home. Recipients who can direct their own care, or persons who cannot direct their own care when authorized by the responsible party, may use approved hours outside the home when normal life activities take them outside the home and when, without the provision of personal care, their health and safety would be jeopardized. Medical assistance does not cover personal care services at for residents of a hospital, nursing facility, intermediate care facility or a health care facility licensed by the commissioner of health, or unless a resident who is otherwise eligible is on leave from the facility and the facility either pays for the home health services or forgoes the facility per diem for the leave days that home health services are used except as authorized in section 256B.64 for ventilator-dependent recipients in hospitals. Total hours of service and payment allowed for services outside the home cannot exceed that which is otherwise allowed for personal care services in an in-home setting according to section 256B.0627. All personal care services must be provided according to section 256B.0627. Personal care services may not be reimbursed if the personal care assistant is the spouse of the recipient or the parent of a recipient under age 18, the responsible party or the foster care provider of a recipient who cannot direct the recipient's own care or the recipient's legal guardian unless, in the case of a foster provider, a county or state case manager visits the recipient as needed, but no less than every six months, to monitor the health and safety of the recipient and to ensure the goals of the care plan are met. Parents of adult recipients, adult children of the recipient or adult siblings of the recipient may be reimbursed for personal care services if they are granted a waiver under section 256B.0627.

Sec. 43. Minnesota Statutes 1992, section 256B.0625, subdivision 28, is amended to read:

Subd. 28. [CERTIFIED NURSE PRACTITIONER SERVICES.] Medical assistance covers services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

Sec. 44. Minnesota Statutes 1992, section 256B.0625, subdivision 29, is amended to read:

Subd. 29. [PUBLIC HEALTH NURSING CLINIC SERVICES.] Medical assistance covers the services of a certified public health nurse or a registered nurse practicing in a public health nursing clinic that is a department of, or that operates under the direct authority of, a unit of government, if the service is within the scope of practice of the public health or registered nurse's license as a registered nurse, as defined in section 148.171.

Sec. 45. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 32. [NUTRITIONAL PRODUCTS.] Medical assistance covers nutritional products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow's milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product. Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities.

Sec. 46. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 33. [AMERICAN INDIAN HEALTH SERVICES FACILITIES.] Medical assistance payments to American Indian health services facilities for outpatient medical services billed after June 30, 1990, must be in accordance with the rate published by the United States Assistant Secretary for Health under the authority of United States Code, title 42, sections 248(a) and 249(b). General assistance medical care payments to American Indian health services facilities for the provision of outpatient medical care services billed after June 30, 1990, must be in accordance with the general assistance medical care rates paid for the same services when provided in a facility other than an American Indian health service facility.

Sec. 47. [256B.0626] [ESTIMATION OF 50TH PERCENTILE OF PREVAILING CHARGES.]

(a) The 50th percentile of the prevailing charge for the base year identified in statute must be estimated by the commissioner in the following situations:

- (1) there were less than ten billings in the calendar year specified in legislation governing maximum payment rates;
- (2) the service was not available in the calendar year specified in legislation governing maximum payment rates;
- (3) the payment amount is the result of a provider appeal;

(4) the procedure code description has changed since the calendar year specified in legislation governing maximum payment rates, and, therefore, the prevailing charge information reflects the same code but a different procedure description; or

(5) the 50th percentile reflects a payment which is grossly inequitable when compared with payment rates for procedures or services which are substantially similar.

(b) When one of the situations identified in paragraph (a) occurs, the commissioner shall use the following methodology to reconstruct a rate comparable to the 50th percentile of the prevailing rate:

(1) refer to information which exists for the first nine billings in the calendar year specified in legislation governing maximum payment rates; or

- (2) refer to surrounding or comparable procedure codes; or

(3) refer to the 50th percentile of years subsequent to the calendar year specified in legislation governing maximum payment rates, and reduce that amount by applying an appropriate Consumer Price Index formula; or

(4) refer to relative value indexes; or

(5) refer to reimbursement information from other third parties, such as Medicare.

Sec. 48. Minnesota Statutes 1992, section 256B.0627, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] (a) "Home care services" means a health service, determined by the commissioner as medically necessary, that is ordered by a physician and documented in a care plan that is reviewed by the physician at least once every 60 days for the provision of home health services, or private duty nursing, or at least once every 365 days for personal care. Home care services are provided to the recipient at the recipient's residence that is a place other than a hospital or long-term care facility or as specified in section 256B.0625.

(b) "Medically necessary" has the meaning given in Minnesota Rules, parts 9505.0170 to 9505.0475.

(c) "Care plan" means a written description of the services needed which is signed developed by the supervisory nurse together with the recipient or responsible party and includes a detailed description of the covered home care services, who is providing the services, frequency and duration of services, and expected outcomes and goals including expected date of goal accomplishment. The provider must give the recipient or responsible party a copy of the completed care plan within 30 days of beginning home care services.

(d) "Responsible party" means an individual residing with a recipient of personal care services who is capable of providing the supportive care necessary to assist the recipient to live in the community, is at least 18 years old, and is not a personal care assistant. Responsible parties who are parents of minors or guardians of minors or incapacitated persons may delegate the responsibility to another adult during a temporary absence of at least 24 hours but not more than six months. The person delegated as a responsible party must be able to meet the definition of responsible party, except that the delegated responsible party is required to reside with the recipient only while serving as the responsible party. Foster care license holders may be designated the responsible party for residents of the foster care home if case management is provided as required in section 256B.0625, subdivision 19a. For persons who, as of April 1, 1992, are sharing personal care services in order to obtain the availability of 24-hour coverage, an employee of the personal care provider organization may be designated as the responsible party if case management is provided as required in section 256B.0625, subdivision 19a.

Sec. 49. Minnesota Statutes 1992, section 256B.0627, subdivision 4, is amended to read:

Subd. 4. [PERSONAL CARE SERVICES.] (a) The personal care services that are eligible for payment are the following:

(1) bowel and bladder care;

(2) skin care to maintain the health of the skin;

(3) delegated therapy tasks specific to maintaining a recipient's optimal level of functioning, including range of motion and muscle strengthening exercises;

(4) respiratory assistance;

(5) transfers and ambulation;

(6) bathing, grooming, and hairwashing necessary for personal hygiene;

(7) turning and positioning;

(8) assistance with furnishing medication that is normally self-administered;

(9) application and maintenance of prosthetics and orthotics;

(10) cleaning medical equipment;

- (11) dressing or undressing;
- (12) assistance with food, nutrition, and diet activities;
- (13) accompanying a recipient to obtain medical diagnosis or treatment;
- (14) ~~helping the recipient to complete daily living skills such as personal and oral hygiene and medication schedules assisting, monitoring, or prompting the recipient to complete the services in clauses (1) to (13);~~
- (15) ~~redirection, supervision, and observation that are medically necessary because of the recipient's diagnosis or disability; and~~ and an integral part of completing the personal cares described in clauses (1) to (14);
- (16) redirection and intervention for behavior including observation and supervision;
- (17) interventions for seizure disorders including supervision and observation if the recipient has had a seizure that requires intervention within the past three months; and
- (18) incidental household services that are an integral part of a personal care service described in clauses (1) to ~~(15)~~ (17).

For purposes of this subdivision, supervision and observation means watching for outward visible signs that are likely to occur and for which there is a covered personal care service or an appropriate personal care intervention.

- (b) The personal care services that are not eligible for payment are the following:
 - (1) personal care services that are not in the care plan developed by the supervising registered nurse in consultation with the personal care assistants and the recipient or the responsible party directing the care of the recipient;
 - (2) services that are not supervised by the registered nurse;
 - (3) services provided by the recipient's spouse, legal guardian, or parent of a minor child;
 - (4) services provided by a foster care provider of a recipient who cannot direct their own care, unless monitored by a county or state case manager under section 256B.0625, subdivision 19a;
 - (5) services provided by the residential or program license holder in a residence for more than four persons;
 - (6) services that are the responsibility of a residential or program license holder under the terms of a service agreement and administrative rules;
 - ~~(5)~~ (7) sterile procedures;
 - ~~(6)~~ (8) injections of fluids into veins, muscles, or skin;
 - ~~(7)~~ (9) services provided by parents of adult recipients, adult children, or siblings, unless these relatives meet one of the following hardship criteria and the commissioner waives this requirement:
 - (i) the relative resigns from a part-time or full-time job to provide personal care for the recipient;
 - (ii) the relative goes from a full-time to a part-time job with less compensation to provide personal care for the recipient;
 - (iii) the relative takes a leave of absence without pay to provide personal care for the recipient;
 - (iv) the relative incurs substantial expenses by providing personal care for the recipient; or
 - (v) because of labor conditions, the relative is needed in order to provide an adequate number of qualified personal care assistants to meet the medical needs of the recipient;
 - ~~(8)~~ (10) homemaker services that are not an integral part of a personal care services; and
 - ~~(9)~~ (11) home maintenance, or chore services.

Sec. 50. Minnesota Statutes 1992, section 256B.0627, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON PAYMENTS.] Medical assistance payments for home care services shall be limited according to this subdivision.

(a) [EXEMPTION FROM PAYMENT LIMITATIONS.] The level, or the number of hours or visits of a specific service, of home care services to a recipient that began before and is continued without increase on or after December 1987, shall be exempt from the payment limitations of this section, as long as the services are medically necessary.

(b) [LIMITS ON SERVICES WITHOUT PRIOR AUTHORIZATION.] A recipient may receive the following amounts of home care services during a calendar year:

(1) a total of 40 home health aide visits or skilled nurse visits under section 256B.0625, subdivision 6a; and

(2) ~~a total of ten hours of nursing supervision under section 256B.0625, subdivision 7 or 19a~~ up to two assessments by a supervising registered nurse to determine a recipient's need for personal care services, develop a care plan, and obtain prior authorization. Additional visits may be authorized by the commissioner if there are circumstances that necessitate a change in provider.

(c) [PRIOR AUTHORIZATION; EXCEPTIONS.] All home care services above the limits in paragraph (b) must receive the commissioner's prior authorization, except when:

(1) the home care services were required to treat an emergency medical condition that if not immediately treated could cause a recipient serious physical or mental disability, continuation of severe pain, or death. The provider must request retroactive authorization no later than five working days after giving the initial service. The provider must be able to substantiate the emergency by documentation such as reports, notes, and admission or discharge histories;

(2) the home care services were provided on or after the date on which the recipient's eligibility began, but before the date on which the recipient was notified that the case was opened. Authorization will be considered if the request is submitted by the provider within 20 working days of the date the recipient was notified that the case was opened;
or

(3) a third party payor for home care services has denied or adjusted a payment. Authorization requests must be submitted by the provider within 20 working days of the notice of denial or adjustment. A copy of the notice must be included with the request; or

(4) the commissioner has determined that a county or state human services agency has made an error.

(d) [RETROACTIVE AUTHORIZATION.] A request for retroactive authorization under paragraph (c) will be evaluated according to the same criteria applied to prior authorization requests. Implementation of this provision shall begin no later than October 1, 1991, except that recipients who are currently receiving medically necessary services above the limits established under this subdivision may have a reasonable amount of time to arrange for waived services under section 256B.49 or to establish an alternative living arrangement. All current recipients shall be phased down to the limits established under paragraph (b) on or before April 1, 1992.

(e) [ASSESSMENT AND CARE PLAN.] The home care provider shall conduct an initially, and at least annually thereafter, a face-to-face assessment of the recipient and complete a care plan using forms specified by the commissioner. For the recipient to receive, or continue to receive, home care services, the provider must submit evidence necessary for the commissioner to determine the medical necessity of the home care services. The provider shall submit to the commissioner the assessment, the care plan, and other information necessary to determine medical necessity such as diagnostic or testing information, social or medical histories, and hospital or facility discharge summaries. To continue to receive home care services when the recipient displays no significant change, the supervising nurse has the option to review with the commissioner, or the commissioner's designee, the care plan on record and receive authorization for up to an additional 12 months.

(f) [PRIOR AUTHORIZATION.] The commissioner, or the commissioner's designee, shall review the assessment, the care plan, and any additional information that is submitted. The commissioner shall, within 30 days after receiving a complete request, assessment, and care plan, authorize home care services as follows:

(1) [HOME HEALTH SERVICES.] All home health services provided by a nurse or a home health aide that exceed the limits established in paragraph (b) must be prior authorized by the commissioner or the commissioner's designee. Prior authorization must be based on medical necessity and cost-effectiveness when compared with other care options. When home health services are used in combination with personal care and private duty nursing, the cost of all home care services shall be considered for cost-effectiveness. The commissioner shall limit nurse and home health aide visits to no more than one visit each per day.

(2) [PERSONAL CARE SERVICES.] (i) All personal care services must be prior authorized by the commissioner or the commissioner's designee except for the limits on supervision established in paragraph (b). The amount of personal care services authorized must be based on the recipient's ~~ease mix classification according to section 256B.0911, except that~~ home care rating. A child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity and the amount of assistance needed is similar to the assistance appropriate for a typical child of the same age. Based on medical necessity, the commissioner may authorize:

(A) up to two times the average number of direct care hours provided in nursing facilities for the recipient's comparable case mix level; or

(B) up to three times the average number of direct care hours provided in nursing facilities for recipients who have complex medical needs or are dependent in at least seven activities of daily living and need physical assistance with eating or have a neurological diagnosis; or

(C) up to 60 percent of the average reimbursement rate, as of July 1, 1991, for care provided in a regional treatment center for recipients who have ~~complex behaviors~~ Level I behavior; or

(D) up to the amount the commissioner would pay, as of July 1, 1991, for care provided in a regional treatment center for recipients referred to the commissioner by a regional treatment center preadmission evaluation team. For purposes of this clause, home care services means all services provided in the home or community that would be included in the payment to a regional treatment center; or

(E) up to the amount medical assistance would reimburse for facility care for recipients referred to the commissioner by a preadmission screening team established under section 256B.0911 or 256B.092; and

(F) a reasonable amount of time for the necessary provision of nursing supervision of personal care services.

(ii) The number of direct care hours shall be determined according to the annual cost reports which are report submitted to the department by nursing facilities ~~each year~~. The average number of direct care hours, as established by May 1, 1992, shall be calculated and incorporated into the home care limits on July 1 ~~each year, 1992~~. These limits shall be calculated to the nearest quarter hour.

(iii) The ~~ease mix level~~ home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner by the personal care provider on forms specified by the commissioner. The ~~forms~~ home care rating shall be a combination of current assessment tools developed under sections 256B.0911 and 256B.501 with an addition for seizure activity that will assess the frequency and severity of seizure activity and with adjustments, additions, and clarifications that are necessary to reflect the needs and conditions of children and nonelderly adults who need home care. The commissioner shall establish these forms and protocols under this section and shall use the advisory group established in section 256B.04, subdivision 16, for consultation in establishing the forms and protocols by October 1, 1991.

(iv) A recipient shall qualify as having complex medical needs if the care required is difficult to perform and because of recipient's medical condition requires more time than community-based standards allow ~~or the recipient's condition or treatment requires more training~~ or requires more skill than would ordinarily be required and the recipient needs or has one or more of the following:

(A) daily tube feedings;

- (B) daily parenteral therapy;
- (C) wound or decubiti care;
- (D) postural drainage, percussion, nebulizer treatments, suctioning, tracheotomy care, oxygen, mechanical ventilation;
- (E) catheterization;
- (F) ostomy care;
- (G) quadriplegia; or
- (H) other comparable medical conditions or treatments the commissioner determines would otherwise require institutional care.

(v) A recipient shall qualify as having ~~complex~~ Level I behavior if there is reasonable supporting evidence that the recipient exhibits on a daily basis, or that without supervision, observation, or redirection would exhibit, one or more of the following behaviors that cause, or have the potential to cause:

- (A) ~~self-injurious behavior~~ injury to his or her own body;
- (B) ~~unusual or repetitive habits~~ physical injury to other people; or
- (C) ~~withdrawal behavior;~~
- (D) ~~hurtful behavior to others;~~
- (E) ~~socially offensive behavior;~~
- (F) ~~destruction of property; or~~
- (G) ~~a need for constant one to one supervision for self preservation.~~

(vi) ~~The complex behaviors in clauses (A) to (G) have the meanings developed under section 256B.501. Time authorized for personal care relating to Level I behavior in subclause (v), items (A) to (C), shall be based on the predictability, frequency, and amount of intervention required.~~

(vii) A recipient shall qualify as having Level II behavior if the recipient exhibits on a daily basis one or more of the following behaviors that interfere with the completion of personal care services under subdivision 4, paragraph (a):

- (A) unusual or repetitive habits;
- (B) withdrawn behavior; or
- (C) offensive behavior.

(viii) A recipient with a home care rating of Level II behavior in subclause (vii), items (A) to (C), shall be rated as comparable to a recipient with complex medical needs under subclause (iv). If a recipient has both complex medical needs and Level II behavior, the home care rating shall be the next complex category up to the maximum rating under subclause (i), item (B).

(3) [PRIVATE DUTY NURSING SERVICES.] All private duty nursing services shall be prior authorized by the commissioner or the commissioner's designee. Prior authorization for private duty nursing services shall be based on medical necessity and cost-effectiveness when compared with alternative care options. The commissioner may authorize medically necessary private duty nursing services in quarter-hour units when:

- (i) the recipient requires more individual and continuous care than can be provided during a nurse visit; or

(ii) the cares are outside of the scope of services that can be provided by a home health aide or personal care assistant.

The commissioner may authorize:

(A) up to two times the average amount of direct care hours provided in nursing facilities statewide for case mix classification "K" as established by the annual cost report submitted to the department by nursing facilities in May 1992;

(B) private duty nursing in combination with other home care services up to the total cost allowed under clause (2);

(C) up to 16 hours per day if the recipient requires more nursing than the maximum number of direct care hours as established in item (A) and the recipient meets the hospital admission criteria established under Minnesota Rules, parts 9505.0500 to 9505.0540.

The commissioner may authorize up to 16 hours per day of private duty nursing services or up to 24 hours per day of private duty nursing services until such time as the commissioner is able to make a determination of eligibility for recipients who are cooperatively applying for home care services under the community alternative care program developed under section 256B.49, or until it is determined by the appropriate regulatory agency that a health benefit plan is or is not required to pay for appropriate medically necessary health care services. Recipients or their representatives must cooperatively assist the commissioner in obtaining this determination. Recipients who are eligible for the community alternative care program may not receive more hours of nursing under this section than would otherwise be authorized under section 256B.49.

(4) [VENTILATOR-DEPENDENT RECIPIENTS.] If the recipient is ventilator-dependent, the monthly medical assistance authorization for home care services shall not exceed what the commissioner would pay for care at the highest cost hospital designated as a long-term hospital under the Medicare program. For purposes of this clause, home care services means all services provided in the home that would be included in the payment for care at the long-term hospital. "Ventilator-dependent" means an individual who receives mechanical ventilation for life support at least six hours per day and is expected to be or has been dependent for at least 30 consecutive days.

(g) [PRIOR AUTHORIZATION; TIME LIMITS.] The commissioner or the commissioner's designee shall determine the time period for which a prior authorization shall ~~remain valid~~ be effective. If the recipient continues to require home care services beyond the duration of the prior authorization, the home care provider must request a new prior authorization through the process described above. Under no circumstances, other than the exceptions in subdivision 5, paragraph (c), shall a prior authorization be valid prior to the date the commissioner receives the request or for more than 12 months. A recipient who appeals a reduction in previously authorized home care services may request that the continue previously authorized services, other than temporary services under paragraph (i), ~~be continued~~ pending an appeal under section 256.045, ~~subdivision 40.~~ The commissioner must provide a detailed explanation of why the authorized services are reduced in amount from those requested by the home care provider.

(h) [APPROVAL OF HOME CARE SERVICES.] The commissioner or the commissioner's designee shall determine the medical necessity of home care services, the level of caregiver according to subdivision 2, and the institutional comparison according to this subdivision, the cost-effectiveness of services, and the amount, scope, and duration of home care services reimbursable by medical assistance, based on the assessment, the care plan, the recipient's age, the cost of services, the recipient's medical condition, and diagnosis or disability. The commissioner may publish additional criteria for determining medical necessity according to section 256B.04.

(i) [PRIOR AUTHORIZATION REQUESTS; TEMPORARY SERVICES.] Providers may request a temporary authorization for home care services by telephone. The commissioner may approve a temporary level of home care services based on the assessment and care plan information provided by an appropriately licensed nurse. Authorization for a temporary level of home care services is limited to the time specified by the commissioner, but shall not exceed ~~30~~ 45 days. The level of services authorized under this provision shall have no bearing on a future prior authorization.

(j) [PRIOR AUTHORIZATION REQUIRED IN FOSTER CARE SETTING.] Home care services provided in an adult or child foster care setting must receive prior authorization by the department according to the limits established in paragraph (b).

The commissioner may not authorize:

(1) home care services that are the responsibility of the foster care provider under the terms of the foster care placement agreement and administrative rules;

(2) personal care services when the foster care license holder is also the personal care provider or personal care assistant unless the recipient can direct the recipient's own care, or case management is provided as required in section 256B.0625, subdivision 19a;

(3) personal care services when the responsible party is an employee of, or under contract with, or has any direct or indirect financial relationship with the personal care provider or personal care assistant, unless case management is provided as required in section 256B.0625, subdivision 19a;

(4) home care services when the number of foster care residents is greater than four unless the county responsible for the recipient's foster placement made the placement prior to April 1, 1992, requests that home care services be provided, and case management is provided as required in section 256B.0625, subdivision 19a; or

(5) home care services when combined with foster care payments, other than room and board payments plus the cost of home- and community-based waived services unless the costs of home care services and waived services are combined and managed under the waiver program, that exceed the total amount that public funds would pay for the recipient's care in a medical institution.

Sec. 51. Minnesota Statutes 1992, section 256B.0628, subdivision 2, is amended to read:

Subd. 2. [~~CONTRACTOR DUTIES.~~] (a) The commissioner may contract with or employ qualified registered nurses and necessary support staff, or contract with qualified agencies, to provide home care prior authorization and review services for medical assistance recipients who are receiving home care services.

(b) Reimbursement for the prior authorization function shall be made through the medical assistance administrative authority. The state shall pay the nonfederal share. ~~The contractor must~~ functions will be to:

(1) assess the recipient's individual need for services required to be cared for safely in the community;

(2) ensure that a care plan that meets the recipient's needs is developed by the appropriate agency or individual;

(3) ensure cost-effectiveness of medical assistance home care services;

(4) ~~recommend to the commissioner~~ the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;

(5) reassess the recipient's need for and level of home care services at a frequency determined by the commissioner; and

(6) conduct on-site assessments when determined necessary by the commissioner and recommend changes to care plans that will provide more efficient and appropriate home care.

(c) In addition, ~~the contractor may be requested by the commissioner to~~ or the commissioner's designee may:

(1) review care plans and reimbursement data for utilization of services that exceed community-based standards for home care, inappropriate home care services, medical necessity, home care services that do not meet quality of care standards, or unauthorized services and make appropriate referrals ~~to the commissioner~~ within the department or to other appropriate entities based on the findings;

(2) assist the recipient in obtaining services necessary to allow the recipient to remain safely in or return to the community;

(3) coordinate home care services with other medical assistance services under section 256B.0625;

(4) assist the recipient with problems related to the provision of home care services; and

(5) assure the quality of home care services.

(d) For the purposes of this section, "home care services" means medical assistance services defined under section 256B.0625, subdivisions 6a, 7, and 19a.

Sec. 52. Minnesota Statutes 1992, section 256B.0911, subdivision 2, is amended to read:

Subd. 2. [PERSONS REQUIRED TO BE SCREENED; EXEMPTIONS.] All applicants to Medicaid certified nursing facilities must be screened prior to admission, regardless of income, assets, or funding sources, except the following:

(1) patients who, having entered acute care facilities from certified nursing facilities, are returning to a certified nursing facility;

(2) residents transferred from other certified nursing facilities;

~~(3) individuals whose length of stay is expected to be 30 days or less based on a physician's certification, if the facility notifies the screening team prior to admission and provides an update to the screening team on the 30th day after admission;~~

(4) individuals who have a contractual right to have their nursing facility care paid for indefinitely by the veteran's administration; or

~~(5) (4) individuals who are enrolled in the Ebenezer/Group Health social health maintenance organization project at the time of application to a nursing home; or~~

~~(6) individuals who are screened by another state within three months before admission to a certified nursing facility.~~

Regardless of the exemptions in clauses (2) to ~~(6)~~ (4), persons who have a diagnosis or possible diagnosis of mental illness, mental retardation, or a related condition must be screened before admission unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law Number 101-508.

~~Persons transferred from an acute care facility to a certified nursing facility may be admitted to the nursing facility before screening, if authorized by the county agency; however, the person must be screened within ten working days after the admission. Before admission to a Medicaid certified nursing home or boarding care home, all persons must be screened and approved for admission through an assessment process. The nursing facility is authorized to conduct case mix assessments which are not conducted by the county public health nurse under Minnesota Rules, part 9549.0059. The designated county or lead agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.~~

Other persons who are not applicants to nursing facilities must be screened if a request is made for a screening.

Sec. 53. Minnesota Statutes 1992, section 256B.0911, is amended by adding a subdivision to read:

Subd. 2a. [SCREENING REQUIREMENTS.] Persons may be screened by telephone or in a face-to-face consultation. The screener will identify each individual's needs according to the following categories: (1) needs no face-to-face screening; (2) needs an immediate face-to-face screening interview; or (3) needs a face-to-face screening interview after admission to a certified nursing facility or after a return home. Persons who are not admitted to a Medicaid certified nursing facility must be screened within ten working days after the date of referral. Persons admitted on a nonemergency basis to a Medicaid certified nursing facility must be screened prior to the certified nursing facility admission. Persons admitted to the Medicaid certified nursing facility from the community on an emergency basis or from an acute care facility on a nonworking day must be screened the first working day after admission and the reason for the emergency admission must be certified by the attending physician in the person's medical record.

Sec. 54. Minnesota Statutes 1992, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county agency ~~and the county public health nursing service of the local board of health~~ board of commissioners. Each local screening team shall ~~be composed~~ consist of screeners who are

a social worker and a public health nurse from their respective county agencies. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. Two or more counties may collaborate to establish a joint local screening team or teams.

~~(b) Both members of the team must conduct the screening. However, individuals who are being transferred from an acute care facility to a certified nursing facility and individuals who are admitted to a certified nursing facility on an emergency basis may be screened by only one member of the screening team in consultation with the other member.~~

~~(c) In assessing a person's needs, each screening team screeners shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included on the screening team if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.~~

~~(d) If a person who has been screened must be reassessed to assign a case mix classification because admission to a nursing facility occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.~~

Sec. 55. Minnesota Statutes 1992, section 256B.0911, subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITIES OF THE COUNTY AGENCY AND THE SCREENING TEAM.] (a) The county agency shall:

(1) provide information and education to the general public regarding availability of the preadmission screening program;

(2) accept referrals from individuals, families, human service and health professionals, and hospital and nursing facility personnel;

(3) assess the health, psychological, and social needs of referred individuals and identify services needed to maintain these persons in the least restrictive environments;

(4) determine if the individual screened needs nursing facility level of care;

(5) assess active treatment specialized service needs ~~in cooperation with~~ based upon an evaluation by:

(i) a qualified independent mental health professional for persons with a primary or secondary diagnosis of a serious mental illness; and

(ii) a qualified mental retardation professional for persons with a primary or secondary diagnosis of mental retardation or related conditions. For purposes of this clause, a qualified mental retardation professional must meet the standards for a qualified mental retardation professional in Code of Federal Regulations, title 42, section 483.430;

(6) make recommendations for individuals screened regarding cost-effective community services which are available to the individual;

(7) make recommendations for individuals screened regarding nursing home placement when there are no cost-effective community services available;

(8) develop an individual's community care plan and provide follow-up services as needed; and

(9) prepare and submit reports that may be required by the commissioner of human services.

The county agency may determine in cooperation with the local board of health that the public health nursing agency of the local board of health is the lead agency which is responsible for all of the activities above except clause (5).

(b) ~~The screening team screener~~ shall document that the most cost-effective alternatives available were offered to the individual or the individual's legal representative. For purposes of this section, "cost-effective alternatives" means community services and living arrangements that cost the same or less than nursing facility care.

~~The screening shall be conducted within ten working days after the date of referral or, for those approved for transfer from an acute care facility to a certified nursing facility, within ten working days after admission to the nursing facility.~~

(c) For persons who are eligible for medical assistance or who would be eligible within 180 days of admission to a nursing facility and who are admitted to a nursing facility, the nursing facility must include ~~the screening team a screener~~ or the case manager in the discharge planning process for those individuals who the team has determined have discharge potential. ~~The screening team screener~~ or the case manager must ensure a smooth transition and follow-up for the individual's return to the community.

~~Local screening teams~~ Screeners shall cooperate with other public and private agencies in the community, in order to offer a variety of cost-effective services to the disabled and elderly. ~~The screening team screeners~~ shall encourage the use of volunteers from families, religious organizations, social clubs, and similar civic and service organizations to provide services.

Sec. 56. Minnesota Statutes 1992, section 256B.0911, subdivision 6, is amended to read:

Subd. 6. [REIMBURSEMENT PAYMENT FOR PREADMISSION SCREENING.] (a) The total screening cost payment for each county must be paid monthly by certified nursing facilities in the county. The monthly amount to be paid by each nursing facility for each fiscal year must be determined by dividing the county's ~~estimate of the total~~ annual cost of allocation for screenings allowed in the county for the following rate year by 12 to determine the monthly cost estimate payment and allocating the monthly ~~cost estimate~~ payment to each nursing facility based on the number of licensed beds in the nursing facility.

(b) ~~The rate allowed for a screening where two team members are present shall be the actual costs up to \$195. The rate allowed for a screening where only one team member is present shall be the actual costs up to \$117. Annually on July 1, the commissioner shall adjust the rate up to the percentage change forecast in the fourth quarter of the prior calendar year by the Home Health Agency Market Basket of Operating Costs, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc.~~

(c) ~~The monthly cost estimate for each certified nursing facility must be submitted to the state by the county no later than February 15 of each year for inclusion in the nursing facility's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing facility as an operating cost of that nursing facility in accordance with section 256B.431, subdivision 2b, paragraph (g). The monthly cost estimates approved by the commissioner must be sent to the nursing facility by the county no later than April 15 of each year.~~

(d) ~~If in more than ten percent of the total number of screenings performed by a county in a fiscal year for all individuals regardless of payment source, the screening timelines were not met because a county was late in screening the individual, the county is solely responsible for paying the cost of those delayed screenings that exceed ten percent.~~

(b) Payments for screening activities are available to the county or counties to cover staff salaries and expenses to provide the screening function. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to conduct the preadmission screening activity while meeting the state's long-term care outcomes and objectives as defined in section 256B.0917, subdivision 1. The local agency shall be accountable for meeting local objectives as approved by the commissioner in the CSSA biennial plan.

(e) ~~(c)~~ Notwithstanding section 256B.0641, overpayments attributable to payment of the screening costs under the medical assistance program may not be recovered from a facility.

(f) ~~(d)~~ The commissioner of human services shall amend the Minnesota medical assistance plan to include reimbursement for the local screening teams.

Sec. 57. Minnesota Statutes 1992, section 256B.0911, subdivision 7, is amended to read:

Subd. 7. [REIMBURSEMENT FOR CERTIFIED NURSING FACILITIES.] (a) Medical assistance reimbursement for nursing facilities shall be authorized for a medical assistance recipient only if a preadmission screening has been conducted prior to admission or the local county agency has authorized an exemption. Medical assistance reimbursement for nursing facilities shall not be provided for any recipient who the local screening team screener has determined does not meet the level of care criteria for nursing facility placement or, if indicated, has not had a level II PASARR evaluation completed unless an admission for a recipient with mental illness is approved by the local mental health authority or an admission for a recipient with mental retardation or related condition is approved by the state mental retardation authority. The commissioner shall make a request to the health care financing administration for a waiver allowing screening team approval of Medicaid payments for certified nursing facility care. An individual has a choice and makes the final decision between nursing facility placement and community placement after the screening team's recommendation, except as provided in paragraphs (b) and (c). ~~However,~~

(b) ~~The local county mental health authority or the local state mental retardation authority under Public Law Numbers 100-203 and 101-508 may prohibit admission to a nursing facility, if the individual does not meet the nursing facility level of care criteria or does need active treatment needs specialized services as defined in Public Law Numbers 100-203 and 101-508.~~ For purposes of this section, "specialized services" for a person with mental retardation or a related condition means "active treatment" as that term is defined in Code of Federal Regulations, title 42, section 483.440(a)(1).

(c) Upon the receipt by the commissioner of approval by the secretary of health and human services of the waiver requested under paragraph (a), the local screener shall deny medical assistance reimbursement for nursing facility care for an individual whose long-term care needs can be met in a community-based setting and whose cost of community-based home care services is less than 75 percent of the average payment for nursing facility care for that individual's case mix classification, and who is either:

(i) a current medical assistance recipient being screened for admission to a nursing facility; or

(ii) an individual who would be eligible for medical assistance within 180 days of entering a nursing facility and who meets a nursing facility level of care.

(d) Appeals from the screening team's recommendation or the county agency's final decision shall be made according to section 256.045, subdivision 3.

Sec. 58. Minnesota Statutes 1992, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NONMEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse;

(2) the person is age 65 or older;

(3) the person would be financially eligible for medical assistance within 180 days of admission to a nursing facility;

(4) the person meets the asset transfer requirements of the medical assistance program;

(5) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;

~~(5)~~ (6) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and

~~(6)~~ (7) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059.

(b) Individuals who meet the criteria in paragraph (a) and who have been approved for alternative care funding are called 180-day eligible clients.

(c) The statewide average payment for nursing facility care is the statewide average monthly nursing facility rate in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.

(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.

(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spend-down if the person applied, unless authorized by the commissioner. ~~The commissioner may authorize alternative care money to be used to meet a portion of a medical assistance income spend-down for persons residing in adult foster care who would otherwise be served under the alternative care program. The alternative care payment is limited to the difference between the recipient's negotiated foster care room and board rate and the medical assistance income standard for one elderly person plus the medical assistance personal needs allowance for a person residing in a long-term care facility.~~ A person whose application for medical assistance is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance ~~retroactive to~~ from the date of eligibility the individual was found eligible for the medical assistance services provided that are reimbursable under the elderly waiver program.

(f) Alternative care funding is not available for a person who resides in a licensed nursing home or boarding care home, except for case management services which are being provided in support of the discharge planning process.

Sec. 59. Minnesota Statutes 1992, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

- (1) adult foster care;
- (2) adult day care;
- (3) home health aide;
- (4) homemaker services;
- (5) personal care;
- (6) case management;
- (7) respite care;
- (8) assisted living; ~~and~~
- (9) residential care services;
- (10) care-related supplies and equipment;

~~(b) The county agency may use up to ten percent of the annual allocation of alternative care funding for payment of costs of~~

- (11) meals delivered to the home;
- (12) transportation;
- (13) skilled nursing;

(14) chore services;

(15) companion services;

(16) nutrition services; and

(17) training for direct informal caregivers.

~~The commissioner shall determine the impact on alternative care costs of allowing these additional services to be provided and shall report the findings to the legislature by February 15, 1993, including any recommendations regarding provision of the additional services.~~

~~(e)~~ (b) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

~~(d)~~ These services must be provided by a licensed provider, a home health agency certified for reimbursement under Titles XVIII and XIX of the Social Security Act, or by (c) Unless specified in statute, the service standards for alternative care services shall be the same as the service standards defined in the elderly waiver. Persons or agencies must be employed by or contracted under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the alternative care program.

~~(e)~~ (d) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75 percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager.

~~(f)~~ (e) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

~~(g)~~ (f) Costs for supplies and equipment that exceed \$150 per item per month must have prior approval from the commissioner. A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor.

(g) For purposes of this section, residential care services are services which are provided to individuals living in residential care homes. Residential care homes are currently licensed as board and lodging establishments and are registered with the department of health as providing special services. "Residential care services" are defined as "supportive services" and "health-related services." "Supportive services" means the provision of up to 24-hour supervision and oversight. Supportive services includes: (1) transportation, when provided by the residential care center only; (2) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature; (3) assisting clients in setting up meetings and appointments; (4) assisting clients in setting up medical and social services; (5) providing assistance with personal laundry, such as carrying the client's laundry to the laundry room. Assistance with personal laundry does not include any laundry, such as bed linen, that is included in the room and board rate. Health-related services are limited to minimal assistance with dressing, grooming, and bathing and providing reminders to residents to take medications that are self-administered or providing storage for medications, if requested. Individuals receiving residential care services cannot receive both personal care services and residential care services.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to two or more alternative care clients who reside in the same apartment building of ten three or more units. These services may include care coordination, the costs of preparing one or more nutritionally balanced meals per day, general oversight, and other supportive services which the vendor is licensed to provide according to sections 144A.43 to 144A.49, and which would otherwise be available to individual alternative care clients. Reimbursement from the lead agency shall be made to the vendor as a monthly capitated rate negotiated with the county agency. The capitated rate shall not exceed the state share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180 day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The capitated rate may not cover rent and direct food costs. "Assisted living services" are defined as up to 24-hour supervision, and oversight,

supportive services as defined in clause (1), individualized home care aide tasks as defined in clause (2), and individualized home management tasks as defined in clause (3) provided to residents of a residential center living in their units or apartments with a full kitchen and bathroom. A full kitchen includes a stove, oven, refrigerator, food preparation counter space, and a kitchen utensil storage compartment. Assisted living services must be provided by the management of the residential center or providers under contract with the management.

(1) Supportive services include:

(i) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature;

(ii) assisting clients in setting up meetings and appointments; and

(iii) providing transportation, when provided by the residential center only.

Individuals receiving assisted living services will not receive both homemaking and personal services and assisted living services. "Individualized" means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions.

(2) "Home care aide tasks" means:

(i) preparing modified diets, such as diabetic or low sodium diets;

(ii) reminding residents to take regularly scheduled medications or to perform exercises;

(iii) household chores in the presence of technically sophisticated medical equipment or episodes of acute illness or infectious disease;

(iv) household chores when the resident's care requires the prevention of exposure to infectious disease or containment of infectious disease; and

(v) assisting with dressing, oral hygiene, hair care, grooming, and bathing, if the resident is ambulatory, and if the resident has no serious acute illness or infectious disease. "Oral hygiene" means care of teeth, gums, and oral prosthetic devices.

(3) "Home management tasks" means:

(i) housekeeping;

(ii) laundry;

(iii) preparation of regular snacks and meals; and

(iv) shopping.

A person's eligibility to reside in the building must not be contingent on the person's acceptance or use of the assisted living services. Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.01 to 157.031.

Reimbursement for assisted living services and residential care services shall be made by the lead agency to the vendor as a monthly rate negotiated with the county agency. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover rent and direct food costs.

(i) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care

plan. Companion services must be provided by individuals or nonprofit organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.

(j). For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the caregiver to deliver care in a home setting with high levels of quality. The training must be approved by the case manager as part of the individual care plan. Individuals, agencies, and educational facilities which provide caregiver training and education will be monitored by the case manager.

Sec. 60. Minnesota Statutes 1992, section 256B.0913, subdivision 9, is amended to read:

Subd. 9. [CONTRACTING PROVISIONS FOR PROVIDERS.] The lead agency shall document to the commissioner that the agency made reasonable efforts to inform potential providers of the anticipated need for services under the alternative care program or waiver programs under sections 256B.0915 and 256B.49, including a minimum of 14 days' written advance notice of the opportunity to be selected as a service provider and an annual public meeting with providers to explain and review the criteria for selection. The lead agency shall also document to the commissioner that the agency allowed potential providers an opportunity to be selected to contract with the county agency. Funds reimbursed to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The lead agency must select providers for contracts or agreements using the following criteria and other criteria established by the county:

- (1) the need for the particular services offered by the provider;
- (2) the population to be served, including the number of clients, the length of time services will be provided, and the medical condition of clients;
- (3) the geographic area to be served;
- (4) quality assurance methods, including appropriate licensure, certification, or standards, and supervision of employees when needed;
- (5) rates for each service and unit of service exclusive of county administrative costs;
- (6) evaluation of services previously delivered by the provider; and
- (7) contract or agreement conditions, including billing requirements, cancellation, and indemnification.

The county must evaluate its own agency services under the criteria established for other providers. The county shall provide a written statement of the reasons for not selecting providers.

Sec. 61. Minnesota Statutes 1992, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

- (1) when the alternative care client's gross income less recurring and predictable medical expenses is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than \$6,000, the fee is zero;
- (2) when the alternative care client's gross income less recurring and predictable medical expenses is greater than 150 percent of the federal poverty guideline and total assets are less than \$6,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's gross income less recurring and predictable medical expenses, whichever is less; and

(3) when the alternative care client's total assets are greater than \$6,000, the fee is 25 percent of the cost of alternative care services.

For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, under section 256B.059, if applicable. For married persons, total income is defined as the client's income less the monthly spousal allotment, under section 256B.058.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated and be payable in the month in which the alternative care services begin and shall continue unaltered for six months until the semiannual reassessment unless the actual cost of services falls below the fee.

(b) The fee shall be waived by the commissioner when:

- (1) a person who is residing in a nursing facility is receiving case management only;
- (2) a person is applying for medical assistance;
- (3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;
- (4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;
- (5) a person is found eligible for alternative care, but is not yet receiving alternative care services;
- (6) a person is an adult foster care resident for whom alternative care funds are being used to meet a portion of the person's medical assistance spend-down, as authorized in subdivision 4; and
- (7) a person's fee under paragraph (a) is less than \$25.

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the revenue recapture act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

(d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium.

Sec. 62. Minnesota Statutes 1992, section 256B.0913, subdivision 13, is amended to read:

Subd. 13. ~~[COUNTY ALTERNATIVE CARE BIENNIAL PLAN.] The commissioner shall establish by rule, in accordance with chapter 14, procedures for the submittal and approval of a biennial county plan for the administration of the alternative care program and the coordination with other planning processes for the older adult. In addition to the procedures in rule, The county biennial plan for the preadmission screening program, the alternative care program, waivers for the elderly under section 256B.0915, and waivers for the disabled under section 256B.49, shall be incorporated into the biennial community social services act plan and shall meet the regulations and timelines of that plan.~~ This county biennial plan shall also include:

- (1) information on the administration of the preadmission screening program;
- (2) information on the administration of the home- and community-based services waivers for the elderly under section 256B.0915, and for the disabled under section 256B.49; and

~~(3) an application for targeted funds under subdivision 11; and~~

~~(4) an optional notice of intent to apply to participate in the long term care projects under section 256B.0917 information on the administration of the alternative care program.~~

Sec. 63. Minnesota Statutes 1992, section 256B.0913, subdivision 14, is amended to read:

Subd. 14. [REIMBURSEMENT AND RATE ADJUSTMENTS.] (a) Reimbursement for expenditures for the alternative care services shall be through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. To receive reimbursement, the county or vendor must submit invoices within 120 days following the month of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.

(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(d) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for alternative care services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for alternative care services based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

(e) The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or 65 percent of the current maximum rate for each alternative care service. Notwithstanding any other rule or statutory provision to the contrary, the commissioner shall not be authorized to increase rates by an annual inflation factor, unless so authorized by the legislature.

(f) On July 1, 1993, the commissioner shall increase the maximum rate for home delivered meals to \$4.50 per meal.

Sec. 64. Minnesota Statutes 1992, section 256B.0915, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner is authorized to apply for a home- and community-based services waiver for the elderly, authorized under section 1915(c) of the Social Security Act, in order to obtain federal financial participation to expand the availability of services for persons who are eligible for medical assistance. The commissioner may apply for additional waivers or pursue other federal financial participation which is advantageous to the state for funding home care services for the frail elderly who are eligible for medical assistance. The provision of waived services to elderly and disabled medical assistance recipients must comply with the criteria approved in the waiver.

Sec. 65. Minnesota Statutes 1992, section 256B.0915, is amended by adding a subdivision to read:

Subd. 1a. [ELDERLY WAIVER CASE MANAGEMENT SERVICES.] Elderly case management services under the home and community-based services waiver for elderly individuals are available from providers meeting qualification requirements and the standards specified in subdivision 1b. Eligible recipients may choose any qualified provider of elderly case management services.

Sec. 66. Minnesota Statutes 1992, section 256B.0915, is amended by adding a subdivision to read:

Subd. 1b. [PROVIDER QUALIFICATIONS AND STANDARDS.] The commissioner must enroll qualified providers of elderly case management services under the home and community-based waiver for the elderly under section 1915(c) of the Social Security Act. The enrollment process shall ensure the provider's ability to meet the qualification

requirements and standards in this subdivision and other federal and state requirements of this service. A elderly case management provider is an enrolled medical assistance provider who is determined by the commissioner to have all of the following characteristics:

- (1) the legal authority for alternative care program administration under section 256B.0913;
- (2) the demonstrated capacity and experience to provide the components of case management to coordinate and link community resources needed by the eligible population;
- (3) administrative capacity and experience in serving the target population for whom it will provide services and in ensuring quality of services under state and federal requirements;
- (4) the legal authority to provide preadmission screening under section 256B.0911, subdivision 4;
- (5) a financial management system that provides accurate documentation of services and costs under state and federal requirements; and
- (6) the capacity to document and maintain individual case records under state and federal requirements.

Sec. 67. Minnesota Statutes 1992, section 256B.0915, is amended by adding a subdivision to read:

Subd. 1c. [CASE MANAGEMENT ACTIVITIES UNDER THE STATE PLAN.] The commissioner shall seek an amendment to the home and community-based services waiver for the elderly to implement the provisions of subdivisions 1a and 1b. If the commissioner is unable to secure the approval of the secretary of health and human services for the requested waiver amendment by December 31, 1993, the commissioner shall amend the medical assistance state plan to provide that case management provided under the home and community-based services waiver for the elderly is performed by counties as an administrative function for the proper and effective administration of the state medical assistance plan. Notwithstanding section 256.025, subdivision 3, the state shall reimburse counties for the nonfederal share of costs for case management performed as an administrative function under the home and community-based services waiver for the elderly.

Sec. 68. Minnesota Statutes 1992, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under medical assistance case mix reimbursement system. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The following costs must be included in determining the total monthly costs for the waiver client:

- (1) cost of all waived services, including extended medical supplies and equipment; and
 - (2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.
- (c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.
- (d) Expenditures for extended medical supplies and equipment that cost over \$150 per month for both the elderly waiver and the disabled waiver must have the commissioner's prior approval.
- (e) For the fiscal year beginning on July 1, 1993, and for subsequent fiscal years, the commissioner of human services shall not provide automatic annual inflation adjustments for home- and community-based waived services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for home- and

community-based waived services, based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set. The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.

(f) The adult foster care daily rate for the elderly and disabled waivers shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other waiver and medical assistance home care services to be authorized by the case manager.

(g) The assisted living and residential care service rates for elderly and disabled waivers shall be made to the vendor as a monthly rate negotiated with the county agency. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover direct rent or food costs.

(h) The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or 65 percent of the current maximum rate for each service within each program.

(i) On July 1, 1993, the commissioner shall increase the maximum rate for home-delivered meals to \$4.50 per meal.

(j) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(k) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

Sec. 69. Minnesota Statutes 1992, section 256B.0917, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE, MISSION, GOALS, AND OBJECTIVES.] (a) The purpose of implementing seniors' agenda for independent living (SAIL) projects under this section is to demonstrate a new cooperative strategy for the long-term care system in the state of Minnesota.

The projects are part of the initial biennial plan for a 20-year strategy. The mission of the 20-year strategy is to create a new community-based care paradigm for long-term care in Minnesota in order to maximize independence of the older adult population, and to ensure cost-effective use of financial and human resources. The goals for the 20-year strategy are to:

- (1) achieve a broad awareness and use of low-cost home care and other residential alternatives to nursing homes;
- (2) develop a statewide system of information and assistance to enable easy access to long-term care services;
- (3) develop sufficient alternatives to nursing homes to serve the increased number of people needing long-term care;
- (4) maintain the moratorium on new construction of nursing home beds and to lower the percentage of elderly persons served in institutional settings; and
- (5) build a community-based approach and community commitment to delivering long-term care services for elderly persons in their homes.

(b) The objective for the fiscal years 1992-1994 and 1993-1995 biennial plan is to ~~implement~~ continue at least four but not more than six projects in anticipation of a statewide program. These projects will ~~begin~~ continue the process of implementing: (1) a coordinated planning and administrative process; (2) a refocused function of the preadmission screening program; (3) the development of additional home, community, and residential alternatives to nursing homes; (4) a program to support the informal caregivers for elderly persons; (5) programs to strengthen the use of volunteers; and (6) programs to support the building of community commitment to provide long-term care for elderly persons.

This is done in conjunction with an expanded role of the interagency long-term care planning committee as described in section 144A.31. The services offered through these projects will be available to those who have their own funds to pay for services, as well as to persons who are eligible for medical assistance and to persons who are 180-day eligible clients to the extent authorized in this section.

Sec. 70. Minnesota Statutes 1992, section 256B.0917, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services in conjunction with the interagency long-term care planning committee's long-range strategic plan shall establish contract with SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, a county board or boards must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, and the area agencies on aging in a geographic area which is responsible for:

- (1) developing a local long-term care strategy consistent with state goals and objectives;
- (2) submitting an application to be selected as a project;
- (3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and
- (4) ensuring efficient services provision and nonduplication of funding.

(c) The board or boards shall designate a public agency to serve as the lead agency. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. The local long-term care coordinating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(e) The board or boards shall apply to be selected as a project. If the project is selected, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(f) Projects shall be selected according to the following conditions:

- (1) No project may be selected unless it demonstrates that:
 - (i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;
 - (ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;
 - (iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;
 - (iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

~~(2) If only two projects are selected, at least one of them must be from a metropolitan statistical area as determined by the United States Census Bureau; if three or four projects are selected, at least one but not more than two projects must be from a metropolitan statistical area; and if more than four projects are selected, at least two but not more than three projects must be from a metropolitan statistical area.~~

~~(3) Counties or groups of counties that submit a proposal for a project shall be assigned to types defined by institutional utilization rate and population growth rate in the following manner:~~

~~(i) Each county or group of counties shall be measured by the utilization rate of nursing homes and boarding care homes and by the projected growth rate of its population aged 85 and over between 1990 and 2000. For the purposes of this section, "utilization rate" means the proportion of the seniors aged 65 or older in the county or group of counties who reside in a licensed nursing home or boarding care home as determined by the most recent census of residents available from the department of health and the population estimates of the state demographer or the census, whichever is more recent. The "projected growth rate" is the rate of change in the county or group of counties of the population group aged 85 or older between 1990 and 2000 according to the projections of the state demographer.~~

~~(ii) The institutional utilization rate of a county or group of counties shall be converted to a category by assigning a "high utilization" category if the rate is above the median rate of all counties, and a "low utilization" category otherwise. The projected growth rate of a county or group of counties shall be converted to a category by assigning a score of "high growth" category if the rate is above the median rate of all counties, and a "low growth" category otherwise.~~

~~(iii) Types of areas shall be defined by the four combinations of the scores defined in item (ii): type 1 is low utilization high growth, type 2 is high utilization high growth, type 3 is high utilization low growth, and type 4 is low utilization low growth. Each county or group of counties making a proposal shall be assigned to one of these types.~~

~~(4) Projects shall be selected from each of the types in the order that the types are listed in paragraph (3), item (iii), with available funding allocated to projects until it is exhausted, with no more than 30 percent of available funding allocated to any one project. Available funding includes state administrative funds which have been appropriated for screening functions in subdivision 4, paragraph (b), clause (3), and for service developers and incentive grants in subdivision 5.~~

~~(5) If more than one county or group of counties within one of the types defined by paragraph (3) proposes a special project that meets all of the other conditions in paragraphs (1) and (2), the project that demonstrates the most cost effective proposals in terms of the number of nursing home placements that can be expected to be diverted or converted to alternative care services per unit of cost shall be selected.~~

~~(6) If more than one county applies for a specific project under this subdivision, all participating county boards must indicate intent to work cooperatively through individual board resolutions or a joint powers agreement.~~

Sec. 71. Minnesota Statutes 1992, section 256B.0917, subdivision 3, is amended to read:

Subd. 3. [LOCAL LONG-TERM CARE STRATEGY.] The local long-term care strategy must list performance outcomes and indicators which meet the state's objectives. The local strategy must provide for:

(1) accessible information, assessment, and preadmission screening activities as described in subdivision 4;

(2) an application for expansion increase in numbers of alternative care targeted funds clients served under section 256B.0913, for serving 180 day eligible clients, including those who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload; and

(3) the development of additional services such as adult family foster care homes; family adult day care; assisted living projects and congregate housing service projects in apartment buildings; expanded home care services for evenings and weekends; expanded volunteer services; and caregiver support and respite care projects.

The county or groups of counties selected for the projects shall be required to comply with federal regulations, alternative care funding policies in section 256B.0913, and the federal waiver programs' policies in section 256B.0915. The requirements for preadmission screening as are defined in section 256B.0911, subdivisions 1 to 6, ~~are waived for those counties selected as part of a long-term care strategy project. For persons who are eligible for medical assistance or who are 180 day eligible clients and who are screened after nursing facility admission, the nursing facility must include a screener in the discharge planning process for those individuals who the screener has determined have discharge potential. The agency responsible for the screening function in subdivision 4 must ensure a smooth transition and follow up for the individual's return to the community.~~ Requirements for an access, screening, and assessment function ~~replace the preadmission screening requirements and are defined in subdivision 4.~~ Requirements for the service development and service provision are defined in subdivision 5.

Sec. 72. Minnesota Statutes 1992, section 256B.0917, subdivision 4, is amended to read:

Subd. 4. [ACCESSIBLE INFORMATION, SCREENING, AND ASSESSMENT FUNCTION.] (a) The projects selected by and under contract with the commissioner shall establish an accessible information, screening, and assessment function for persons who need assistance and information regarding long-term care. This accessible information, screening, and assessment activity shall include information and referral, early intervention, follow-up contacts, telephone ~~triage~~ screening as defined in paragraph (f), home visits, assessments, preadmission screening, and relocation case management for the frail elderly and their caregivers in the area served by the county or counties. The purpose is to ensure that information and help is provided to elderly persons and their families in a timely fashion, when they are making decisions about long-term care. These functions may be split among various agencies, but must be coordinated by the local long-term care coordinating team.

(b) Accessible information, screening, and assessment functions shall be reimbursed as follows:

(1) ~~The screenings of all persons entering nursing homes shall be reimbursed by the nursing homes in the counties of the project, through the same policy that is in place in fiscal year 1992 as established as defined in section 256B.0911. The amount a nursing home pays to the county agency is that amount identified and approved in the February 15, 1991, estimated number of screenings and associated expenditures. This amount remains the same for fiscal year 1993, subdivision 6; and~~

(2) ~~The level I screenings and the level II assessments required by Public Law Numbers 100-203 and 101-508 (OBRA) for persons with mental illness, mental retardation, or related conditions, are reimbursed through administrative funds with 75 percent federal funds and 25 percent state funds, as allowed by federal regulations and established in the contract; and~~

(3) Additional state administrative funds shall be available for the access, screening, and assessment activities that are not reimbursed under ~~clauses~~ clause (1) ~~and~~ (2). This amount shall not exceed the amount authorized in the guidelines and in instructions for the application and must be within the amount appropriated for this activity.

(c) ~~The amounts available under paragraph (b) are available to the county or counties involved in the project to cover staff salaries and expenses to provide the services in this subdivision. The lead agency shall employ, or contract with other agencies to employ, within the limits of available funding, sufficient personnel to provide the services listed in this subdivision.~~

(d) Any information and referral functions funded by other sources, such as Title III of the Older Americans Act and Title XX of the Social Security Act and the Community Social Services Act, shall be considered by the local long-term care coordinating team in establishing this function to avoid duplication and to ensure access to information for persons needing help and information regarding long-term care.

(e) ~~The staffing for the screening and assessment function must include, but is not limited to, a county social worker and a county public health nurse. The social worker and public health nurse are responsible for all assessments that are required to be completed by a professional. However, only one of these professionals is required to be present for the assessment. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year of experience in home care to conduct the assessment.~~

~~(f) All persons entering a Medicaid certified nursing home or boarding care home must be screened through an assessment process, although the decision to conduct a face to face interview is left with the county social worker and the county public health nurse. All applicants to nursing homes must be screened and approved for admission by the county social worker or the county public health nurse named by the lead agency or the agencies which are under contract with the lead agency to manage the access, screening, and assessment functions. For applicants who have a diagnosis of mental illness, mental retardation, or a related condition, and are subject to the provisions of Public Law Numbers 100-203 and 101-508, their admission must be approved by the local mental health authority or the local developmental disabilities case manager.~~

The commissioner shall develop instructions and assessment forms for telephone triage and on-site screenings to ensure that federal regulations and waiver provisions are met.

~~For purposes of this section, the term "telephone triage" refers to a telephone or face to face consultation between health care and social service professionals during which the clients' circumstances are reviewed and the county agency professional sorts the individual into categories: (1) needs no screening, (2) needs an immediate screening, or (3) needs a screening after admission to a nursing home or after a return home. The county agency professional shall authorize admission to a nursing home according to the provisions in section 256B.0911, subdivision 7.~~

~~(g) The requirements for case mix assessments by a preadmission screening team may be waived and the nursing home shall complete the case mix assessments which are not conducted by the county public health nurse according to the procedures established under Minnesota Rules, part 9549.0059. The appropriate county or the lead agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.~~

~~(h) (d) The lead agency or the agencies under contract with the lead agency which are responsible for the accessible information, screening, and assessment function must complete the forms and reports required by the commissioner as specified in the contract.~~

Sec. 73. Minnesota Statutes 1992, section 256B.0917, subdivision 5, is amended to read:

Subd. 5. [SERVICE DEVELOPMENT AND SERVICE DELIVERY.] (a) In addition to the access, screening, and assessment activity, each local strategy may include provisions for the following:

~~(1) expansion of alternative care to serve an increased caseload, over the fiscal year 1991 average caseload, of at least 100 persons each year who are assessed prior to nursing home admission and persons who are relocated from nursing homes, which results in a reduction of the medical assistance nursing home caseload;~~

~~(2) the addition of a full-time staff person who is responsible to develop the following services and recruit providers as established in the contract:~~

~~(i) additional adult family foster care homes;~~

~~(ii) family adult day care providers as defined in section 256B.0919, subdivision 2;~~

~~(iii) an assisted living program in an apartment;~~

~~(iv) a congregate housing service project in a subsidized housing project; and~~

~~(v) the expansion of evening and weekend coverage of home care services as deemed necessary by the local strategic plan;~~

~~(3) (2) small incentive grants to new adult family care providers for renovations needed to meet licensure requirements;~~

~~(4) (3) a plan to apply for a congregate housing service project as identified in section 256.9751, authorized by the Minnesota board on aging, to the extent that funds are available;~~

(5) (4) a plan to divert new applicants to nursing homes and to relocate a targeted population from nursing homes, using the individual's own resources or the funding available for services;

(6) (5) one or more caregiver support and respite care projects, as described in subdivision 6; and

(7) (6) one or more living-at-home/block nurse projects, as described in subdivisions 7 to 10.

(b) The expansion of alternative care clients under paragraph (a) shall be accomplished with the funds provided under section 256B.0913, and includes the allocation of targeted funds. The funding for all participating counties must be coordinated by the local long-term care coordinating team and must be part of the local long-term care strategy. Targeted Alternative care funds received through the SAIL project approval process may be transferred from one SAIL county to another within a designated SAIL project area during a fiscal year as authorized by the local long-term care coordinating team and approved by the commissioner. The base allocation used for a future year shall reflect the final transfer. Each county retains responsibility for reimbursement as defined in section 256B.0913, subdivision 12. All other requirements for the alternative care program must be met unless an exception is provided in this section. The commissioner may establish by contract a reimbursement mechanism for alternative care that does not require invoice processing through the Medical Assistance Management Information System (MMIS). The commissioner and local agencies must assure that the same client and reimbursement data is obtained as is available under MMIS.

(c) The administration of these components is the responsibility of the agencies selected by the local coordinating team and under contract with the local lead agency. However, administrative funds for paragraph (a), clauses (2) to (5), and grant funds for paragraph (a), clauses (6) and (7), shall be granted to the local lead agency. The funding available for each component is based on the plan submitted and the amount negotiated in the contract.

Sec. 74. Minnesota Statutes 1992, section 256B.0917, subdivision 11, is amended to read:

Subd. 11. [SAIL EVALUATION AND EXPANSION.] The commissioner shall evaluate the success of the SAIL projects against the objective stated in subdivision 1, paragraph (b), and recommend to the legislature the continuation or expansion of the long-term care strategy by February 15, 1993 1995.

Sec. 75. Minnesota Statutes 1992, section 256B.0917, subdivision 12, is amended to read:

Subd. 12. [PUBLIC AWARENESS CAMPAIGN.] The commissioner, with assistance from the commissioner of health and with the advice of the long-term care planning committee, shall contract for a public awareness campaign to educate the general public, seniors, consumers, caregivers, and professionals about the aging process, the long-term care system, and alternatives available including alternative care and residential alternatives. Particular emphasis will be given to informing consumers on how to access the alternatives and obtain information on the long-term care system. The commissioner shall pursue the development of new names for preadmission screening, alternative care, and foster care, and other services as deemed necessary for the public awareness campaign.

Sec. 76. Minnesota Statutes 1992, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE TRAUMATIC BRAIN INJURY CASE MANAGEMENT PROGRAM.] The commissioner of human services shall:

(1) establish and maintain statewide traumatic brain injury ~~case management program~~;

(2) designate a full-time position to supervise and coordinate services and policies for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management; and

(4) establish an advisory committee to provide recommendations in a report to the ~~department commissioner~~ regarding program and service needs of persons with traumatic brain injuries. The advisory committee shall consist of no less than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair; and

(5) investigate the need for the development of rules or statutes for:

(i) traumatic brain injury home and community-based services waiver; and

(ii) traumatic brain injury services not covered by any other statute or rule.

Sec. 77. Minnesota Statutes 1992, section 256B.093, subdivision 3, is amended to read:

Subd. 3. [~~CASE MANAGEMENT TRAUMATIC BRAIN INJURY PROGRAM DUTIES.~~] The department shall fund case management under this subdivision using medical assistance administrative funds. ~~Case management~~ The traumatic brain injury program duties include:

- (1) assessing the person's individual needs for services required to prevent institutionalization;
- (2) ensuring that a care plan that addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;
- (3) assisting the person in obtaining services necessary to allow the person to remain in the community;
- (4) coordinating home care services with other medical assistance services under section 256B.0625;
- (5) ensuring appropriate, accessible, and cost-effective medical assistance services;
- (6) recommending to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under section 256B.0627;
- (7) assisting the person with problems related to the provision of home care services;
- (8) ensuring the quality of home care services;
- (9) reassessing the person's need for and level of home care services at a frequency determined by the commissioner; and
- (10) recommending to the commissioner the approval or denial of medical assistance funds to pay for out-of-state placements for traumatic brain injury services and in-state traumatic brain injury services provided by designated Medicare long-term care hospitals;
- (11) coordinating the traumatic brain injury home and community-based waiver; and
- (12) approving traumatic brain injury waiver care plans.

Sec. 78. Minnesota Statutes 1992, section 256B.15, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "medical assistance" includes the medical assistance program under this chapter and the general assistance medical care program under chapter 256D, but does not include the alternative care program ~~under this chapter~~ for nonmedical assistance recipients under section 256B.0913, subdivision 4.

Sec. 79. Minnesota Statutes 1992, section 256B.15, subdivision 2, is amended to read:

Subd. 2. [LIMITATIONS ON CLAIMS.] The claim shall include only the total amount of medical assistance rendered after age 65 or during a period of institutionalization described in subdivision 1 1a, clause (b), and the total amount of general assistance medical care rendered, and shall not include interest. Claims that have been allowed but not paid shall bear interest according to section 524.3-806, paragraph (d). A claim against the estate of a surviving spouse who did not receive medical assistance, for medical assistance rendered for the predeceased spouse, is limited to the value of the assets of the estate that were marital property or jointly owned property at any time during the marriage.

Sec. 80. Minnesota Statutes 1992, section 256B.19, subdivision 1b, is amended to read:

Subd. 1b. [PORTION OF NONFEDERAL SHARE TO BE PAID BY GOVERNMENT HOSPITALS.] (a) In addition to the percentage contribution paid by a county under subdivision 1, the governmental units designated in this subdivision shall be responsible for an additional portion of the nonfederal share of medical assistance costs

attributable to them. For purposes of this subdivision, "designated governmental unit" means Hennepin county, the University of Minnesota and the public corporation known as Ramsey Health Care, Inc. which is operated under the authority of chapter 246A. For purposes of this subdivision, "public hospital" means the Hennepin County Medical Center, the University of Minnesota hospital, and the St. Paul-Ramsey Medical Center.

(b) Effective July 1, 1993, each of the Hennepin county and the Ramsey Health Care, Inc. public corporation governmental units designated in this subdivision shall on a monthly basis transfer an amount equal to two percent of the public hospital's net patient revenues, excluding net Medicare revenue to the state Medicaid agency. These sums shall be part of the local governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

(c) Effective July 1, 1994, each of the governmental units designated in this subdivision shall on a monthly basis transfer an amount equal to two percent of the public hospital's net patient revenues, excluding net Medicare revenue to the state Medicaid agency. These sums shall be part of the local governmental unit's portion of the nonfederal share of medical assistance costs, but shall not be subject to payback provisions of section 256.025.

Sec. 81. Minnesota Statutes 1992, section 256B.37, subdivision 3, is amended to read:

Subd. 3. [NOTICE.] The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages, or otherwise obligated to pay part or all of the cost of medical care when the state agency has paid or become liable for the cost of care. Notice must be given as follows:

(a) Applicants for medical assistance shall notify the state or local agency of any possible claims when they submit the application. Recipients of medical assistance shall notify the state or local agency of any possible claims when those claims arise.

(b) A person providing medical care services to a recipient of medical assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(c) A person who is party to a claim upon which the state agency may be entitled to subrogation under this section shall notify the state agency of its potential subrogation claim before filing a claim, commencing an action, or negotiating a settlement. A person who is a party to a claim includes the plaintiff, the defendant, and any other party to the cause of action.

Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).

Sec. 82. Minnesota Statutes 1992, section 256B.37, subdivision 5, is amended to read:

Subd. 5. [PRIVATE BENEFITS TO BE USED FIRST.] Private accident and health care coverage for medical services is primary coverage and must be exhausted before medical assistance is paid. When a person who is otherwise eligible for medical assistance has private accident or health care coverage, including a prepaid health plan, the private health care benefits available to the person must be used first and to the fullest extent. ~~Supplemental payment may be made by medical assistance, but the combined total amount paid must not exceed the amount payable under medical assistance in the absence of other coverage. Medical assistance must not make supplemental payment for covered services rendered by a vendor who participates or contracts with a health coverage plan if the plan requires the vendor to accept the plan's payment as payment in full.~~

Sec. 83. Minnesota Statutes 1992, section 256B.37, is amended by adding a subdivision to read:

Subd. 5a. [SUPPLEMENTAL PAYMENT BY MEDICAL ASSISTANCE.] Medical assistance payment will not be made when either covered charges are paid in full by a third party or the provider has an agreement to accept payment for less than charges as payment in full. Payment for patients that are simultaneously covered by medical assistance and a liable third party other than Medicare will be determined as the lesser of clauses (1) to (3):

(1) the patient liability according to the provider/insurer agreement; or

(2) covered charges minus the third party payment amount; or

(3) the medical assistance rate minus the third party payment amount.

A negative difference will not be implemented.

Sec. 84. Minnesota Statutes 1992, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing facility's cost report of allowable operating costs incurred by the nursing facility during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, size of the nursing facility, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing facility. In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing facilities in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing facilities established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. For rate years beginning on or after July 1, 1989, facilities located in geographic group I as described in Minnesota Rules, part 9549.0052, on January 1, 1989, may choose to have the commissioner apply either the care related limits or the other operating cost limits calculated for facilities located in geographic group II, or both, if either of the limits calculated for the group II facilities is higher. The efficiency incentive for geographic group I nursing facilities must be calculated based on geographic group I limits. The phase-in must be established utilizing the chosen limits. For purposes of these exceptions to the geographic grouping requirements, the definitions in Minnesota Rules, parts 9549.0050 to 9549.0059 (Emergency), and 9549.0010 to 9549.0080, apply. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diems for purposes of setting limits and nursing facility payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing facility is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories. For the rate year beginning on July 1, 1985, the commissioner shall:

(1) allow nursing facilities that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing facilities licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing facilities referred to in clause (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing facility shall receive an operating cost payment rate equal to the sum of the nursing facility's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing facility's historical operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing facility's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability or payments in lieu of real estate tax of each nursing facility as an operating cost of that nursing facility. Allowable costs under this subdivision for payments made by a nonprofit nursing facility that are in lieu of real estate taxes shall not exceed the amount which the nursing facility would have paid to a city or township and county for fire, police, sanitation services, and road maintenance costs had real estate taxes been levied on that property for those purposes. For rate years beginning on or after July 1, 1987, the reported actual real estate tax liability or payments in lieu of real estate tax of nursing facilities shall be adjusted to include an amount equal to one-half of the dollar change in real estate taxes from the prior year. The commissioner shall include a reported actual special assessment, and reported actual license fees required by the Minnesota department of health, for each nursing facility as an operating cost of that nursing facility. For rate years beginning on or after July 1, 1989, the commissioner shall include a nursing facility's reported public employee retirement act contribution for the reporting year as apportioned to the care-related operating cost categories and other operating cost categories multiplied by the appropriate composite index or indices established pursuant to paragraph (e) as costs under this paragraph. Total adjusted real estate tax liability, payments in lieu of real estate tax, actual special assessments paid, the indexed public employee retirement act contribution, and license fees paid as required by the Minnesota department of health, for each nursing facility (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to compute the care-related operating cost limits or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e), unless otherwise indicated in this paragraph.

(h) For rate years beginning on or after July 1, 1987, the commissioner shall adjust the rates of a nursing facility that meets the criteria for the special dietary needs of its residents as ~~specified in section 144A.071, subdivision 3, clause (e)~~, and the requirements in section 31.651. The adjustment for raw food cost shall be the difference between the nursing facility's allowable historical raw food cost per diem and 115 percent of the median historical allowable raw food cost per diem of the corresponding geographic group.

The rate adjustment shall be reduced by the applicable phase-in percentage as provided under subdivision 2h.

Sec. 85. Minnesota Statutes 1992, section 256B.431, is amended by adding a subdivision to read:

Subd. 2s. [ADEQUATE DOCUMENTATION SUPPORTING NURSING FACILITY PAYROLLS.] Beginning on July 1, 1993, payroll records supporting compensation costs claimed by nursing homes must be supported by affirmative time and attendance records prepared by each individual at intervals of not more than two weeks. The affirmative time and attendance record shall identify the individual's name, the days worked during each pay period, the number of hours worked each day and the number of hours taken each day by the employee for vacation sick and other leave. The affirmative time and attendance record shall include a signed verification by the individual and the individual's supervisor, if any, that the entries reported on the record are correct.

Sec. 86. Minnesota Statutes 1992, section 256B.431, subdivision 13, is amended to read:

Subd. 13. [HOLD-HARMLESS PROPERTY-RELATED RATES.] (a) Terms used in subdivisions 13 to 21 shall be as defined in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(b) Except as provided in this subdivision, for rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, the property-related rate for a nursing facility shall be the greater of \$4 or the property-related payment rate in effect on September 30, 1992. In addition, the incremental increase in the nursing facility's rental rate will be determined under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section.

(c) Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item F, a nursing facility that has a sale permitted under subdivision 14 after June 30, 1992, shall receive the property-related payment rate in effect at the time of the sale or reorganization. For rate periods beginning after October 1, 1992, and for rate years beginning after June 30, 1993, a nursing facility shall receive, in addition to its property-related payment rate in effect at the time of the sale, the incremental increase allowed under subdivision 14.

(d) For rate years beginning on or after July 1, 1993, the property-related payment rate for a nursing facility shall be the greater of \$3.50, 80 percent of the property-related payment rate in effect on June 30, 1993, or 125 percent of the nursing facility's allowable principal and interest expense divided by the nursing facility's capacity days as determined under Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c); except that the nursing facility's property-related payment rate must not exceed the property-related payment rate in effect on June 30, 1993.

(e) For rate years beginning after June 30, 1993, the property-related rate for a nursing facility licensed after July 1, 1989, after relocating its beds from a separate nursing home to a building formerly used as a hospital and sold during the cost reporting year ending September 30, 1991, shall be its property-related rate prior to the sale in addition to the incremental increases provided under this section effective on October 1, 1992, of 29 cents per day, and any incremental increases after October 1, 1992, calculated by using its rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, recognizing the current appraised value of the facility at the new location, and including as allowable debt otherwise allowable debt incurred to remodel the facility in the new location prior to the relocation of beds.

Sec. 87. Minnesota Statutes 1992, section 256B.431, subdivision 14, is amended to read:

Subd. 14. [LIMITATIONS ON SALES OF NURSING FACILITIES.] (a) For rate periods beginning on October 1, 1992, and for rate years beginning after June 30, 1993, a nursing facility's property-related payment rate as established under subdivision 13 shall be adjusted by either paragraph (b) or (c) for the sale of the nursing facility, including sales occurring after June 30, 1992, as provided in this subdivision.

(b) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is greater than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the greater of its property-related payment rate under subdivision 13 prior to sale or its rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(c) If the nursing facility's property-related payment rate under subdivision 13 prior to sale is equal to or less than the nursing facility's rental rate under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale, the nursing facility's property-related payment rate after sale shall be the nursing facility's property-related payment rate under subdivision 13 plus the difference between its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section prior to sale and its rental rate calculated under Minnesota Rules, parts 9549.0010 to 9549.0080, and this section calculated after sale.

(d) For purposes of this subdivision, "sale" means the purchase of a nursing facility's capital assets with cash or debt. The term sale does not include a stock purchase of a nursing facility or any of the following transactions:

- (1) a sale and leaseback to the same licensee that does not constitute a change in facility license;
- (2) a transfer of an interest to a trust;
- (3) gifts or other transfers for no consideration;
- (4) a merger of two or more related organizations;
- (5) a change in the legal form of doing business, other than a publicly held organization that becomes privately held or vice versa;
- (6) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing facility or the issuance of stock; and

(7) a sale, merger, reorganization, or any other transfer of interest between related organizations other than those permitted in this section. For purposes of this subdivision "sale" includes the sale or transfer of a nursing facility to a close relative as defined in Minnesota Rules, part 9549.0020, subpart 38, item C, upon the death of an owner, due to serious illness or disability, as defined under the Social Security Act, under United States Code, title 42, section 423(d)(1)(A), or upon retirement of an owner from the business of owning or operating a nursing home at 62 years of age or older. For sales to a close relative allowed under this clause, otherwise allowable related organization debt resulting from seller financing of all or a portion of the debt resulting from the sale shall be allowed and shall not be subject to Minnesota Rules, part 9549.0060, subpart 5, item E, provided that in addition to existing requirements for allowance of debt and interest, the debt is subject to repayment through annual principal payments and the interest rate on the related organization debt does not exceed three percentage points above the posted yield for standard conventional fixed rate mortgages of the Federal Home Loan Mortgage Corporation for delivery in 60 days as published in the Wall Street Journal and in effect on the day of sale. If at any time, the seller forgives or otherwise reduces the amount of the related organization debt allowed under this clause between the parties for other than equal amount of payment on that debt, then the buyer shall pay to the state the total revenue received by the facility after

the sale attributable to the amount of allowable debt which has been forgiven or otherwise reduced for less than fair value. Any assignment, sale, or transfer of the contract for deed or debt instrument entered into by the related organization seller and the related organization buyer that grants to the buyer the right to receive all or a portion of the payments under the contract for deed or debt instrument shall, effective on the date of the transfer, result in the prospective reduction in the allowable related organization debt equal to the total amount transferred attributable to payment of principal and effective beginning with the cost reporting period during which the transfer takes place shall result in the offset against allowable interest of amounts received pursuant to the transfer annually thereafter attributable to payment of interest.

(e) For purposes of this subdivision, "effective date of sale" means the later of either the date on which legal title to the capital assets is transferred or the date on which closing for the sale occurred.

(f) The effective day for the property-related payment rate determined under this subdivision shall be the first day of the month following the month in which the effective date of sale occurs or October 1, 1992, whichever is later, provided that the notice requirements under section 256B.47, subdivision 2, have been met.

(g) Notwithstanding Minnesota Rules, part 9549.0060, subparts 5, item A, subitems (3) and (4), and 7, items E and F, the commissioner shall limit the total allowable debt and related interest for sales occurring after June 30, 1992, to the sum of clauses (1) to (3):

(1) the historical cost of capital assets, as of the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the nursing facility's initial historical cost of constructing capital assets;

(2) the average annual capital asset additions after deduction for capital asset deletions, not including depreciations; and

(3) one-half of the allowed inflation on the nursing facility's capital assets. The commissioner shall compute the allowed inflation as described in paragraph (h).

(h) For purposes of computing the amount of allowed inflation, the commissioner must apply the following principles:

(1) the lesser of the Consumer Price Index for all urban consumers or the Dodge Construction Systems Costs for Nursing Homes for any time periods during which both are available must be used. If the Dodge Construction Systems Costs for Nursing Homes becomes unavailable, the commissioner shall substitute the index in subdivision 3f, or such other index as the secretary of the health care financing administration may designate;

(2) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must be computed separately;

(3) the amount of allowed inflation must be determined on an annual basis, prorated on a monthly basis for partial years and if the initial month of use is not determinable for a capital asset, then one-half of that calendar year shall be used for purposes of prorating;

(4) the amount of allowed inflation to be applied to the capital assets in paragraph (g), clauses (1) and (2), must not exceed 300 percent of the total capital assets in any one of those clauses; and

(5) the allowed inflation must be computed starting with the month following the nursing facility's most recent previous effective date of sale or, if there has been no previous sale, the month following the date of the nursing facility's initial occupancy, and ending with the month preceding the effective date of sale.

(i) If the historical cost of a capital asset is not readily available for the date of the nursing facility's most recent previous sale or if there has been no previous sale for the date of the nursing facility's initial occupancy, then the commissioner shall limit the total allowable debt and related interest after sale to the extent recognized by the Medicare intermediary after the sale. For a nursing facility that has no historical capital asset cost data available and does not have allowable debt and interest calculated by the Medicare intermediary, the commissioner shall use the historical cost of capital asset data from the point in time for which capital asset data is recorded in the nursing facility's audited financial statements.

(j) The limitations in this subdivision apply only to debt resulting from a sale of a nursing facility occurring after June 30, 1992, including debt assumed by the purchaser of the nursing facility.

Sec. 88. Minnesota Statutes 1992, section 256B.431, subdivision 15, is amended to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST REPORTING AND RATE CALCULATION.] For rate years beginning after June 30, 1993, a nursing facility's capital repair and replacement payment rate shall be established annually as provided in paragraphs (a) to (d).

(a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the costs of acquiring any of the following items, including cash payment for equity investment and principal and interest expense for debt financing, shall be reported in the capital repair and replacement cost category when the cost of the item exceeds \$500:

- (1) wall coverings;
- (2) paint;
- (3) floor coverings;
- (4) window coverings;
- (5) roof repair;
- (6) heating or cooling system repair or replacement;
- (7) window repair or replacement;

(8) initiatives designed to reduce energy usage by the facility if accompanied by an energy audit prepared by a professional engineer or architect registered in Minnesota, or by an auditor certified under Minnesota Rules, part 7635.0130, to do energy audits and the energy audit identifies the initiative as a conservation measure; and

(9) ~~capitalized~~ repair or replacement of capital assets not included in the equity incentive computations under subdivision 16.

(b) To compute the capital repair and replacement payment rate, the allowable annual repair and replacement costs for the reporting year must be divided by actual resident days for the reporting year. The annual allowable capital repair and replacement costs shall not exceed \$150 per licensed bed. The excess of the allowed capital repair and replacement costs over the capital repair and replacement limit shall be a cost carryover to succeeding cost reporting periods, except that sale of a facility, under subdivision 14, shall terminate the carryover of all costs except those incurred in the most recent cost reporting year. The termination of the carryover shall have effect on the capital repair and replacement rate on the same date as provided in subdivision 14, paragraph (f), for the sale. For rate years beginning after June 30, 1994, the capital repair and replacement limit shall be subject to the index provided in subdivision 3f, paragraph (a). For purposes of this subdivision, the number of licensed beds shall be the number used to calculate the nursing facility's capacity days. The capital repair and replacement rate must be added to the nursing facility's total payment rate.

(c) Capital repair and replacement costs under this subdivision shall not be counted as either care-related or other operating costs, nor subject to care-related or other operating limits.

(d) If costs otherwise allowable under this subdivision are incurred as the result of a project approved under the moratorium exception process in section 144A.073, or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost of these assets exceeds the lesser of \$150,000 or ten percent of the nursing facility's appraised value, these costs must be claimed under subdivision 16 or 17, as appropriate.

Sec. 89. Minnesota Statutes 1992, section 256B.431, subdivision 21, is amended to read:

Subd. 21. [~~INDEXING THRESHHOLDS THRESHOLDS~~] Beginning January 1, 1993, and each January 1 thereafter, the commissioner shall annually update the dollar ~~threshholds~~ thresholds in subdivisions 15, paragraph (d), 16, and 17, and in section 144A.071, ~~subdivision subdivisions 2 and 3 4a, clauses (h) (b) and (p) (e)~~, by the inflation index referenced in subdivision 3f, paragraph (a).

Sec. 90. Minnesota Statutes 1992, section 256B.431, is amended by adding a subdivision to read:

Subd. 22. [CHANGES TO NURSING FACILITY REIMBURSEMENT.] The nursing facility reimbursement changes in paragraphs (a) to (e) apply to Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, and are effective for rate years beginning on or after July 1, 1993, unless otherwise indicated.

(a) In addition to the approved pension or profit sharing plans allowed by the reimbursement rule, the commissioner shall allow those plans specified in Internal Revenue Code, sections 403(b) and 408(k).

(b) The commissioner shall allow as workers' compensation insurance costs under section 256B.421, subdivision 14, the costs of workers' compensation coverage obtained under the following conditions:

(1) a plan approved by the commissioner of commerce as a Minnesota group self-insurance plan as provided in sections 79A.03, subdivision 6;

(2) a plan in which:

(i) the nursing facility, directly or indirectly, purchases workers' compensation coverage in compliance with section 176.181, subdivision 2, from an authorized insurance carrier;

(ii) a related organization to the nursing facility reinsures the workers' compensation coverage purchased, directly or indirectly, by the nursing facility; and

(iii) all of the conditions in clause (4) are met;

(3) a plan in which:

(i) the nursing facility, directly or indirectly, purchases workers' compensation coverage in compliance with section 176.181, subdivision 2, from an authorized insurance carrier;

(ii) the insurance premium is calculated retrospectively, including a maximum premium limit, and paid using the paid loss retro method; and

(iii) all of the conditions in clause (4) are met;

(4) additional conditions are:

(i) the costs of the plan are allowable under the federal Medicare program;

(ii) the reserves for the plan are maintained in an account controlled and administered by a person which is not a related organization to the nursing facility;

(iii) the reserves for the plan cannot be used, directly or indirectly, as collateral for debts incurred or other obligations of the nursing facility or related organizations to the nursing facility; and

(iv) if the plan provides workers' compensation coverage for non-Minnesota nursing facilities, the plan's cost methodology must be consistent among all nursing facilities covered by the plan, and if reasonable, is allowed notwithstanding any reimbursement laws regarding cost allocation to the contrary;

(5) any costs allowed pursuant to clauses (1) to (3) are subject to the following requirements:

(i) If the nursing facility is sold or otherwise ceases operations, the plan's reserves must be subject to an actuarially based settle-up after 36 months from the date of sale or the date on which operations ceased. Any excess plan reserves must be paid to the state within 30 days following the date on which excess plan reserves are determined. The amount of that payment shall be equal to the total excess plan reserves.

(ii) Any distribution of excess plan reserves made to or withdrawals made by the nursing facility or a related organization are applicable credits and must be used to reduce the nursing facility's workers' compensation insurance costs in the reporting period in which a distribution or withdrawal is received.

(iii) If reimbursement for the plan is sought under the federal Medicare program, and is audited pursuant to the Medicare program, the nursing facility must provide a copy of Medicare's final audit report, including attachments and exhibits, to the commissioner within 30 days of receipt by the nursing facility or any related organization. The commissioner shall implement the audit findings associated with the plan upon receipt of Medicare's final audit report. The department's authority to implement the audit findings is independent of its authority to conduct a field audit.

(c) In the determination of incremental increases in the nursing facility's rental rate as required in subdivisions 14 to 21, except for a refinancing permitted under subdivision 19, the commissioner must adjust the nursing facility's property-related payment rate for both incremental increases and decreases in recomputations of its rental rate.

(d) A nursing facility's administrative cost limitation must be modified as follows:

(1) if the nursing facility's licensed beds exceed 195 licensed beds, the general and administrative cost category limitation shall be 13 percent;

(2) if the nursing facility's licensed beds are more than 150 licensed beds, but less than 196 licensed beds, the general and administrative cost category limitation shall be 14 percent; or

(3) if the nursing facility's licensed beds is less than 151 licensed beds, the general and administrative cost category limitation shall remain at 15 percent.

(e) The commissioner, in conjunction with the rebasing for the reporting year September 30, 1992, shall establish the other operating cost limits in Minnesota Rules, part 9549.0055, subpart 2, item E, at 108 percent of the median of the array of allowable historical other operating cost per diems. The limits established must take into account the provisions of subdivision 2b, paragraph (d).

Sec. 91. Minnesota Statutes 1992, section 256B.431, is amended by adding a subdivision to read:

Subd. 23. [MODIFIED EFFICIENCY INCENTIVE.] Notwithstanding section 256B.74, subdivision 3, for rate years beginning on or after July 1 1993, the commissioner shall determine a nursing facility's efficiency incentive by first computing the amount by which the facility's other operating cost limit exceeds its nonadjusted other operating cost per diem for that rate year. The commissioner shall then use the following table to compute the nursing facility's efficiency incentive. Each increment or partial increment the nursing facility's nonadjusted other operating per diem is below its other operating cost limit shall be multiplied by the corresponding percentage for that per diem increment. The sum of each of those computations shall be the nursing facility's efficiency incentive.

<u>Other Operating Cost Per Diem Increment Below Facility Limit</u>	<u>Percentage Applied to Each Per Diem Increment</u>
<u>Less than \$.25</u>	<u>100 percent</u>
<u>\$.25 to less than \$.40</u>	<u>11 percent</u>
<u>\$.40 to less than \$.55</u>	<u>15 percent</u>
<u>\$.55 to less than \$.70</u>	<u>19 percent</u>
<u>\$.70 to less than \$.85</u>	<u>23 percent</u>
<u>\$.85 to less than \$1.00</u>	<u>27 percent</u>
<u>\$1.00 to less than \$1.15</u>	<u>31 percent</u>
<u>\$1.15 to less than \$1.30</u>	<u>35 percent</u>
<u>\$1.30 to less than \$1.45</u>	<u>39 percent</u>
<u>\$1.45 to less than \$1.60</u>	<u>43 percent</u>
<u>\$1.60 to less than \$1.75</u>	<u>47 percent</u>
<u>\$1.75 to less than \$1.90</u>	<u>51 percent</u>
<u>\$1.90 to less than \$2.05</u>	<u>55 percent</u>
<u>\$2.05 to less than \$2.20</u>	<u>59 percent</u>
<u>\$2.20 to less than \$2.25</u>	<u>63 percent</u>
<u>\$2.25 to less than \$2.40</u>	<u>67 percent</u>
<u>\$2.40 to less than \$2.55</u>	<u>71 percent</u>
<u>\$2.55 to less than \$2.70</u>	<u>75 percent</u>
<u>\$2.70 to less than \$2.95</u>	<u>79 percent</u>

The maximum efficiency incentive is \$1.47 per resident day.

Sec. 92. Minnesota Statutes 1992, section 256B.47, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION OF COSTS.] To ensure the avoidance of double payments as required by section 256B.433, the direct and indirect reporting year costs of providing residents of nursing facilities that are not hospital attached with therapy services that are billed separately from the nursing facility payment rate or according to Minnesota Rules, parts 9500.0750 to 9500.1080, must be determined and deducted from the appropriate cost categories of the annual cost report as follows:

(a) The costs of wages and salaries for employees providing or participating in providing and consultants providing services shall be allocated to the therapy service based on direct identification.

(b) The costs of fringe benefits and payroll taxes relating to the costs in paragraph (a) must be allocated to the therapy service based on direct identification or the ratio of total costs in paragraph (a) to the sum of total allowable salaries and the costs in paragraph (a).

(c) The costs of housekeeping, plant operations and maintenance, real estate taxes, special assessments, and insurance, other than the amounts classified as a fringe benefit, must be allocated to the therapy service based on the ratio of service area square footage to total facility square footage.

(d) The costs of bookkeeping and medical records must be allocated to the therapy service either by the method in paragraph (e) or based on direct identification. Direct identification may be used if adequate documentation is provided to, and accepted by, the commissioner.

(e) The costs of administrators, bookkeeping, and medical records salaries, except as provided in paragraph (d), must be allocated to the therapy service based on the ratio of the total costs in paragraphs (a) to (d) to the sum of total allowable nursing facility costs and the costs in paragraphs (a) to (d).

(f) The cost of property must be allocated to the therapy service and removed from the ~~rental per diem nursing facility's property-related payment rate~~, based on the ratio of service area square footage to total facility square footage multiplied by the ~~building capital allowance property-related payment rate~~.

Sec. 93. Minnesota Statutes 1992, section 256B.48, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED PRACTICES.] A nursing facility is not eligible to receive medical assistance payments unless it refrains from all of the following:

(a) Charging private paying residents rates for similar services which exceed those which are approved by the state agency for medical assistance recipients as determined by the prospective desk audit rate, except under the following circumstances: the nursing facility may (1) charge private paying residents a higher rate for a private room, and (2) charge for special services which are not included in the daily rate if medical assistance residents are charged separately at the same rate for the same services in addition to the daily rate paid by the commissioner. Services covered by the payment rate must be the same regardless of payment source. Special services, if offered, must be available to all residents in all areas of the nursing facility and charged separately at the same rate. Residents are free to select or decline special services. Special services must not include services which must be provided by the nursing facility in order to comply with licensure or certification standards and that if not provided would result in a deficiency or violation by the nursing facility. Services beyond those required to comply with licensure or certification standards must not be charged separately as a special service if they were included in the payment rate for the previous reporting year. A nursing facility that charges a private paying resident a rate in violation of this clause is subject to an action by the state of Minnesota or any of its subdivisions or agencies for civil damages. A private paying resident or the resident's legal representative has a cause of action for civil damages against a nursing facility that charges the resident rates in violation of this clause. The damages awarded shall include three times the payments that result from the violation, together with costs and disbursements, including reasonable attorneys' fees or their equivalent. A private paying resident or the resident's legal representative, the state, subdivision or agency, or a nursing facility may request a hearing to determine the allowed rate or rates at issue in the cause of action. Within 15 calendar days after receiving a request for such a hearing, the commissioner shall request assignment of an administrative law judge under sections 14.48 to 14.56 to conduct the hearing as soon as possible or according to agreement by the parties. The administrative law judge shall issue a report within 15 calendar days following the close of the hearing. The prohibition set forth in this clause shall not apply to facilities licensed as boarding care facilities which are not certified as skilled or intermediate care facilities level I or II for reimbursement through medical assistance.

(b) Requiring an applicant for admission to the facility, or the guardian or conservator of the applicant, as a condition of admission, to pay any fee or deposit in excess of \$100, loan any money to the nursing facility, or promise to leave all or part of the applicant's estate to the facility.

(c) Requiring any resident of the nursing facility to utilize a vendor of health care services ~~who is a licensed physician or pharmacist~~ chosen by the nursing facility.

(d) Providing differential treatment on the basis of status with regard to public assistance.

(e) Discriminating in admissions, services offered, or room assignment on the basis of status with regard to public assistance or refusal to purchase special services. Admissions discrimination shall include, but is not limited to:

(1) basing admissions decisions upon assurance by the applicant to the nursing facility, or the applicant's guardian or conservator, that the applicant is neither eligible for nor will seek public assistance for payment of nursing facility care costs; and

(2) engaging in preferential selection from waiting lists based on an applicant's ability to pay privately or an applicant's refusal to pay for a special service.

The collection and use by a nursing facility of financial information of any applicant pursuant to a preadmission screening program established by law shall not raise an inference that the nursing facility is utilizing that information for any purpose prohibited by this paragraph.

(f) Requiring any vendor of medical care as defined by section 256B.02, subdivision 7, who is reimbursed by medical assistance under a separate fee schedule, to pay any amount based on utilization or service levels or any portion of the vendor's fee to the nursing facility except as payment for renting or leasing space or equipment or purchasing support services from the nursing facility as limited by section 256B.433. All agreements must be disclosed to the commissioner upon request of the commissioner. Nursing facilities and vendors of ancillary services that are found to be in violation of this provision shall each be subject to an action by the state of Minnesota or any of its subdivisions or agencies for treble civil damages on the portion of the fee in excess of that allowed by this provision and section 256B.433. Damages awarded must include three times the excess payments together with costs and disbursements including reasonable attorney's fees or their equivalent.

(g) Refusing, for more than 24 hours, to accept a resident returning to the same bed or a bed certified for the same level of care, in accordance with a physician's order authorizing transfer, after receiving inpatient hospital services.

The prohibitions set forth in clause (b) shall not apply to a retirement facility with more than 325 beds including at least 150 licensed nursing facility beds and which:

(1) is owned and operated by an organization tax-exempt under section 290.05, subdivision 1, clause (i); and

(2) accounts for all of the applicant's assets which are required to be assigned to the facility so that only expenses for the cost of care of the applicant may be charged against the account; and

(3) agrees in writing at the time of admission to the facility to permit the applicant, or the applicant's guardian, or conservator, to examine the records relating to the applicant's account upon request, and to receive an audited statement of the expenditures charged against the applicant's individual account upon request; and

(4) agrees in writing at the time of admission to the facility to permit the applicant to withdraw from the facility at any time and to receive, upon withdrawal, the balance of the applicant's individual account.

For a period not to exceed 180 days, the commissioner may continue to make medical assistance payments to a nursing facility or boarding care home which is in violation of this section if extreme hardship to the residents would result. In these cases the commissioner shall issue an order requiring the nursing facility to correct the violation. The nursing facility shall have 20 days from its receipt of the order to correct the violation. If the violation is not corrected within the 20-day period the commissioner may reduce the payment rate to the nursing facility by up to 20 percent. The amount of the payment rate reduction shall be related to the severity of the violation and shall remain in effect until the violation is corrected. The nursing facility or boarding care home may appeal the commissioner's action pursuant to the provisions of chapter 14 pertaining to contested cases. An appeal shall be considered timely if written notice of appeal is received by the commissioner within 20 days of notice of the commissioner's proposed action.

In the event that the commissioner determines that a nursing facility is not eligible for reimbursement for a resident who is eligible for medical assistance, the commissioner may authorize the nursing facility to receive reimbursement on a temporary basis until the resident can be relocated to a participating nursing facility.

Certified beds in facilities which do not allow medical assistance intake on July 1, 1984, or after shall be deemed to be decertified for purposes of section 144A.071 only.

Sec. 94. Minnesota Statutes 1992, section 256B.48, subdivision 2, is amended to read:

Subd. 2. [REPORTING REQUIREMENTS.] No later than December 31 of each year, a skilled nursing facility or intermediate care facility, including boarding care facilities, which receives medical assistance payments or other reimbursements from the state agency shall:

(a) Provide the state agency with a copy of its audited financial statements. The audited financial statements must include a balance sheet, income statement, statement of the rate or rates charged to private paying residents, statement of retained earnings, statement of cash flows, notes to the financial statements, audited applicable supplemental information, and the certified public accountant's or licensed public accountant's opinion. The examination by the certified public accountant or licensed public accountant shall be conducted in accordance with generally accepted auditing standards as promulgated and adopted by the American Institute of Certified Public Accountants. Beginning with the reporting year which begins October 1, 1992, a nursing facility is no longer required to have a certified audit of its financial statements. The cost of a certified audit shall not be an allowable cost in that reporting year, nor in subsequent reporting years unless the nursing facility submits its certified audited financial statements in the manner otherwise specified in this subdivision. A nursing facility which does not submit a certified audit must submit its working trial balance;

(b) Provide the state agency with a statement of ownership for the facility;

(c) Provide the state agency with separate, audited financial statements as specified in clause (a) for every other facility owned in whole or part by an individual or entity which has an ownership interest in the facility;

(d) Upon request, provide the state agency with separate, audited financial statements as specified in clause (a) for every organization with which the facility conducts business and which is owned in whole or in part by an individual or entity which has an ownership interest in the facility;

(e) Provide the state agency with copies of leases, purchase agreements, and other documents related to the lease or purchase of the nursing facility;

(f) Upon request, provide the state agency with copies of leases, purchase agreements, and other documents related to the acquisition of equipment, goods, and services which are claimed as allowable costs; and

(g) Permit access by the state agency to the certified public accountant's and licensed public accountant's audit workpapers which support the audited financial statements required in clauses (a), (c), and (d).

Documents or information provided to the state agency pursuant to this subdivision shall be public. If the requirements of clauses (a) to (g) are not met, the reimbursement rate may be reduced to 80 percent of the rate in effect on the first day of the fourth calendar month after the close of the reporting year, and the reduction shall continue until the requirements are met.

Both nursing facilities and intermediate care facilities for the mentally retarded must maintain statistical and accounting records in sufficient detail to support information contained in the facility's cost report for at least five six years, including the year following the submission of the cost report. For computerized accounting systems, the records must include copies of electronically generated media such as magnetic discs and tapes.

Sec. 95. Minnesota Statutes 1992, section 256B.49, is amended by adding a subdivision to read:

Subd. 5. [PROVIDE WAIVER ELIGIBILITY FOR CERTAIN CHRONICALLY ILL AND CERTAIN DISABLED PERSONS.] Chronically ill or disabled individuals, who are likely to reside in acute care if waiver services were not provided, could be found eligible for services under this section without regard to age.

Sec. 96. Minnesota Statutes 1992, section 256B.50, subdivision 1b, is amended to read:

Subd. 1b. [FILING AN APPEAL.] To appeal, the provider shall file with the commissioner a written notice of appeal; the appeal must be postmarked or received by the commissioner within 60 days of the date the determination of the payment rate was mailed or personally received by a provider, whichever is earlier. The notice of appeal must specify each disputed item; the reason for the dispute; the total dollar amount in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the provider believes is correct; the authority in statute or rule upon which the provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required by the commissioner. The commissioner shall review an appeal by a nursing facility, if the appeal was sent by certified mail and postmarked prior to August 1, 1991, and would have been received by the commissioner within the 60-day deadline if it had not been delayed due to an error by the postal service.

Sec. 97. Minnesota Statutes 1992, section 256B.50, is amended by adding a subdivision to read:

Subd. 1h. [APPEALS REVIEW PROJECT.] (a) The appeals review procedure described in this subdivision is effective for desk audit appeals for rate years beginning between July 1, 1993 and June 30, 1997, and for field audit appeals filed during that time period. For appeals reviewed under this subdivision, subdivision 1c applies only to contested case demands under paragraph (c) and subdivision 1d does not apply.

(b) The commissioner shall review appeals and issue a written determination on each appealed item within one year of the due date of the appeal. Upon mutual agreement, the commissioner and the provider may extend the time for issuing a determination for a specified period. The commissioner shall notify the provider by first class mail of the determination. The determination takes effect 30 days following the date of issuance specified in the determination.

(c) In reviewing the appeal, the commissioner may request additional written or oral information from the provider. The provider has the right to present information by telephone or in person concerning the appeal to the commissioner prior to the issuance of the determination if a conference is requested within six months of the date the appeal was received by the commissioner. Statements made during the review process are not admissible in a contested case hearing under paragraph (d) absent an express stipulation by the parties to the contested case.

(d) For an appeal item on which the provider disagrees with the determination, the provider may file with the commissioner a written demand for a contested case hearing to determine the proper resolution of specified appeal items. The demand must be postmarked or received by the commissioner within 30 days of the date of issuance specified in the determination. The commissioner shall refer any contested case demand to the office of the attorney general. When a contested case demand is referred to the office of the attorney general, the contested case procedures described in subdivision 1c apply and the written determination issued by the commissioner is of no effect.

(e) The commissioner has discretion to issue to the provider a proposed resolution for specified appeal items upon a request from the provider filed separately from the notice of appeal. The proposed resolution is final upon written acceptance by the provider within 30 days of the date the proposed resolution was mailed to or personally received by the provider, whichever is earlier.

(f) The commissioner may use the procedures described in this subdivision to resolve appeals filed prior to July 1, 1993.

Sec. 98. Minnesota Statutes 1992, section 256B.50, is amended by adding a subdivision to read:

Subd. 3. [TIME AND ATTENDANCE DISPUTED ITEMS.] The commissioner shall resolve pending appeals by a nursing home to disallowances or adjustments of compensation costs for rate years beginning prior to June 30, 1994, by recognizing the compensation costs as reported by the nursing facility when the appealed disallowances or adjustments were based on a determination or inadequate documentation of time and attendance or equivalent records to support payroll costs. The recognition of costs provided in this subdivision pertains only to appeals of disallowances and adjustments based solely on disputed time and attendance or equivalent records. Appeals of disallowance and adjustments of compensation costs based on other grounds including misrepresentation of costs or failure to meet the general cost criteria under Minnesota Rules, parts 9549.0010 through 9549.0080, are not governed by this subdivision.

Sec. 99. Minnesota Statutes 1992, section 256B.501, subdivision 3g, is amended to read:

Subd. 3g. [ASSESSMENT OF RESIDENTS.] For rate years beginning on or after October 1, 1990, the commissioner shall establish program operating cost rates for care of residents in facilities that take into consideration service characteristics of residents in those facilities. To establish the service characteristics of residents, the quality assurance and review teams in the department of health shall assess all residents annually beginning January 1, 1989, using a uniform assessment instrument developed by the commissioner. This instrument shall include assessment of the client's services needed and provided to each client to address behavioral needs, integration into the community, ability to perform activities of daily living, medical and therapeutic needs, and other relevant factors determined by the commissioner. The commissioner may adjust the program operating cost rates of facilities based on a comparison of client service characteristics, resource needs, and costs. The commissioner may adjust a facility's payment rate during the rate year when accumulated changes in the facility's average service units exceed the minimums established in the rules required by subdivision 3. By January 30, 1994, the commissioner shall report to the legislature on:

- (1) the assessment process and scoring system utilized;
- (2) possible utilization of assessment information by facilities for management purposes; and
- (3) possible application of the assessment for purposes of adjusting the operating cost rates of facilities based on a comparison of client services characteristics, resource needs, and costs.

Sec. 100. Minnesota Statutes 1992, section 256B.501, subdivision 3i, is amended to read:

Subd. 3i. [SCOPE.] Subdivisions 3a to 3e and 3h do not apply to facilities whose payment rates are governed by Minnesota Rules, part 9553.0075.

Sec. 101. Minnesota Statutes 1992, section 256B.501, is amended by adding a subdivision to read:

Subd. 5a. [CHANGES TO ICF/MR REIMBURSEMENT.] The reimbursement rule changes in paragraphs (a) to (e) apply to Minnesota Rules, parts 9553.0010 to 9553.0080, and this section, and are effective for rate years beginning on or after October 1, 1993, unless otherwise specified.

- (a) The maximum efficiency incentive shall be \$1.50 per resident per day.
- (b) If a facility's capital debt reduction allowance is greater than 50 cents per resident per day, that facility's capital debt reduction allowance in excess of 50 cents per resident day shall be reduced by 25 percent.
- (c) Beginning with the biennial reporting year which begins January 1, 1993, a facility is no longer required to have a certified audit of its financial statements. The cost of a certified audit shall not be an allowable cost in that reporting year, nor in subsequent reporting years unless the facility submits its certified audited financial statements in the manner otherwise specified in this subdivision. A nursing facility which does not submit a certified audit must submit its working trial balance.

(d) In addition to the approved pension or profit sharing plans allowed by the reimbursement rule, the commissioner shall allow those plans specified in Internal Revenue Code, sections 403(b) and 408(k).

(e) The commissioner shall allow as workers' compensation insurance costs under section 256B.421, subdivision 14, the costs of workers' compensation coverage obtained under the following conditions:

(1) a plan approved by the commissioner of commerce as a Minnesota group self-insurance plan as provided in sections 79A.03, subdivision 6;

(2) a plan in which:

(i) the facility, directly or indirectly, purchases workers' compensation coverage in compliance with section 176.181, subdivision 2, from an authorized insurance carrier;

(ii) a related organization to the facility reinsures the workers' compensation coverage purchased, directly or indirectly, by the facility; and

(iii) all of the conditions in clause (4) are met;

(3) a plan in which:

(i) the facility, directly or indirectly, purchases workers' compensation coverage in compliance with section 176.181, subdivision 2, from an authorized insurance carrier;

(ii) the insurance premium is calculated retrospectively, including a maximum premium limit, and paid using the paid loss retro method; and

(iii) all of the conditions in clause (4) are met;

(4) additional conditions are:

(i) the reserves for the plan are maintained in an account controlled and administered by a person which is not a related organization to the facility;

(ii) the reserves for the plan cannot be used, directly or indirectly, as collateral for debts incurred or other obligations of the facility or related organizations to the facility; and

(iii) if the plan provides workers' compensation coverage for non-Minnesota facilities, the plan's cost methodology must be consistent among all facilities covered by the plan, and if reasonable, is allowed notwithstanding any reimbursement laws regarding cost allocation to the contrary.

(5) any costs allowed pursuant to clauses (1) to (3) are subject to the following requirements:

(i) If the facility is sold or otherwise ceases operations, the plan's reserves must be subject to an actuarially based settle-up after 36 months from the date of sale or the date on which operations ceased. Any excess plan reserves must be paid to the state within 30 days following the date on which excess plan reserves are determined. The amount of that payment shall be equal to the total excess plan reserves.

(ii) Any distribution of excess plan reserves made to or withdrawals made by the facility or a related organization are applicable credits and must be used to reduce the facility's workers' compensation insurance costs in the reporting period in which a distribution or withdrawal is received.

(iii) If the plan is audited pursuant to the Medicare program, the facility must provide a copy of Medicare's final audit report, including attachments and exhibits, to the commissioner within 30 days of receipt by the facility or any related organization. The commissioner shall implement the audit findings associated with the plan upon receipt of Medicare's final audit report. The department's authority to implement the audit findings is independent of its authority to conduct a field audit.

Sec. 102. Minnesota Statutes 1992, section 256B.501, subdivision 12, is amended to read:

Subd. 12. [ICF/MR SALARY ADJUSTMENTS.] For the rate period beginning January 1, 1992, and ending September 30, 1993, the commissioner shall add the appropriate salary adjustment cost per diem calculated in paragraphs (a) to (d) to the total operating cost payment rate of each facility. The salary adjustment cost per diem must be determined as follows:

(a) [COMPUTATION AND REVIEW GUIDELINES.] Except as provided in paragraph (c), a state-operated community service, and any facility whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, are not eligible for a salary adjustment otherwise granted under this subdivision. For purposes of the salary adjustment per diem computation and reviews in this subdivision, the term "salary adjustment cost" means the facility's allowable program operating cost category employee training expenses, and the facility's allowable salaries, payroll taxes, and fringe benefits. The term does not include these same salary-related costs for both administrative or central office employees.

For the purpose of determining the amount of salary adjustment to be granted under this subdivision, the commissioner must use the reporting year ending December 31, 1990, as the base year for the salary adjustment per diem computation. For the purpose of each year's both years' salary adjustment cost review, the commissioner must use the facility's salary adjustment cost for the reporting year ending December 31, 1991, as the base year. If the base year and the reporting year years subject to review include salary cost reclassifications made by the department, the commissioner must reconcile those differences before completing the salary adjustment per diem review.

(b) [SALARY ADJUSTMENT PER DIEM COMPUTATION.] For the rate period beginning January 1, 1992, each facility shall receive a salary adjustment cost per diem equal to its salary adjustment costs multiplied by 1-1/2 percent, and then divided by the facility's resident days.

(c) [ADJUSTMENTS FOR NEW FACILITIES.] For newly constructed or newly established facilities, except for state-operated community services, whose payment rates are governed by Minnesota Rules, part 9553.0075, if the settle-up cost report includes a reporting year which is subject to review under this subdivision, the commissioner shall adjust the rule provision governing the maximum settle-up payment rate by increasing the .4166 percent for each full month of the settle-up cost report to .7083. For any subsequent rate period which is authorized for salary adjustments under this subdivision, the commissioner shall compute salary adjustment cost per diems by annualizing the salary adjustment costs for the settle-up cost report period and treat that period as the base year for purposes of reviewing salary adjustment cost per diems.

(d) [SALARY ADJUSTMENT PER DIEM REVIEW.] The commissioner shall review the implementation of the salary adjustments on a per diem basis. For reporting years ending December 31, 1992, and December 31, 1993, the commissioner must review and determine the amount of change in salary adjustment costs in each both of the above reporting years over the base year after the reporting year ending December 31, 1993. ~~In the case of each review,~~ The commissioner must inflate the base year's salary adjustment costs by the cumulative percentage increase granted in paragraph (b), plus three percentage points for each of the two years reviewed. The commissioner must then compare each facility's salary adjustment costs for the reporting year divided by the facility's resident days for ~~that~~ both reporting year years to the base year's inflated salary adjustment cost divided by the facility's resident days for the base year. If the facility has had a one-time program operating cost adjustment settle-up during any of the reporting years subject to review, the commissioner must remove the per diem effect of the one-time program adjustment before completing the review and per diem comparison.

The review and per diem comparison must be done by the commissioner ~~each year following after~~ the reporting years ~~subject to review year ending December 31, 1993~~. If the salary adjustment cost per diem for the reporting year years being reviewed is less than the base year's inflated salary adjustment cost per diem, the commissioner must recover the difference within 120 days after the date of written notice. The amount of the recovery shall be equal to the per diem difference multiplied by the facility's resident days in the reporting year years being reviewed. Written notice of the amount subject to recovery must be given by the commissioner following ~~each both~~ reporting year years reviewed. Interest charges must be assessed by the commissioner after the 120th day of that notice at the same interest rate the commissioner assesses for other balance outstanding.

Sec. 103. Minnesota Statutes 1992, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers:

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;
- (7) hearing aids;
- (8) prosthetic devices;
- (9) laboratory and X-ray services;
- (10) physician's services;

- (11) medical transportation;
- (12) chiropractic services as covered under the medical assistance program;
- (13) podiatric services;
- (14) dental services;
- (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
- (16) day treatment services for mental illness provided under contract with the county board;
- (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
- (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
- (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments; and
- (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and

(21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

(b) For a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.

(c) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(d) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985, to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986, to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987, to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987, to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988, to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(e) Any county may, from its own resources, provide medical payments for which state payments are not made.

(f) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

(g) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(h) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

Sec. 104. Minnesota Statutes 1992, section 256D.03, subdivision 8, is amended to read:

Subd. 8. [PRIVATE INSURANCE POLICIES.] (a) Private accident and health care coverage for medical services is primary coverage and must be exhausted before general assistance medical care is paid. When a person who is otherwise eligible for general assistance medical care has private accident or health care coverage, including a prepaid health plan, the private health care benefits available to the person must be used first and to the fullest extent. ~~Supplemental payment may be made by general assistance medical care, but the combined total amount paid must not exceed the amount payable under general assistance medical care in the absence of other coverage. General assistance medical care must not make supplemental payment for covered services rendered by a vendor who participates or contracts with any health coverage plan if the plan requires the vendor to accept the plan's payment as payment in full. General assistance medical care payment will not be made when either covered charges are paid in full by a third party or the provider has an agreement to accept payment for less than charges as payment in full. Payment for patients that are simultaneously covered by general assistance medical care and a liable third party other than Medicare will be determined as the lesser of clauses (1) to (3):~~

(1) the patient liability according to the provider/insurer agreement; or

(2) covered charges minus the third party payment amount; or

(3) the general assistance medical care rate minus the third party payment amount.

A negative difference will not be implemented.

(b) When a parent or a person with an obligation of support has enrolled in a prepaid health care plan under section 518.171, subdivision 1, the commissioner of human services shall limit the recipient of general assistance medical care to the benefits payable under that prepaid health care plan to the extent that services available under general assistance medical care are also available under the prepaid health care plan.

(c) Upon furnishing general assistance medical care or general assistance to any person having private accident or health care coverage, or having a cause of action arising out of an occurrence that necessitated the payment of assistance, the state agency shall be subrogated, to the extent of the cost of medical care, subsistence, or other payments furnished, to any rights the person may have under the terms of the coverage or under the cause of action.

This right of subrogation includes all portions of the cause of action, notwithstanding any settlement allocation or apportionment that purports to dispose of portions of the cause of action not subject to subrogation.

(d) To recover under this section, the attorney general or the appropriate county attorney, acting upon direction from the attorney general, may institute or join a civil action to enforce the subrogation rights established under this section.

(e) The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages, or otherwise obligated to pay part or all of the costs related to an injury when the state agency has paid or become liable for the cost of care or payments related to the injury. Notice must be given as follows:

(i) Applicants for general assistance or general assistance medical care shall notify the state or county agency of any possible claims when they submit the application. Recipients of general assistance or general assistance medical care shall notify the state or county agency of any possible claims when those claims arise.

(ii) A person providing medical care services to a recipient of general assistance medical care shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(iii) A person who is party to a claim upon which the state agency may be entitled to subrogation under this section shall notify the state agency of its potential subrogation claim before filing a claim, commencing an action, or negotiating a settlement. A person who is a party to a claim includes the plaintiff, the defendant, and any other party to the cause of action.

Notice given to the county agency is not sufficient to meet the requirements of paragraphs (b) and (c).

(f) Upon any judgment, award, or settlement of a cause of action, or any part of it, upon which the state agency has a subrogation right, including compensation for liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney fees, must be deducted first. The full amount of general assistance or general assistance medical care paid to or on behalf of the person as a result of the injury must be deducted next and paid to the state agency. The rest must be paid to the public assistance recipient or other plaintiff. The plaintiff, however, must receive at least one-third of the net recovery after attorney fees and collection costs.

Sec. 105. Minnesota Statutes 1992, section 259.431, subdivision 5, is amended to read:

Subd. 5. [MEDICAL ASSISTANCE; DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] The commissioner of human services shall:

(a) Issue a medical assistance identification card to any child with special needs who is title IV-E eligible, or who is not title IV-E eligible but was determined by another state to have a special need for medical or rehabilitative care, and who is a resident in this state and is the subject of an adoption assistance agreement with another state when a certified copy of the adoption assistance agreement obtained from the adoption assistance state has been filed with the commissioner. The adoptive parents shall be required at least annually to show that the agreement is still in force or has been renewed.

(b) Consider the holder of a medical assistance identification card under this subdivision as any other recipient of medical assistance under chapter 256B; process and make payment on claims for the recipient in the same manner as for other recipients of medical assistance.

(c) Provide coverage and benefits for a child who is title IV-E eligible or who is not title IV-E eligible but was determined to have a special need for medical or rehabilitative care and who is in another state and who is covered by an adoption assistance agreement made by the commissioner for the coverage or benefits, if any, which is not provided by the resident state. The adoptive parents acting for the child may submit evidence of payment for services or benefit amounts not payable in the resident state and shall be reimbursed. However, there shall be no reimbursement for services or benefit amounts covered under any insurance or other third party medical contract or arrangement held by the child or the adoptive parents.

(d) Publish emergency and permanent rules implementing this subdivision. Such rules shall include procedures to be followed in obtaining prior approvals for services which are required for the assistance.

Sec. 106. Minnesota Statutes 1992, section 393.07, subdivision 3, is amended to read:

Subd. 3. [FEDERAL SOCIAL SECURITY.] The county welfare board shall be charged with the duties of administration of all forms of public assistance and public child welfare or other programs within the purview of the federal Social Security Act, other than public health nursing and home health services, and which now are, or hereafter may be, imposed on the commissioner of human services by law, of both children and adults. The duties of such county welfare board shall be performed in accordance with the standards and rules which may be promulgated by the commissioner of human services in order to achieve the purposes of the law and to comply with the requirements of the federal Social Security Act needed to qualify the state to obtain grants-in-aid available under that act. Notwithstanding the provisions of any other law to the contrary, the welfare board ~~may~~ shall delegate to the director the authority to determine eligibility and disburse funds without first securing board action, provided that the director shall present to the board, at the next scheduled meeting, any such action taken for ratification by the board.

Sec. 107. [514.980] [MEDICAL ASSISTANCE LIENS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 514.980 to 514.985.

Subd. 2. [MEDICAL ASSISTANCE AGENCY OR AGENCY.] "Medical assistance agency" or "agency" means the state or any county medical assistance agency that provides a medical assistance benefit.

Subd. 3. [MEDICAL ASSISTANCE BENEFIT.] "Medical assistance benefit" means a benefit provided under chapter 256B to a person while in a medical institution.

Subd. 4. [MEDICAL INSTITUTION.] "Medical institution" means a nursing facility, intermediate care facility, or inpatient hospital.

Sec. 108. [514.981] [MEDICAL ASSISTANCE LIEN.]

Subdivision 1. [PROPERTY SUBJECT TO LIEN; LIEN AMOUNT.] (a) Subject to sections 514.980 to 514.985, payments made by a medical assistance agency to provide medical assistance benefits to a medical assistance recipient who owns property in this state or to the recipient's spouse constitute a lien in favor of the agency upon all real property that is owned by the medical assistance recipient on or after the time when the recipient is institutionalized.

(b) The amount of the lien is limited to the same extent as a claim against the estate under section 256B.15, subdivision 2.

Subd. 2. [ATTACHMENT.] (a) A medical assistance lien attaches and becomes enforceable against specific real property as of the date when the following conditions are met:

- (1) payments have been made by an agency for a medical assistance benefit;
- (2) notice and an opportunity for a hearing have been provided under paragraph (b);
- (3) a lien notice has been filed as provided in section 514.982;

(4) if the property is registered property, the lien notice has been memorialized on the certificate of title of the property affected by the lien notice; and

(5) all restrictions against enforcement have ceased to apply.

(b) An agency may not file a medical assistance lien notice until the medical assistance recipient and the recipient's spouse or their legal representatives have been sent, by certified or registered mail, written notice of the agency's lien rights and there has been an opportunity for a hearing under section 256.045. In addition, the agency may not file a lien notice unless the agency determines as medically verified by the recipient's attending physician that the medical assistance recipient cannot reasonably be expected to be discharged from a medical institution to return home.

(c) An agency may not file a medical assistance lien notice against real property while it is the home of the recipient's spouse.

(d) An agency may not file a medical assistance lien notice against real property that was the homestead of the medical assistance recipient or the recipient's spouse when the medical assistance recipient received medical institution services if any of the following persons are lawfully residing in the property:

(1) a child of the medical assistance recipient if the child is under age 21 or is blind or permanently and totally disabled according to the supplemental security income criteria;

(2) a child of the medical assistance recipient if the child resided in the homestead for at least two years immediately before the date the medical assistance recipient received medical institution services, and the child provided care to the medical assistance recipient that permitted the recipient to live without medical institution services; or

(3) a sibling of the medical assistance recipient if the sibling has an equity interest in the property and has resided in the property for at least one year immediately before the date the medical assistance recipient began receiving medical institution services.

(e) A medical assistance lien applies only to the specific real property described in the lien notice.

Subd. 3. [CONTINUATION OF LIEN NOTICE AND LIEN.] A medical assistance lien notice remains effective from the time it is filed until it can be disregarded under sections 514.980 to 514.985. A medical assistance lien that has attached to specific real property continues until the lien is satisfied, becomes unenforceable under subdivision 6, or is released and discharged under subdivision 5.

Subd. 4. [LIEN PRIORITY.] A medical assistance lien that attaches to specific real property is subject to the rights of any other person, including an owner, other than the recipient or recipient's spouse, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest in the real property is perfected before a lien notice has been filed under section 514.982. The rights of the other person have the same protections against a medical assistance lien as are afforded against a judgment lien that arises out of an unsecured obligation and that arises as of the time of the filing of the medical assistance lien notice under section 514.982. A medical assistance lien is inferior to a lien for taxes or special assessments or other lien that would be superior to the perfected lien of a judgment creditor.

Subd. 5. [RELEASE.] (a) An agency that files a medical assistance lien notice shall release and discharge the lien in full if:

(1) the medical assistance recipient is discharged from the medical institution and returns home;

(2) the medical assistance lien is satisfied;

(3) the agency has received reimbursement for the amount secured by the lien or a legally enforceable agreement has been executed providing for reimbursement of the agency for that amount; or

(4) the medical assistance recipient, if single, or the recipient's surviving spouse, has died, and a claim may not be filed against the estate of the decedent under section 256B.15, subdivision 3.

(b) Upon request, the agency that files a medical assistance lien notice shall release a specific parcel of real property from the lien if:

(1) the property is or was the homestead of the recipient's spouse during the time of the medical assistance recipient's institutionalization, or the property is or was attributed to the spouse under section 256B.059, subdivision 3 or 4, and the spouse is not receiving medical assistance benefits;

(2) the property would be exempt from a claim against the estate under section 256B.15, subdivision 4;

(3) the agency receives reimbursement, or other collateral sufficient to secure payment of reimbursement, in an amount equal to the lesser of the amount secured by the lien, or the amount the agency would be allowed to recover upon enforcement of the lien against the specific parcel of property if the agency attempted to enforce the lien on the date of the request to release the lien; or

(4) the medical assistance lien cannot lawfully be enforced against the property because of an error, omission, or other material defect in procedure, description, identity, timing, or other prerequisite to enforcement.

(c) The agency that files a medical assistance lien notice may release the lien if the attachment or enforcement of the lien is determined by the agency to be contrary to the public interest.

(d) The agency that files a medical assistance lien notice shall execute the release of the lien and file the release as provided in section 514.982, subdivision 2.

Subd. 6. [TIME LIMITS; CLAIM LIMITS.] (a) A medical assistance lien is not enforceable against specific real property if any of the following occurs:

(1) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within 18 months of the agency's receipt of notice of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later; or

(2) the lien is not satisfied or proceedings are not lawfully commenced to foreclose the lien within three years of the death of the medical assistance recipient or the death of the surviving spouse, whichever occurs later. This limitation is tolled during any period when the provisions of section 514.983, subdivision 2, apply to delay enforcement of the lien.

(b) A medical assistance lien is not enforceable against the real property of an estate to the extent there is a determination by a court of competent jurisdiction, or by an officer of the court designated for that purpose, that there are insufficient assets in the estate to satisfy the agency's medical assistance lien in whole or in part in accordance with the priority of claims established by chapters 256B and 524. The agency's lien remains enforceable to the extent that assets are available to satisfy the agency's lien, subject to the priority of other claims, and to the extent that the agency's claim is allowed against the estate under chapters 256B and 524.

Sec. 109. [514.982] [MEDICAL ASSISTANCE LIEN NOTICE.]

Subdivision 1. [CONTENTS.] A medical assistance lien notice must be dated and must contain:

(1) the full name, last known address, and social security number of the medical assistance recipient and the full name, address, and social security number of the recipient's spouse;

(2) a statement that medical assistance payments have been made to or for the benefit of the medical assistance recipient named in the notice, specifying the first date of eligibility for benefits;

(3) a statement that all interests in real property owned by the persons named in the notice may be subject to or affected by the rights of the agency to be reimbursed for medical assistance benefits; and

(4) the legal description of the real property upon which the lien attaches, and whether the property is registered property.

Subd. 2. [FILING.] Any notice, release, or other document required to be filed under sections 514.980 to 514.985 must be filed in the office of the county recorder or registrar of titles, as appropriate, in the county where the real property is located. Notwithstanding section 386.77, the agency shall pay the applicable filing fee for any document filed under sections 514.980 to 514.985. The commissioner of human services shall reimburse the county agency for filing fees paid under this section. An attestation, certification, or acknowledgment is not required as a condition of

filing. Upon filing of a medical assistance lien notice, the registrar of titles shall record it on the certificate of title of each parcel of property described in the lien notice. The county recorder of each county shall establish an index of medical assistance lien notices, other than those that affect only registered property, showing the names of all persons named in the medical assistance lien notices filed in the county, arranged alphabetically. The index must be combined with the index of state tax lien notices. The filing or mailing of any notice, release, or other document under sections 514.980 to 514.985 is the responsibility of the agency. The agency shall send a copy of the medical assistance lien notice by registered or certified mail to each record owner and mortgagee of the real property.

Sec. 110. [514.983] [LIEN ENFORCEMENT; LIMITATION.]

Subdivision 1. [FORECLOSURE PROCEDURE.] Subject to subdivision 2, a medical assistance lien may be enforced by the agency that filed it by foreclosure in the manner provided for foreclosure of a judgment lien under chapter 550.

Subd. 2. [HOMESTEAD PROPERTY.] (a) A medical assistance lien may not be enforced against homestead property of the medical assistance recipient or the spouse while it remains the lawful residence of the medical assistance recipient's spouse.

(b) A medical assistance lien remains enforceable as provided in sections 514.980 to 514.985, notwithstanding any law limiting the enforceability of a judgment.

Sec. 111. [514.984] [LIEN DOES NOT AFFECT OTHER REMEDIES.]

Sections 514.980 to 514.985 do not limit the right of an agency to file a claim against the estate of a medical assistance recipient or the estate of the spouse or limit any other claim for reimbursement of agency expenses or the availability of any other remedy provided to the agency.

Sec. 112. [514.985] [AMOUNTS RECEIVED TO SATISFY LIEN.]

Amounts received by the state to satisfy a medical assistance lien filed by the state must be deposited in the state treasury and credited to the fund from which the medical assistance payments were made. Amounts received by a county medical assistance agency to satisfy a medical assistance lien filed by the county medical assistance agency must be deposited in the county treasury and credited to the fund from which the medical assistance payments were made.

Sec. 113. [514.986] [WAIVER REQUEST TO LIMIT ASSET TRANSFERS.]

The commissioner of human services shall seek federal law changes and federal waivers necessary to implement sections 256B.0595, subdivisions 1 and 2.

Sec. 114. Laws 1992, chapter 513, article 7, section 131, is amended to read:

Sec. 131. [PHYSICIAN AND DENTAL REIMBURSEMENT.]

(a) The physician reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 2, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for physician services as follows:

(1) payment for level one Health Care Finance Administration's common procedural coding system (HCPCS) codes titled "office and other outpatient services," "preventive medicine new and established patient," "delivery, antepartum, and postpartum care," "critical care," caesarean delivery and pharmacologic management provided to psychiatric patients, and HCPCS level three codes for enhanced services for prenatal high risk, shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992. If the rate on any procedure code within these categories is different than the rate that would have been paid under the methodology in Minnesota Statutes, section 256B.74, subdivision 2, then the larger rate shall be paid;

(2) payments for all other services shall be paid at the lower of (i) submitted charges, or (ii) 15.4 percent above the rate in effect on June 30, 1992; and

(3) all physician rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(b) The dental reimbursement increase provided in Minnesota Statutes, section 256B.74, subdivision 5, shall not be implemented. Effective for services rendered on or after October 1, 1992, the commissioner shall make payments for dental services as follows:

(1) dental services shall be paid at the lower of (i) submitted charges, or (ii) 25 percent above the rate in effect on June 30, 1992; and

(2) dental rates shall be converted from the 50th percentile of 1982 to the 50th percentile of 1989, less the percent in aggregate necessary to equal the above increases.

(c) An entity that operates a Medicare certified comprehensive outpatient rehabilitation facility which was certified prior to January 1, 1993, that is a facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3600, and for whom at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year are medical assistance recipients, shall be reimbursed by the commissioner for rehabilitation services at rates that are 20 percent greater than the maximum reimbursement rate allowed under paragraph (a), clause (2), when those services are provided within the comprehensive outpatient rehabilitation facility and not provided in a nursing facility other than their own.

Sec. 115. Laws 1993, chapter 20, section 2, is amended to read:

Subd. 9a. [DISPROPORTIONATE POPULATION ADJUSTMENTS AFTER JANUARY 1, 1993.] (a) For admissions occurring between January 1, 1993, and June 30, 1993, the adjustment under this subdivision shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of one standard deviation above the arithmetic mean. The adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, and the result must be multiplied by 1.1.

(b) For admissions occurring on or after July 1, 1993, the medical assistance disproportionate population adjustment shall comply with federal law and shall be paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of one standard deviation above the arithmetic mean. The adjustment must be determined by multiplying the operating payment rate by the difference between the hospital's actual medical assistance inpatient utilization rate and one standard deviation above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service.

(c) If federal matching funds are not available for all adjustments under this subdivision, the commissioner shall reduce payments on a pro rata basis so that all adjustments qualify for federal match. The commissioner may establish a separate disproportionate population operating payment rate adjustment under the general assistance medical care program. For purposes of this subdivision, medical assistance does not include general assistance medical care. The commissioner shall report annually on the number of hospitals likely to receive the adjustment authorized by this section. The commissioner shall specifically report on the adjustments received by public hospitals and public hospital corporations located in cities of the first class.

(d) The provisions of paragraphs (a), (b) and (c) are effective only when federal matching funds are not available for all adjustments under this subdivision and it is necessary to implement ratable reductions under section 256.969, subdivision 9b.

Sec. 116. Laws 1993, chapter 20, section 5, is amended to read:

Subd. 22. [HOSPITAL PAYMENT ADJUSTMENT.] For admissions occurring from January 1, 1993, until June 30, 1993, the commissioner shall adjust the medical assistance payment paid to a hospital, excluding regional treatment centers and facilities of the federal Indian Health Service, with a medical assistance inpatient utilization rate in excess of the arithmetic mean. The adjustment must be determined as follows:

(1) for a hospital with a medical assistance inpatient utilization rate above the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service, the adjustment must be determined by multiplying the total of the operating and property payment rates by the difference between the hospital's actual medical assistance inpatient utilization rate and the arithmetic mean for all hospitals excluding regional treatment centers and facilities of the federal Indian Health Service; and

(2) for a hospital with a medical assistance inpatient utilization rate above one standard deviation above the mean, the adjustment must be determined by multiplying the adjustment under clause (1) for that hospital by 1.1. Any payment under this clause must be reduced by the amount of any payment received under subdivision 9a. For purposes of this subdivision, medical assistance does not include general assistance medical care.

This subdivision is effective only when federal matching funds are not available for all adjustments under this subdivision and it is necessary to implement ratable reductions under section 256.969, subdivision 9b.

Sec. 117. Laws 1993, chapter 20, is amended by adding a section to read:

Sec. 7. [HOSPITAL REIMBURSEMENT FOR INPATIENT SERVICES.]

The commissioner may consider indigent care payments as disproportionate population adjustments for eligible hospitals, if so permitted by the secretary of health and human services.

Sec. 118. Laws 1993, chapter 20, section 7, is amended to read:

Sec. 7 8. [EFFECTIVE DATE.]

Sections 1 to 6 7 are effective retroactive to January 1, 1993. Sections 1 to 6 are effective only when federal matching funds are not available for all disproportionate population adjustments and it is necessary to implement ratable reductions under section 256.969, subdivision 9b.

Sec. 119. [REPORT ON LONG-TERM CARE INSURANCE.]

The interagency long-term care planning committee must report to the legislature by January 1994 on the feasibility of implementing a long-term care insurance program. The report shall evaluate the potential impact on the medical assistance budget of allowing persons with at least two years of long-term care insurance coverage to waive the asset test for medical assistance eligibility, or of other incentives to encourage the purchase of long term care insurance. The report shall also evaluate the availability of private long-term care insurance, and the feasibility of state-sponsored long-term care insurance if inadequate private long-term care insurance exists.

Sec. 120. [REPORTS ON HOSPITAL REIMBURSEMENT METHODOLOGIES.]

(a) The commissioner of human services shall report to the legislature by January 15, 1994, on the peer grouping plan developed under Minnesota Statutes, section 256.969, subdivision 22. The report shall describe the peer grouping plan in detail, including the variables used to create the groups and the treatment of operating cost differences that are not common to all hospitals. The report must also indicate how the peer grouping plan will affect each individual hospital.

(b) The commissioner of human services shall develop a hospital inpatient payment system for medical assistance reimbursement that is based upon the Medicare diagnosis-related group methodology. Components of the new system must include:

(1) the utilization of current Medicare diagnosis-related group methodology;

(2) the reimbursement of small volume medical assistance providers on a percentage of charges, rather than on a prospective basis;

(3) equitable methods for reimbursing the additional costs incurred by teaching hospitals, children's hospitals, and high-volume Medicaid hospitals; and

(4) the feasibility of contracting with an agency outside of the department of human services for the administration of the medical assistance inpatient hospital reimbursement system.

The commissioner shall form a task force of representatives from the department of human services and from the hospital industry to provide technical assistance to the development of the new hospital inpatient payment system. By February 1994, the commissioner shall make recommendations to the legislature on the implementation of the new system by July 1994.

Sec. 121. [PHYSICIAN SURCHARGE STUDY.]

The commissioner of human services, in cooperation with the commissioner of revenue, shall study and recommend to the legislature by January 15, 1994, a plan to replace the physician license surcharge with a surcharge on the tax levied on physicians under Minnesota Statutes, section 295.52. The plan must be designed to take effect July 1, 1994, and to raise an amount of revenue equal to the amount anticipated from the current surcharge.

Sec. 122. [STUDY OF BED REDISTRIBUTION.]

The interagency long-term care planning committee shall present to the legislature, by January 15, 1994, recommendations for redistributing existing nursing home beds and certified boarding care home beds to meet demographic need. The recommendations must include, but are not limited to, comment on the concepts of bed layaway and bed transfer. The interagency long-term care planning committee shall convene a task force comprised of providers, consumers, and state agency staff to develop these recommendations.

Sec. 123. [LEGISLATIVE INTENT.]

Section .. (256.9657, subd. 3) is intended to clarify, rather than to change, the original intent of the statute amended.

Sec. 124. [REPEALERS.]

Subdivision 1. Minnesota Statutes 1992, section 256.969, subdivision 20, is repealed effective July 1, 1993, for admissions occurring on or after July 1, 1993.

Subd. 2. Minnesota Statutes 1992, section 252.478, subdivisions 1, 2, and 3, are repealed.

Sec. 125. [EFFECTIVE DATES.]

Subdivision 1. Sections 5, 10, 11, 12, 21, and 22 [147.02, subdivision 1; 256.9567, subdivision 1a, 1b, and 1c; 256B.037, subdivisions 1 to 4; and 256B.04, subdivision 16] are effective the day following final enactment.

Subd. 2. [PHYSICIAN SURCHARGE STUDY.] Section 121 is effective the day following final enactment.

Subd. 3. Section 27 [256B.059, subdivision 3] applies to all persons who begin their first continuous period of institutionalization on or after July 1, 1993.

Subd. 4. Sections 29 and 30 [256B.0595, subdivisions 1 and 2] apply to transfers that occur after July 30, 1993, or after the effective date of the waivers or law changes referred to in section 113 [514.986], whichever is later.

Subd. 5. Section 14 [256.9657, subdivision 3] applies to all surcharges effective October 1, 1992.

Subd. 6. Section 26 [256B.0575] is effective retroactive to October 1, 1992.

Subd. 7. Section 30 [256B.0595, subdivision 2] applies to transfers for less than fair market value made on or after July 1, 1993.

Subd. 8. Section 40 [256B.0625, subdivision 15] is effective retroactive to July 1, 1992.

Subd. 9. Section 57, [256B.0911, subdivision 7] paragraph (c), is effective upon the receipt by the commissioner of human services of the requested waiver from the secretary of human services, for persons screened for admission to a nursing facility on or after the date the waiver is received.

ARTICLE 6

FAMILY SELF-SUFFICIENCY AND CHILD SUPPORT ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 16A.45, is amended by adding a subdivision to read:

Subd. 5. [VALIDITY PERIOD FOR HUMAN SERVICES WARRANTS.] The warrant validity period for aid to families with dependent children (AFDC), general assistance (GA), family general assistance (FGA), and work readiness (WR) programs is seven calendar days.

Sec. 2. Minnesota Statutes 1992, section 144.215, subdivision 3, is amended to read:

Subd. 3. [FATHER'S NAME; CHILD'S NAME.] In any case in which paternity of a child is determined by a court of competent jurisdiction, ~~or upon compliance with the provisions of a declaration of parentage is executed under section 257.55, subdivision 1, clause (e) 257.34, or a recognition of parentage is executed under section 257.75,~~ the name of the father shall be entered on the birth certificate. If the order of the court declares the name of the child, it shall also be entered on the birth certificate. If the order of the court does not declare the name of the child, or there is no court order, then upon the request of both parents in writing, the surname of the child shall be that of the father.

Sec. 3. Minnesota Statutes 1992, section 144.215, is amended by adding a subdivision to read:

Subd. 4. [SOCIAL SECURITY NUMBER REGISTRATION.] (a) Parents of a child born within this state shall give their social security numbers to the office of vital statistics at the time of filing the birth certificate, but the numbers shall not appear on the certificate.

(b) The parents' social security numbers shall be classified as private data on individuals, except that the office of vital statistics shall provide the records of parent name and social security number only to the public authority responsible for child support services upon request by the public authority for use in the establishment of parentage and the enforcement of child support obligations.

Sec. 4. Minnesota Statutes 1992, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine consecutive months and. ~~The assistance unit shall execute~~ must sign an agreement to dispose of the property and to repay assistance received during the nine months up to that would not have been paid had the property been sold at the beginning of such period, but not to exceed the amount of the net sale proceeds. The payment must be made when the property is sold family has five working days from the date it realizes cash from the sale of the property to repay the overpayment. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason ~~the entire amount received during the nine months is an overpayment and subject to recovery during the nine-month period, the amount payable under the agreement will not be determined and recovery will not begin until the property is in fact sold. If the property is intentionally sold at less than fair market value or if a good faith effort to sell the property is not being made, the overpayment amount shall be computed using the fair market value determined at the beginning of the nine-month period.~~ For the purposes of this section, "homestead" means the home that is owned by, and is the usual residence of, the child, relative, or other member of the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others. "Usual residence" includes the home from which the child, relative, or other members of the assistance unit is temporarily absent due to an employability development plan approved by the local human service agency, which includes education, training, or job search within the state but outside of the immediate geographic area. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500 or the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 5. Minnesota Statutes 1992, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per calendar year and the earnings of a dependent child ~~who is a full-time student~~ that are derived from the jobs training and partnership act (JTPA) may be disregarded for six calendar months per calendar year. These two earnings disregards cannot be combined to allow more than a total of six months per calendar year when the earned income of a full-time student is derived from participation in a program under the JTPA. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a, shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

(5) on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 6. Minnesota Statutes 1992, section 256.73, subdivision 5, is amended to read:

Subd. 5. [AID FOR UNBORN CHILDREN PREGNANT WOMEN.] (a) For the purposes of sections 256.72 to 256.87, assistance payments shall be made ~~during the final three months of pregnancy to a pregnant woman who has with no other children but who otherwise qualifies for assistance except for medical assistance payments which shall be made at the time that pregnancy is confirmed by a physician if the pregnant woman has no other children and otherwise qualifies for assistance as provided in sections 256B.055 and 256B.056 who is receiving assistance when it is medically verified that the unborn child is expected to be born in the month the payment is made or within the three-month period following the month of payment. Eligibility must be determined as if the unborn child had been born and was living with her; considering the needs, income, and resources of all individuals in the filing unit. If eligibility exists for this fictional unit, the pregnant woman is eligible and her payment amount is determined based solely on her needs, income, including deemed income, and resources.~~ No payments shall be made for the needs of the unborn or for any special needs occasioned by the pregnancy except as provided in ~~clause paragraph~~ (b). The commissioner of human services shall promulgate, pursuant to the administrative procedures act, rules to implement this subdivision.

(b) The commissioner may, according to rules, make payments for the purpose of meeting special needs occasioned by or resulting from pregnancy both for a pregnant woman with no other children receiving assistance as well as for a pregnant woman receiving assistance as provided in sections 256.72 to 256.87. The special needs payments shall be dependent upon the needs of the pregnant woman and the resources allocated to the county by the commissioner and shall be limited to payments for medically recognized special or supplemental diet needs and the purchase of a crib and necessary clothing for the future needs of the unborn child at birth. ~~The commissioner shall, according to rules, make payments for medically necessary prenatal care of the pregnant woman and the unborn child.~~

Sec. 7. Minnesota Statutes 1992, section 256.73, subdivision 8, is amended to read:

Subd. 8. [RECOVERY OF OVERPAYMENTS.] (a) If an amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. ~~For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's total income after deducting work expenses as allowed under section 256.74, subdivision 1, clauses (3) and (4), equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting allowable work expenses must equal at least 99 percent of the standard of need. Notwithstanding the preceding sentence, beginning on the date on which the commissioner implements a computerized client eligibility and information system in one or more counties, All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount~~

of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. If the overpayment is due solely to having wrongfully obtained assistance, whether based on a court order, the finding of an administrative fraud disqualification hearing or a waiver of such a hearing, or a confession of judgment containing an admission of an intentional program violation, the amount of this reduction shall be ten percent. In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 8. [256.735] [WAIVER OF AFDC BARRIERS TO EMPLOYMENT.]

Subdivision 1. [REQUEST.] (a) The commissioner of human services shall seek from the United States Department of Health and Human Services a waiver of the existing requirements of the AFDC program as described in paragraphs (b) and (c), in order to eliminate barriers to employment for AFDC recipients.

(b) The commissioner shall seek a waiver to set the maximum equity value of a licensed motor vehicle which can be excluded as a resource under United States Code, title 42, section 602(a)(7)(B), at \$4,500 because of the need of AFDC recipients for reliable transportation to participate in education, work, and training to become economically self-sufficient.

(c) The commissioner shall seek a waiver of the counting of the earned income of dependent children and minor caretakers who are attending school at least half time, in order to encourage them to save at least part of their earnings for future education or employment needs. Savings set aside in a separate account under this paragraph shall be excluded from the AFDC resource limits in Code of Federal Regulations, title 45, section 233.20(a)(3).

Subd. 2. [IMPLEMENTATION.] If approval from the department of health and human services indicates that the requested program changes are cost neutral to the federal government and the state, the commissioner shall implement the program changes authorized by this section promptly. If approval indicates that the program changes are not cost neutral, the commissioner shall report the costs to the 1994 legislature and delay implementation until such time as an appropriation to cover additional costs becomes available.

Subd. 3. [EVALUATION.] If the federal waiver is granted, the commissioner shall evaluate the program changes according to federal waiver requirements and submit a report to the legislature within a time frame consistent with the evaluation criteria that are established.

Sec. 9. Minnesota Statutes 1992, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all mandatory and eligible volunteer caretakers ~~required to register~~ permitted to participate under subdivision 3 3a to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider ~~caretakers who fall into the targeted groups~~ the target group of which the referred caretaker is a member;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the ~~targeted target~~ target groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

- (7) encourage ~~nontargeted~~ nontarget caretakers to develop a plan to obtain self-sufficiency;
- (8) notify the commissioner of the caretakers required to participate in employment and training services;
- (9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;
- (10) provide transportation assistance using available funds to caretakers who participate in employment and training programs;
- (11) ensure that orientation, job search, services to custodial parents under the age of 20, educational activities and work experience for AFDC-UP families, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;
- (12) explain in its local service unit plan under section 268.88 how it will ensure that ~~targeted~~ target caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;
- (13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14 ~~and at least one of the following employment and training services~~; a community work experience program (CWEP) as defined in section 256.737, grant diversion as defined in section 256.739, and on-the-job training as defined in section 256.738, or. A county may also provide another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. ~~Each county is urged to adopt grant diversion as the second program required under this clause~~ A county is not required to provide a community work experience program if the county agency is successful in placing at least 40 percent of the monthly average of all caretakers who are subject to the job search requirements of subdivision 14 in grant diversion or on-the-job training program;
- (14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in an approved employment and training service. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;
- (15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause (14); (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker is subject to the requirements of section 256.737, subdivision 2; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) specifies the recipient's long-term employment goal which shall lead to self-sufficiency; ~~and~~
- (16) obtain the written or oral concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements to assure that no work assignment under this section or sections 256.737, 256.738, and 256.739 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy; and

(17) assess each caretaker in an AFDC-UP family who is under age 25, has not completed high school or a high school equivalency program, and who would otherwise be required to participate in a work experience placement under section 256.737 to determine if an appropriate secondary education option is available for the caretaker. If an appropriate secondary education option is determined to be available for the caretaker, the caretaker must, in lieu of participating in work experience, enroll in and meet the educational program's participation and attendance requirements. "Secondary education" for this paragraph means high school education or education designed to prepare a person to qualify for a high school equivalency certificate, basic and remedial education, and English as a second language education. A caretaker required to participate in secondary education who, without good cause, fails to participate shall be subject to the provisions of subdivision 4a and the sanction provisions of subdivision 4, clause (6). For purposes of this clause, "good cause" means the inability to obtain licensed or legal nonlicensed child care services needed to enable the caretaker to attend, inability to obtain transportation needed to attend, illness or incapacity of the caretaker or another member of the household which requires the caretaker to be present in the home, or being employed for more than 30 hours per week.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a ~~targeted target~~ caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under chapter 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the ~~nontargeted nontarget~~ caretaker relocates to another county or when a ~~targeted target~~ caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 10. Minnesota Statutes 1992, section 256.736, subdivision 10a, is amended to read:

Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction ~~who are determined eligible for AFDC on or after July 1, 1989, and who are required to attend an orientation. The county agency shall require attendance at orientation of all caretakers except in the time limits described in this paragraph:~~

~~(1) caretakers who are exempt from registration under subdivision 3 within 60 days of being determined eligible for AFDC for caretakers with a continued absence or incapacitated parent basis of eligibility; and or~~

~~(2) caretakers who are not within 30 days of being determined eligible for AFDC for caretakers with an unemployed parent basis of eligibility.~~

~~(b) Caretakers are required to attend an in-person orientation if the caretaker is a member of one of the groups listed in subdivision 3a, paragraph (a), and who are either responsible for the care of an incapacitated person or a dependent child under the age of six or enrolled at least half time in any recognized school, training program, or institution of higher learning unless the caretaker is exempt from registration under subdivision 3 and the caretaker's exemption basis will not expire within 60 days of being determined eligible for AFDC, or the caretaker is enrolled at least half time in any recognized school, training program, or institution of higher learning and the in-person orientation cannot be scheduled at a time that does not interfere with the caretaker's school or training schedule. The county agency shall require attendance at orientation of caretakers described in subdivision 3a, paragraph (b) or (c), if they become the commissioner determines that the groups are eligible for participation in employment and training services.~~

~~(b) Except as provided in paragraph (e), (c) The orientation must consist of a presentation that informs caretakers of:~~

~~(1) the identity, location, and phone numbers of employment and training and support services available in the county;~~

- (2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;
- (3) the child care resource and referral program designated by the commissioner providing education and assistance to select child care services and a referral to the child care resource and referral when assistance is requested;
- (4) the obligations of the county agency and service providers under contract to the county agency;
- (5) the rights, responsibilities, and obligations of participants;
- (6) the grounds for exemption from mandatory employment and training services or educational requirements;
- (7) the consequences for failure to participate in mandatory services or requirements;
- (8) the method of entering educational programs or employment and training services available through the county;
- (9) the availability and the benefits of the early and periodic, screening, diagnosis and treatment (EPSDT) program and preschool screening under chapter 123;
- (10) their eligibility for transition year child care assistance when they lose eligibility for AFDC due to their earnings; ~~and~~
- (11) their eligibility for extended medical assistance when they lose eligibility for AFDC due to their earnings; and
- (12) the availability and benefits of the Head Start program.

~~(e)~~ (d) Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.

~~(e)~~ (e) County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The county agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.

~~(e) Orientation for caretakers not eligible for participation in employment and training services under the provisions of subdivision 3a, paragraphs (a) and (b), shall present information only on those employment, training, and support services available to those caretakers, and information on clauses (2), (3), (9), (10), and (11) of paragraph (a) and all of paragraph (c), and may not last more than two hours. The county or, under contract, the county's employment and training service provider shall mail written orientation materials containing the information specified in paragraph (c), clauses (1) to (3) and (8) to (12), to each caretaker exempt from attending an in-person orientation or who has good cause for failure to attend after at least two dates for their orientation have been scheduled. The county or the county's employment and training service provider shall follow up with a phone call or in writing within two weeks after mailing the material.~~

(f) Persons required to attend orientation must be informed of the penalties for failure to attend orientation, support services to enable the person to attend, what constitutes good cause for failure to attend, and rights to appeal. Persons required to attend orientation must be offered a choice of at least two dates for their first scheduled orientation. No person may be sanctioned for failure to attend orientation until after a second failure to attend.

(g) Good cause for failure to attend an in-person orientation exists when a caretaker cannot attend because of:

(1) temporary illness or injury of the caretaker or of a member of the caretaker's family that prevents the caretaker from attending an orientation during the hours when the orientation is offered;

(2) a judicial proceeding that requires the caretaker's presence in court during the hours when orientation is scheduled; or

(3) a nonmedical emergency that prevents the caretaker from attending an orientation during the hours when orientation is offered. "Emergency" for the purposes of this paragraph means a sudden, unexpected occurrence or situation of a serious or urgent nature that requires immediate action.

(h) Caretakers must receive a second orientation only when:

(1) there has been a 30-day break in AFDC eligibility; and

(2) the caretaker has not attended an orientation within the previous 12-month period, excluding the month of reapplication for AFDC.

Sec. 11. Minnesota Statutes 1992, section 256.736, subdivision 14, is amended to read:

Subd. 14. [JOB SEARCH.] ~~(a) The commissioner of human services shall~~ Each county agency must establish and operate a job search program as provided under Public Law Number 100-485 this section. Unless exempt, the principal wage earner in an AFDC-UP assistance unit must be referred to and begin participation in the job search program within 30 days of being determined eligible for AFDC, and must begin participation within four months of being determined eligible. ~~If the principal wage earner is exempt from participation in job search, the other caretaker must be referred to and begin participation in the job search program within 30 days of being determined eligible for AFDC.~~ The principal wage earner or the other caretaker is exempt from job search participation if:

~~(1) the caretaker is already participating in another approved employment and training service;~~

~~(2) the caretaker's employability plan specifies other activities;~~

~~(3) the caretaker is exempt from registration under subdivision 3; or~~

~~(4) the caretaker is unable to secure employment due to inability to communicate in the English language, is participating in an English as a second language course, and is making satisfactory progress towards completion of the course. If an English as a second language course is not available to the caretaker, the caretaker is exempt from participation until a course becomes available~~ (2) the caretaker is under age 25, has not completed a high school diploma or an equivalent program, and is participating in a secondary education program as defined in subdivision 10, paragraph (a), clause (17), which is approved by the employment and training service provider in the employability development plan.

~~(b) The job search program must provide the following services:~~

~~(1) an initial period of up to four consecutive weeks of job search activities for no less than 20 hours per week but not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board agency if the caretaker fails to cooperate with the job search requirements; and~~

~~(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks for any 12 consecutive month period beginning with the month of application.~~

~~(c) The job search program may provide services to non-AFDC-UP caretakers.~~

(d) After completion of job search requirements in this section, nonexempt caretakers shall be placed in and must participate in and cooperate with the work experience program under section 256.737, the on-the-job training program under section 256.738, or the grant diversion program under section 256.739. Caretakers must be offered placement in a grant diversion or on-the-job training program, if either such employment is available, before being required to participate in a community work experience program under section 256.737.

Sec. 12. Minnesota Statutes 1992, section 256.736, subdivision 16, is amended to read:

Subd. 16. [ALLOCATION AND USE OF MONEY.] (a) State money appropriated for employment and training services under this section must be allocated to counties as specified in paragraphs (b) to ~~(j)~~ (i).

(b) For purposes of this ~~section~~ subdivision, "targeted caretaker" means a recipient who:

(1) is a custodial parent under the age of 24 who: (i) has not completed a high school education and at the time of application for AFDC is not enrolled in high school or in a high school equivalency program; or (ii) had little or no work experience in the preceding year;

(2) is a member of a family in which the youngest child is within two years of being ineligible for AFDC due to age; or

(3) has received 36 months or more of AFDC over the last 60 months.

(c) One hundred percent of the money appropriated for case management services as described in subdivision 11 must be allocated to counties based on the average number of cases in each county described in clause (1). Money appropriated for employment and training services as described in subdivision 1a, paragraph (d), other than case management services, must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which either have been open for 36 or more consecutive months or have a caretaker who is under age 24 and who has no high school or general equivalency diploma. The average number of cases must be based on counts of these cases as of March 31, June 30, September 30, and December 31 of the previous year.

(2) Twenty percent of the state money must be allocated based on the average number of cases receiving AFDC in the county which are not counted under clause (1). The average number of cases must be based on counts of cases as of March 31, June 30, September 30, and December 31 of the previous year.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for ~~targeted~~ target group members in each county.

(d) No more than 15 percent of the money allocated under paragraph (b) and no more than 15 percent of the money allocated under paragraph (c) may be used for administrative activities.

(e) At least 55 percent of the money allocated to counties under paragraph (c) must be used for employment and training services for caretakers in the ~~targeted~~ target groups, and up to 45 percent of the money may be used for employment and training services for ~~nontargeted~~ nontarget caretakers. One hundred percent of the money allocated to counties for case management services must be used to provide those services to caretakers in the ~~targeted~~ target groups.

(f) Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.

(g) Counties and, the department of jobs and training, and entities under contract with either the department of jobs and training or the department of human services for provision of Project STRIDE related services shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county, the department of jobs and training, or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(h) The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the ~~fourth~~ third quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.

(i) The county agency may continue to provide case management and supportive services to a participant for up to 90 days after the participant loses AFDC eligibility and may continue providing a specific employment and training service for the duration of that service to a participant if funds for the service are obligated or expended prior to the participant losing AFDC eligibility.

(j) One hundred percent of the money appropriated for an unemployed parent work experience program under section 256.737 must be allocated to counties based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending December 31 of the previous year.

Sec. 13. Minnesota Statutes 1992, section 256.736, is amended by adding a subdivision to read:

Subd. 19. [EVALUATION.] In order to evaluate the services provided under this section, the commissioner may randomly assign no more than 2,500 families to a control group. Families assigned to the control group shall not participate in services under this section, except that families participating in services under this section at the time they are assigned to the control group may continue such participation. Recipients assigned to the control group who are included under subdivision 3a, paragraph (a), shall be guaranteed child care assistance under chapter 256H for an educational plan authorized by the county. Once assigned to the control group, a family must remain in that group for the duration of the evaluation period. The evaluation period shall coincide with the demonstration authorized in section 256.031, subdivision 3.

Sec. 14. [256.7366] [FEDERAL WAIVER.]

The commissioner of human services shall make changes in the state plan and seek waivers or demonstration authority needed to minimize the barriers to effective and efficient use of grant diversion under section 256.739 as a method of placing AFDC recipients in suitable employment. The commissioner shall implement the federally approved changes as soon as possible.

Sec. 15. Minnesota Statutes 1992, section 256.737, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of human services shall continue the pilot community work experience demonstration programs that were approved by January 1, 1984. The commissioner may establish additional community work experience programs in as many counties as necessary to comply with the participation requirements of the Family Support Act of 1988, Public Law Number 100-485. Programs established on or after July 1, 1989, must be operated on a volunteer basis and must be operated according to the Family Support Act of 1988, Public Law Number 100-485. To the degree required by federal law or regulation, each county agency must establish and operate a community work experience program to assist nonexempt caretakers in AFDC-UP households achieve self-sufficiency by enhancing their employability through participation in meaningful work experience and training, the development of job search skills and the development of marketable job skills. This subdivision does not apply to AFDC recipients participating in the Minnesota family investment plan under sections 256.031 to 256.0361.

Sec. 16. Minnesota Statutes 1992, section 256.737, subdivision 1a, is amended to read:

Subd. 1a. [COMMISSIONER'S DUTIES.] The commissioner shall: (a) assist counties in the design and implementation of these programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until June 30, 1993, unless superseded by permanent rules; (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law; and (d) prohibit the use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee bargaining unit position established as of January 1, 1989 1993. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. Written or oral concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative within seven days. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

Sec. 17. Minnesota Statutes 1992, section 256.737, subdivision 2, is amended to read:

Subd. 2. [PROGRAM REQUIREMENTS.] (a) Programs Worksites developed under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to aged or disabled citizens, and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.

(b) As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity to participate in the following services:

(1) for placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or

(2) basic educational or vocational or occupational training for an identifiable job opportunity for placement in suitable employment through participation in on-the-job training under section 256.738 or grant diversion under section 256.739, if such employment is available.

(c) A recipient who has completed a caretaker referred to job search under section 256.736, subdivision 14, and who is unable has failed to secure suitable employment, and who is not enrolled in an approved training program may must participate in a community work experience program. Placement in a work experience worksite must be based on the assessment required under section 256.736 and the caretaker's employability development plan.

(d) The county agency shall limit the maximum number of hours any participant under this section may work in any month to:

(1) for counties operating an approved mandatory community work experience program as of January 1, 1993, who elect this method for countywide operations, a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage; or

(2) for all other counties, a caretaker must participate 20 hours in any week with no less than 16 hours in any week spent participating in a work experience placement and no more than four of the hours spent in alternate activities as described in the caretaker's employability development plan. Caretakers participating under this clause may be allowed excused absences from the assigned job site of up to eight hours per month. For the purposes of this clause, "excused absence" means absence due to temporary illness or injury of the caretaker or a member of the caretaker's family, a job interview, the unavailability of licensed child care or transportation needed to participate in the work experience placement, or a nonmedical emergency. For purposes of this clause, "emergency" has the meaning given it in section 256.736, subdivision 10a, paragraph (g), clause (3).

(e) After a participant has been assigned to a position under ~~this section~~ paragraph (d), clause (1), for nine months, the participant may not continue in that assignment unless the maximum number of hours a participant works is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.

(f) After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.

(g) Structured, supervised volunteer work with an agency or organization which is monitored by the county service provider may, with the approval of the commissioner of jobs and training, be used as a work experience placement.

Sec. 18. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 3. [EXEMPTIONS.] A caretaker is exempt from participation in a work experience placement under this section if the caretaker is exempt from participation in job search under section 256.736, subdivision 14, or the caretaker is suitably employed in a grant diversion or an on-the-job training placement. Caretakers who, as of October 1, 1993, are participating in an education or training activity approved under a Project STRIDE employability development plan are exempt from participation in a work experience placement until July 1, 1994.

Sec. 19. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 4. [GOOD CAUSE.] A caretaker shall have good cause for failure to cooperate if:

(1) the worksite participation adversely affects the caretaker's physical or mental health as verified by a physician, licensed or certified psychologist, physical therapist, vocational expert, or by other sound medical evidence; or

(2) the caretaker does not possess the skill or knowledge required for the work.

Sec. 20. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 5. [FAILURE TO COMPLY.] A caretaker required to participate under this section who has failed without good cause to participate shall be provided with notices, appeal opportunities, and offered a conciliation conference under the provisions of section 256.736, subdivision 4a, and shall be subject to the sanction provisions of section 256.736, subdivision 4, clause (6).

Sec. 21. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 6. [FEDERAL REQUIREMENTS.] If the Family Support Act of 1988, Public Law Number 100-485, is revised or if federal implementation of that law is revised so that Minnesota is no longer obligated to operate a mandatory work experience program for AFDC-UP families, the commissioner shall operate the work experience program under this section as a volunteer program, and shall utilize the funding authorized for work experience to improve and expand the availability of other employment and training services authorized under this section.

Sec. 22. Minnesota Statutes 1992, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit AFDC family must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other When the family's income, after application of the applicable disregards, by exceeds the standard of need standard for the assistance unit family because of receipt of earned or unearned lump sum income, the family will be ineligible for the full number of months derived by dividing the sum of the lump sum income and other income by the monthly need standard for a family of that size. An amount Any income remaining after from this calculation is income in the first month following the period of eligibility ineligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month. The first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. For purposes of applying the lump sum provision, family includes those persons defined in the Code of Federal Regulations, title 45, section 233.20(a)(3)(ii)(F). A period of ineligibility must be shortened when the standard of need increases and the amount the family would have received also changes, an amount is documented as stolen, an amount is unavailable because a member of the family left the household with that amount and has not returned, an amount is paid by the family during the period of ineligibility to cover a cost that would otherwise qualify for emergency assistance, or the family incurs and pays for medical expenses which would have been covered by medical assistance if eligibility existed. In making its determination the county agency shall disregard the following from family income:

(1) all the earned income of each dependent child applying for AFDC if the child is a full-time student and all of the earned income of each dependent child receiving aid to families with dependent children AFDC who is a full-time student or is a part-time student, and who is not a full-time employee, A student is one who is attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as and includes a participant in the Job Corps program under the Job Training Partnership Act (JTPA). The county agency shall also disregard all the earned income derived from the job training and partnership act (JTPA) for a of each dependent child for applying for or receiving AFDC when the income is derived from a program carried out under JTPA, except that disregard of earned income may not exceed six calendar months per calendar year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans;

(3) the first \$90 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) thirty dollars plus one-third of each individual's earned income for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; (b) refused without good cause to accept an offer of suitable employment; (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income.

If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of \$30 and one-third of earned income in this clause shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of subclauses (a) to (d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under this clause, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) \$175 for each individual age two and older, and \$200 for each individual under the age of two, ~~when the family member whose needs are included in the eligibility determination is employed for 30 or more hours per week; or (b) \$174 for each individual age two or older, and \$199 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is not employed throughout the month or when employment is less than 30 hours per week.~~ The dependent care disregard must be applied after all other disregards under this subdivision have been applied;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit. The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance. A review of a payment decision under this clause must be requested within 30 days after receiving the notice of collection of assigned support or within 90 days after receiving the notice if good cause can be shown for not making the request within the 30-day limit;

(7) that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and

(8) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.

All payments made pursuant to a court order for the support of children not living in the assistance unit's household shall be disregarded from the income of the person with the legal obligation to pay support, provided that, if there has been a change in the financial circumstances of the person with the legal obligation to pay support since the support order was entered, the person with the legal obligation to pay support has petitioned for a modification of the support order.

Sec. 23. Minnesota Statutes 1992, section 256.78, is amended to read:

256.78 [ASSISTANCE GRANTS RECONSIDERED.]

All assistance granted under sections 256.72 to 256.87 shall be reconsidered as frequently as may be required by the rules of the state agency. After such further investigation as the county agency may deem necessary or the state agency may require, the amount of assistance may be changed or assistance may be entirely withdrawn if the state or county agency find that the child's circumstances have altered sufficiently to warrant such action. ~~The period of ineligibility for AFDC which results when an assistance unit receives lump sum income must be reduced when:~~

~~(1) the assistance unit's standard of need increases due to changes in state law or due to changes in the size or composition of the assistance unit, so that the amount of aid the assistance unit would have received would have increased had it not become ineligible;~~

~~(2) the lump sum income, or a portion of it becomes unavailable to the assistance unit due to expenditures to avoid a life threatening circumstance, theft, or dissipation which is beyond the family's control by a member of the family who is no longer part of the assistance unit when the lump sum income is not used to meet the needs of members of the assistance unit; or~~

~~(3) the assistance unit incurs and pays medical expenses for care and services specified in sections 256B.02, subdivision 8, and 256B.0625.~~

The county agency may for cause at any time revoke, modify, or suspend any order for assistance previously made. When assistance is thus revoked, modified, or suspended the county agency shall at once report to the state agency such decision together with supporting evidence required by the rules of the state agency. All such decisions shall be subject to appeal and review by the state agency as provided in section 256.045.

Sec. 24. [256.8795] [FAMILY REUNIFICATION GRANTS.]

Within 30 days of enactment of this section, the commissioner of human services shall prepare and submit to the federal Department of Health and Human Services a request for a federal waiver to provide assistance under the Aid to Families with Dependent Children program, to otherwise eligible families deprived of benefits because one or more dependent children is in out-of-home placement. The purpose of the waiver is to permit the state to pay AFDC benefits to families for whom the county agency has developed or approved a case plan that includes reunification with their children and who are either at risk of losing housing, or in need of securing housing in order for reunification to occur. The commissioner of human services shall also seek federal administrative funds to coordinate and fund the work of county child protection workers, county income assistance workers, and probation officers, to facilitate providing AFDC benefits to otherwise eligible needy families in need of housing for reunification. In preparing the waiver request, the commissioner of human services shall ensure insofar as possible that the waiver request is cost neutral. The commissioner shall consult with the commissioner of corrections in order to establish methods and procedures to ensure that case plans for reunification and AFDC benefits and housing assistance are made available to caretakers who are otherwise eligible for AFDC, upon their release from correctional institutions. Upon its filing, the commissioner of human services shall provide copies of the waiver request to the chairs of the house and senate health and human services committees, and, within six months of filing the waiver request, shall report to the chairs of these committees on the status of the waiver.

Sec. 25. Minnesota Statutes 1992, section 256.983, subdivision 3, is amended to read:

Subd. 3. [DEPARTMENT RESPONSIBILITIES.] The commissioner shall establish training programs which shall be attended by all investigative and supervisory staff of the involved county agencies. The commissioner shall also develop the necessary operational guidelines, forms, and reporting mechanisms, which shall be used by the involved county agencies. An individual's application or redetermination form shall serve as a release by the individual to obtain documentation for any information on that form which is involved in a fraud prevention investigation.

Sec. 26. Minnesota Statutes 1992, section 256B.056, subdivision 1a, is amended to read:

Subd. 1a. [INCOME AND ASSETS GENERALLY.] Unless specifically required by state law or rule or federal law or regulation, the methodologies used in counting income and assets to determine eligibility for medical assistance shall be as follows: (a) for persons whose eligibility category is based on blindness, disability, or age of 65 or more years, the methodologies for the supplemental security income program shall be used; ~~and (b), except that payments made pursuant to a court order for the support of children shall be excluded from income in an amount not to exceed the difference between the applicable income standard used in the state's medical assistance program for aged, blind, and disabled persons and the applicable income standard used in the state's medical assistance program for families with children.~~ Exclusion of court-ordered child support payments is subject to the condition that if there has been a change in the financial circumstances of the person with the legal obligation to pay support since the support order was entered, the person with the legal obligation to pay support has petitioned for modification of the support order. For families for families and children, which includes all other eligibility categories, the methodologies for the aid to families with dependent children program under section 256.73 shall be used. For these purposes, a "methodology" does not include an asset or income standard, or accounting method, or method of determining effective dates.

Sec. 27. Minnesota Statutes 1992, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

(b) The commissioner shall set the standard of assistance for an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from children and spouse and who does not live with a parent or parents or a legal custodian. When the other standards specified in this subdivision increase, this standard must also be increased by the same percentage.

(c) For an assistance unit consisting of a single adult who lives with a parent or parents, the general assistance standard of assistance is the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, except that the standard may not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, may not be counted in the determination of eligibility or benefit level for the assistance unit. Except as provided below, the assistance unit is ineligible for general assistance if the available resources or the countable income of the assistance unit and the parent or parents with whom the assistance unit lives are such that a family consisting of the assistance unit's parent or parents, the parent or parents' other family members and the assistance unit as the only or additional minor child would be financially ineligible for general assistance. For the purposes of calculating the countable income of the assistance unit's parent or parents, the calculation methods, income deductions, exclusions, and disregards used when calculating the countable income for a single adult or childless couple must be used.

(d) For an assistance unit consisting of a childless couple, the standards of assistance are the same as the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, the standard of assistance for the other is the second adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance are the same as the standards of assistance that apply to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining members are the same as the standards of assistance that apply to an assistance unit composed of the entire family, less the standards of assistance for a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. In no case shall the standard for family members who are in the assistance unit for general assistance, when combined with the standard for family members who are not in the general assistance unit, total more than the standard for the entire family if all members were in an AFDC assistance unit. A child may not be excluded from the assistance unit unless income intended for its benefit is received from a federally aided categorical assistance program or supplemental security income. The income of a child who is excluded from the assistance unit may not be counted in the determination of eligibility or benefit level for the assistance unit.

(f) An assistance unit consisting of one or more members of a family must have its grant determined using the policies and procedures of the aid to families with dependent children program, except that, in cases where a county agency has developed or approved a case plan that includes reunification with the children, foster care maintenance payments made under state or local law for a child who is temporarily absent from the assistance unit must not be considered income to the child and the payments must not be counted in the determination of the eligibility or benefit level of the assistance unit. However Otherwise, the standard of assistance must be determined according to paragraph (e); the first \$50 of total child support received by an assistance unit in a month must be excluded and the balance counted as unearned income; and nonrecurring lump sums received by the family must be considered income in the month received and a resource in the following months.

Sec. 28. Minnesota Statutes 1992, section 256D.02, subdivision 5, is amended to read:

Subd. 5. "Family" means the applicant or recipient and the following persons who reside with the applicant or recipient:

- (1) the applicant's spouse;
- (2) any minor child of whom the applicant is a parent, stepparent, or legal custodian, and that child's minor siblings, including half-siblings and stepsiblings;
- (3) the other parent of the applicant's minor child or children together with that parent's minor children, and, if that parent is a minor, his or her parents, stepparents, legal guardians, and minor siblings; and
- (4) if the applicant or recipient is a minor, the minor's parents, stepparents, or legal guardians, and any other minor children for whom those parents, stepparents, or legal guardians are financially responsible.

A minor child who is temporarily absent from the recipient's home due to placement in foster care paid for from state or local funds, but who is expected to return within six months of the month of departure, is considered to be residing with the recipient.

A "family" must contain at least one minor child and at least one of that child's natural or adoptive parents, stepparents, or legal custodians.

Sec. 29. Minnesota Statutes 1992, section 256D.04, is amended to read:

256D.04 [DUTIES OF THE COMMISSIONER.]

In addition to any other duties imposed by law, the commissioner shall:

(1) Supervise according to section 256.01 the administration of general assistance and general assistance medical care by county agencies as provided in sections 256D.01 to 256D.21;

(2) Promulgate uniform rules consistent with law for carrying out and enforcing the provisions of sections 256D.01 to 256D.21, including section 256D.05, subdivision 3, and section 256.01, subdivision 2, paragraph (16), to the end that general assistance may be administered as uniformly as possible throughout the state; rules shall be furnished immediately to all county agencies and other interested persons; in promulgating rules, the provisions of sections 14.001 to 14.69, shall apply;

(3) Allocate money appropriated for general assistance and general assistance medical care to county agencies as provided in section 256D.03, subdivisions 2 and 3;

(4) Accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for general assistance and general assistance medical care;

(5) Cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.01 to 256D.21;

(6) Cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services;

(7) Gather and study current information and report at least annually to the governor and legislature on the nature and need for general assistance and general assistance medical care, the amounts expended under the supervision of each county agency, and the activities of each county agency and publish such reports for the information of the public; and

(8) Specify requirements for general assistance and general assistance medical care reports, including fiscal reports, according to section 256.01, subdivision 2, paragraph (17); and

(9) Ensure that every notice of eligibility for general assistance or work readiness includes a notice that women who are pregnant may be eligible for medical assistance benefits.

Sec. 30. Minnesota Statutes 1992, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for a maximum period of six calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. The person's eligibility period begins on the first day of the calendar month following the date of application for assistance or following the date all eligibility factors are met, whichever is later; however, the person may voluntarily continue to participate in work readiness services for up to three additional consecutive months immediately following the last month of benefits to complete the provisions of the person's employability development plan. After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, initial payment will not be made until the registrant attends orientation to the work readiness program. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.

(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.

(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (14) (16), any person who would be defined for purposes of the food stamp program as being enrolled or participating at least half-time in an institution of higher education or a post-secondary program is ineligible for the work readiness program. Post-secondary education does not include the following programs: (1) high school equivalency; (2) adult basic education; (3) English as a second language; (4) literacy training; and (5) skill-specific technical training that has a course of study of less than three months, that is not paid for using work readiness funds, and that is specified in the work readiness employability development plan developed with the recipient prior to the recipient beginning the training course.

(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) or (d).

Sec. 31. Minnesota Statutes 1992, section 256D.05, is amended by adding a subdivision to read:

Subd. 8. [PERSONS INELIGIBLE.] (a) Beginning July 1, 1994, an undocumented alien or a nonimmigrant is ineligible for work readiness and general assistance benefits. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual who resides in the United States without the approval or acquiescence of the Immigration and Naturalization Service.

(b) This subdivision does not apply to a child under age 18, to a Cuban or Haitian entrant as defined in Public Law Number 96-422, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1).

Sec. 32. Minnesota Statutes 1992, section 257.54, is amended to read:

257.54 [HOW PARENT AND CHILD RELATIONSHIP ESTABLISHED.]

The parent and child relationship between a child and

(a) the biological mother may be established by proof of her having given birth to the child, or under sections 257.51 to 257.74 or section 257.75;

(b) the biological father may be established under sections 257.51 to 257.74 or section 257.75; or

(c) an adoptive parent may be established by proof of adoption.

Sec. 33. Minnesota Statutes 1992, section 257.541, is amended to read:

257.541 [CUSTODY AND VISITATION OF CHILDREN BORN OUTSIDE OF MARRIAGE.]

Subdivision 1. [MOTHER'S RIGHT TO CUSTODY.] The biological mother of a child born to a mother who was not married to the child's father neither when the child was born nor when the child was conceived has sole custody of the child until paternity has been established under sections 257.51 to 257.74, or until custody is determined in a separate proceeding under section 518.156.

Subd. 2. [FATHER'S RIGHT TO VISITATION AND CUSTODY.] (a) If paternity has been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the father's rights of visitation or custody are determined under sections 518.17 and 518.175.

(b) If paternity has not been acknowledged under section 257.34 and paternity has been established under sections 257.51 to 257.74, the biological father may petition for rights of visitation or custody in the paternity proceeding or in a separate proceeding under section 518.156.

Subd. 3. [FATHER'S RIGHT TO VISITATION AND CUSTODY; RECOGNITION OF PATERNITY.] If paternity has been recognized under section 257.75, the father may petition for rights of visitation or custody in an independent action under section 518.156. The proceeding must be treated as an initial determination of custody under section 518.17. The provisions of chapter 518 apply with respect to the granting of custody and visitation. These proceedings may not be combined with any proceeding under chapter 518B.

Sec. 34. Minnesota Statutes 1992, section 257.55, subdivision 1, is amended to read:

Subdivision 1. [PRESUMPTION.] A man is presumed to be the biological father of a child if:

(a) He and the child's biological mother are or have been married to each other and the child is born during the marriage, or within 280 days after the marriage is terminated by death, annulment, declaration of invalidity, dissolution, or divorce, or after a decree of legal separation is entered by a court;

(b) Before the child's birth, he and the child's biological mother have attempted to marry each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) if the attempted marriage could be declared invalid only by a court, the child is born during the attempted marriage, or within 280 days after its termination by death, annulment, declaration of invalidity, dissolution or divorce; or

(2) if the attempted marriage is invalid without a court order, the child is born within 280 days after the termination of cohabitation;

(c) After the child's birth, he and the child's biological mother have married, or attempted to marry, each other by a marriage solemnized in apparent compliance with law, although the attempted marriage is or could be declared void, voidable, or otherwise invalid, and,

(1) he has acknowledged his paternity of the child in writing filed with the state registrar of vital statistics;

(2) with his consent, he is named as the child's father on the child's birth certificate; or

(3) he is obligated to support the child under a written voluntary promise or by court order;

(d) While the child is under the age of majority, he receives the child into his home and openly holds out the child as his biological child; or

(e) He and the child's biological mother acknowledge his paternity of the child in a writing signed by both of them under section 257.34 and filed with the state registrar of vital statistics. If another man is presumed under this clause to be the child's father, acknowledgment may be effected only with the written consent of the presumed father or after the presumption has been rebutted;

(f) Evidence of statistical probability of paternity based on blood testing establishes ~~that~~ the likelihood that ~~the man~~ he is the father of the child, calculated with a prior probability of no more than 0.5 (50 percent), is 99 percent or greater;

(g) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man is presumed to be the father under this subdivision; or

(h) He and the child's biological mother have executed a recognition of parentage in accordance with section 257.75 and another man and the child's mother have executed a recognition of parentage in accordance with section 257.75.

Sec. 35. Minnesota Statutes 1992, section 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d), (e), ~~or~~ (f), (g), or (h), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (e) or (g), only if the action is brought within three years after the date of the execution of the declaration or recognition of parentage; or

(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood test results.

Sec. 36. Minnesota Statutes 1992, section 257.59, subdivision 3, is amended to read:

Subd. 3. The action may be brought in the county in which the child or the ~~alleged father~~ defendant resides or is found or, if the ~~father~~ defendant is deceased, in which proceedings for probate of ~~his~~ the defendant's estate have been or could be commenced.

Sec. 37. Minnesota Statutes 1992, section 257.73, subdivision 1, is amended to read:

Subdivision 1. Upon compliance with the provisions of section 257.55, subdivision 1, clause (e), 257.75, or upon order of a court of this state or upon request of a court of another state, the local registrar of vital statistics shall prepare a new certificate of birth consistent with the acknowledgment or the findings of the court and shall substitute the new certificate for the original certificate of birth.

Sec. 38. Minnesota Statutes 1992, section 257.74, subdivision 1, is amended to read:

Subdivision 1. If a mother relinquishes or proposes to relinquish for adoption a child who has

(a) a presumed father under section 257.55, subdivision 1,

(b) a father whose relationship to the child has been determined by a court or established under section 257.75, or

(c) a father as to whom the child is a legitimate child under prior law of this state or under the law of another jurisdiction, the father shall be given notice of the adoption proceeding as provided in section 259.26.

Sec. 39. [257.75] [RECOGNITION OF PARENTAGE.]

Subdivision 1. [RECOGNITION BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father nor to any other man when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public and filed with the state registrar of vital statistics, state and acknowledge under oath that they are the biological parents of the child and wish to be recognized as the biological parents. The recognition must be in the form prepared by the commissioner of human services under subdivision 5.

Subd. 2. [REVOCATION OF RECOGNITION.] A recognition may be revoked in a writing signed by the mother or father before a notary public and filed with the state registrar of vital statistics within 30 days after the recognition is executed. Upon receipt of a revocation of the recognition of parentage, the state registrar of vital statistics shall forward a copy of the revocation to the nonrevoking parent.

Subd. 3. [EFFECT OF RECOGNITION.] Subject to subdivision 2 and section 257.55, subdivision 1, paragraph (g) or (h), the recognition has the force and effect of a judgment or order determining the existence of the parent and child relationship under section 257.66. If the conditions in section 257.55, subdivision 1, paragraph (g) or (h), exist, the recognition creates only a presumption of paternity for purposes of sections 257.51 to 257.74. Until an order is entered granting custody to another, the mother has sole custody. The recognition is:

(1) a basis for bringing an action to award custody or visitation rights to either parent, establishing a child support obligation, ordering a contribution by a parent under section 256.87, or ordering a contribution to the reasonable expenses of the mother's pregnancy and confinement, as provided under section 257.66, subdivision 3;

(2) determinative for all other purposes related to the existence of the parent and child relationship; and

(3) entitled to full faith and credit in other jurisdictions.

Subd. 4. [ACTION TO VACATE RECOGNITION.] An action to vacate a recognition of paternity may be brought by the mother, father, or child. A mother or father must bring the action within one year of the execution of the recognition or within six months after discovery of evidence in support of the action, whichever is later. A child must bring an action to vacate within six months of discovery of evidence, in support of the action or within one year of reaching the age of majority, whichever is later. If the court finds a prima facie basis for vacating the recognition, the court shall order the child, mother, and father to submit to blood tests. If the court issues an order for the taking of blood tests, the court shall require the party seeking to vacate the recognition to make advance payment for the costs of the blood tests. If the party fails to pay for the costs of the blood tests, the court shall dismiss the action to vacate with prejudice. The court may also order the party seeking to vacate the recognition to pay the other party's reasonable attorney fees, costs, and disbursements. If the results of the blood tests establish that the man who executed the recognition is not the father, the court shall vacate the recognition. The court shall terminate the obligation of a party to pay ongoing child support based on the recognition. A modification of child support based on a recognition may be made retroactive with respect to any period during which the moving party has pending a motion to vacate the recognition but only from the date of service of notice of the motion on the responding party.

Subd. 5. [RECOGNITION FORM.] The commissioner of human services shall prepare a form for the recognition of parentage under this section. In preparing the form, the commissioner shall consult with the individuals specified in subdivision 6. The recognition form must be drafted so that the force and effect of the recognition and the benefits and responsibilities of establishing paternity are clear and understandable. The form must include a notice regarding the finality of a recognition and the revocation procedure under subdivision 2. The form must include a provision for each parent to verify that the parent has read or viewed the educational materials prepared by the commissioner of human services describing the recognition of paternity. Each parent must receive a copy of the recognition.

Subd. 6. [PATERNITY EDUCATIONAL MATERIALS.] The commissioner of human services shall prepare educational materials for new and prospective parents that describe the benefits and effects of establishing paternity. The materials must include a description and comparison of the procedures for establishment of paternity through a recognition of parentage under this section and an adjudication of paternity under sections 257.51 to 257.74. The commissioner shall consider the use of innovative audio or visual approaches to the presentation of the materials to facilitate understanding and presentation. In preparing the materials, the commissioner shall consult with child advocates and support workers, battered women's advocates, social service providers, educators, attorneys, hospital representatives, and people who work with parents in making decisions related to paternity. The commissioner shall consult with representatives of communities of color. On and after July 1, 1994, the commissioner shall make the materials available without cost to hospitals, requesting agencies, and other persons for distribution to new parents.

Subd. 7. [HOSPITAL DISTRIBUTION OF EDUCATIONAL MATERIALS; RECOGNITION FORM.] Hospitals that provide obstetric services shall distribute the educational materials and recognition of parentage forms prepared by the commissioner of human services to new parents and shall assist parents in understanding the recognition of parentage form. On and after July 1, 1994, hospitals may not distribute the declaration of parentage forms.

Subd. 8. [NOTICE.] If the state registrar of vital statistics receives more than one recognition of parentage for the same child, the registrar shall notify both signatories on each recognition that the recognition is no longer final and that each man has only a presumption of paternity under section 257.55, subdivision 1.

Sec. 40. Minnesota Statutes 1992, 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, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, 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, and bank records, insurance records relating to the 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 for public assistance programs. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement or welfare fraud investigation. 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 in section 626.84, subdivision 1, paragraph (c).

Sec. 41. Minnesota Statutes 1992, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services, the supervision of the commissioner as specified in section 256.01, and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate among families or eligible individuals, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) A person who commits any of the following acts has violated section 256.98 or 609.821, or both, and is subject to both the criminal and civil penalties provided under ~~that section~~ those sections:

(1) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or intentional concealment of a material fact, food stamps to which the person is not entitled or in an amount greater than that to which that person is entitled; or

(2) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(3) Willfully uses, possesses, or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law, rules, or regulations; or

(4) Buys or sells food stamp coupons, authorization to purchase cards or other assistance transaction devices for cash or consideration other than eligible food.

(d) A peace officer or welfare fraud investigator may confiscate food stamps, authorization to purchase cards, or other assistance transaction devices found in the possession of any person who is neither a recipient of the food stamp program nor otherwise authorized to possess and use such materials. Confiscated property shall be disposed of as the commissioner may direct and consistent with state and federal food stamp law. The confiscated property must be retained for a period of not less than 30 days to allow any affected person to appeal the confiscation under section 256.045.

Sec. 42. Minnesota Statutes 1992, section 518.156, subdivision 1, is amended to read:

Subdivision 1. In a court of this state which has jurisdiction to decide child custody matters, a child custody proceeding is commenced:

(a) by a parent

(1) by filing a petition for dissolution or legal separation; or

(2) where a decree of dissolution or legal separation has been entered or where none is sought, or when paternity has been recognized under section 257.75, by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered; or

(b) by a person other than a parent, where a decree of dissolution or legal separation has been entered or where none is sought by filing a petition or motion seeking custody or visitation of the child in the county where the child is permanently resident or where the child is found or where an earlier order for custody of the child has been entered. A person seeking visitation pursuant to this paragraph must qualify under one of the provisions of section 257.022.

Sec. 43. Minnesota Statutes 1992, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) The petitioner shall notify the public authority of all proceedings for dissolution, legal separation, determination of parentage or for the custody of a child, if either party is receiving aid to families with dependent children or applies for it subsequent to the commencement of the proceeding. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (h). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

The court shall derive a specific dollar amount by multiplying the obligor's net income by the percentage indicated by the following guidelines:

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001 - 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4,001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4,000.

Net Income defined as:

Total monthly income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security Deductions
- (iv) Reasonable Pension Deductions

*Standard Deductions apply-use of tax tables recommended

- (v) Union Dues
- (vi) Cost of Dependent Health Insurance Coverage
- (vii) Cost of Individual or Group Health/Hospitalization Coverage or an Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order that is Currently Being Paid.

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph (a), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) the amount of the aid to families with dependent children grant for the child or children;

(5) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and

(6) the parents' debts as provided in paragraph (c); and

(7) the obligor's receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40.

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

(d) Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(e) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

(f) Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(g) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(h) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the amount of support calculated under the guidelines, the reasons for the deviation, and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

Sec. 44. Minnesota Statutes 1992, section 518.611, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, is determined and ordered by a court of this state, the amount of child support or maintenance as determined by court order must be withheld from the income, regardless of source, of the person obligated to pay the support or maintenance. Every order for maintenance or support must include:

(1) the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds; and

(2) provisions for the obligor to keep the public authority informed of the name and address of the obligor's current employer or payor of funds, and whether the obligor has access to employment-related health insurance coverage and, if so, the health insurance policy information.

Sec. 45. Minnesota Statutes 1992, section 518.611, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS OF INCOME WITHHOLDING.] (a) Withholding shall result ~~whenever~~ when:

(1) the obligor requests it in writing to the public authority;

(2) the custodial parent requests it by making a motion to the court; or

(3) the obligor fails to make the maintenance or support payments, and the following conditions are met:

(4) (i) the obligor is at least 30 days in arrears;

(2) (ii) the obligee or the public authority serves written notice of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order on the payor of funds;

(3) (iii) within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard;

(4) (iv) the obligee or the public authority serves a copy of the notice of income withholding, a copy of the court's order or notice of order, and the provisions of this section on the payor of funds; and

(5) (v) the obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's order, an application, and the fee to use the public authority's collection services.

For those persons not applying for the public authority's IV-D services, a monthly service fee of \$15 must be charged and withheld from any collection before payment to the family. For those persons applying for the public authority's IV-D services, the service fee under section 518.551, subdivision 7, applies.

(b) To pay the arrearage specified in the notice of income withholding, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.

~~(c) The obligor may, at any time, waive the written notice required by this subdivision.~~

(d) The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.

(e) (d) Every order for support or maintenance shall provide for a conspicuous notice of the provisions of this subdivision. An order without this notice remains subject to this subdivision.

(f) (e) Absent a court order to the contrary, if an arrearage exists at the time an order for ongoing support or maintenance would otherwise terminate, income withholding shall continue in effect in an amount equal to the former support or maintenance obligation plus an additional amount equal to 20 percent of the monthly child support obligation, until all arrears have been paid in full.

Sec. 46. Minnesota Statutes 1992, section 518.611, subdivision 6, is amended to read:

Subd. 6. [PRIORITY.] An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment and shall not be subject to the statutory limitations on amounts levied against the income of the obligor. Amounts withheld from an employee's income must not exceed the maximum permitted under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one withholding order on a single employee, ~~the employer shall put them into effect, giving priority first to amounts currently due and not in arrears and then to other amounts, in the sequence in which the withholding orders were received up to the maximum allowed in the Consumer Credit Protection Act. the payor of funds shall comply with all of the orders to the extent that the total amount withheld from the payor's income does not exceed the limits imposed under the Consumer Credit Protection Act, giving priority to amounts designated in each order as current support as follows:~~

(1) If the total of the amounts designated in the orders as current support exceeds the amount available for income withholding, the payor of funds shall allocate to each order an amount for current support equal to the amount designated in that order as current support, divided by the total of the amounts designated in the orders as current support, multiplied by the amount of the income available for income withholding; and

(2) If the total of the amounts designated in the orders as current support does not exceed the amount available for income withholding, the payor of funds shall pay the amounts designated as current support, and shall allocate to each order an amount for past due support equal to the amount designated in that order as past due support, divided by the total of the amounts designated in the orders as past due support, multiplied by the amount of income remaining available for income withholding after the payment of current support.

Notwithstanding any law to the contrary, funds from income sources included in section 518.54, subdivision 6, whether periodic or lump sum, are not exempt from attachment or execution upon a judgment for child support arrearages.

Sec. 47. Minnesota Statutes 1992, section 518.611, is amended by adding a subdivision to read:

Subd. 12. [INTERSTATE INCOME WITHHOLDING.] Upon receipt of an order for support entered in another state, with the specified documentation from an authorized agency, the public authority shall implement income withholding under subdivision 2. If the obligor requests a hearing under subdivision 3 to contest withholding, the court administrator shall enter the order. Entry of the order shall not confer jurisdiction on the courts or administrative agencies of this state for any purpose other than contesting implementation of income withholding.

Sec. 48. Minnesota Statutes 1992, section 518.613, subdivision 2, is amended to read:

Subd. 2. [ORDER; COLLECTION SERVICES.] Every order for child support must include the obligor's social security number and date of birth and the name and address of the obligor's employer or other payor of funds. In addition, every order must contain provisions requiring the obligor to keep the public authority informed of the name and address of the obligor's current employer, or other payor of funds and whether the obligor has access to employment-related health insurance coverage and, if so, the health insurance policy information. Upon entry of the order for support or maintenance, the court shall mail a copy of the court's automatic income withholding order and the provisions of section 518.611 and this section to the obligor's employer or other payor of funds and to the public authority responsible for child support enforcement. An obligee who is not a recipient of public assistance shall must decide to either apply for the IV-D collection services of the public authority or obtain income withholding only services when an order for support is entered unless the requirements of this section have been waived under subdivision 7. ~~No later than January 1, 1990,~~ The supreme court shall develop a standard automatic income withholding form to be used by all Minnesota courts. This form shall be made a part of any order for support or decree by reference.

Sec. 49. Minnesota Statutes 1992, section 518.613, subdivision 3, is amended to read:

Subd. 3. [WITHHOLDING.] The employer or other payor shall withhold and forward the child support or maintenance ordered in the manner and within the time limits provided in section 518.611. Amounts received from employers or other payors under this section by the public agency responsible for child support enforcement that are in excess of public assistance received by the obligee must be remitted to the obligee. ~~The public agency must remit payments to the obligee at least once monthly on a standard payment date set by the agency.~~ A county in which this section applies may contract for services to carry out the provisions of this section.

Sec. 50. Minnesota Statutes 1992, section 518.613, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] ~~On and after August 1, 1989, this section applies in a county selected under Laws 1987, chapter 403, article 3, section 93, and in a county that chooses to have this section apply by resolution of a majority vote of its county board.~~ On and after November 1, 1990, this section applies to all child support and maintenance obligations that are initially ordered or modified on and after November 1, 1990, and that are being enforced by the public authority. Effective January 1, 1994, this section applies to all child support and maintenance obligations ordered or modified by the court. Those persons not applying for the public authority's IV-D services must pay a monthly service fee of \$15. The fee will be charged and withheld from any collection before payment to the family. Persons applying for the public authority's IV-D services will pay the service fee under section 518.551, subdivision 7.

Sec. 51. Minnesota Statutes 1992, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40; or (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair.

The terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 52. Minnesota Statutes 1992, section 609.821, subdivision 1, is amended to read:

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

(a) "Financial transaction card" means any instrument or device, whether known as a credit card, credit plate, charge plate, courtesy card, bank services card, banking card, check guarantee card, debit card, electronic benefit system (EBS) card, electronic benefit transfer (EBT) card, assistance transaction card, or by any other name, issued with or without fee by an issuer for the use of the cardholder in obtaining credit, money, goods, services, public assistance benefits, or anything else of value, and includes the account or identification number or symbol of a financial transaction card.

(b) "Cardholder" means a person in whose name a card is issued.

(c) "Issuer" means a person or firm, or governmental agency, or a duly authorized agent or designee, that issues a financial transaction card.

(d) "Property" includes money, goods, services, public assistance benefit, or anything else of value.

(e) "Public assistance benefit" means any money, goods or services, or anything else of value, issued under chapters 256, 256B, 256D, or section 393.07, subdivision 10.

Sec. 53. Minnesota Statutes 1992, section 609.821, subdivision 2, is amended to read:

Subd. 2. [VIOLATIONS; PENALTIES.] A person who does any of the following commits financial transaction card fraud:

(1) without the consent of the cardholder, and knowing that the cardholder has not given consent, uses or attempts to use a card to obtain the property of another, or a public assistance benefit issued for the use of another;

(2) uses or attempts to use a card knowing it to be forged, false, fictitious, or obtained in violation of clause (6);

(3) sells or transfers a card knowing that the cardholder and issuer have not authorized the person to whom the card is sold or transferred to use the card, or that the card is forged, false, fictitious, or was obtained in violation of clause (6);

(4) without a legitimate business purpose, and without the consent of the cardholders, receives or possesses, with intent to use, or with intent to sell or transfer in violation of clause (3), two or more cards issued in the name of another, or two or more cards knowing the cards to be forged, false, fictitious, or obtained in violation of clause (6);

(5) being authorized by an issuer to furnish money, goods, services, or anything else of value, knowingly and with an intent to defraud the issuer or the cardholder:

(i) furnishes money, goods, services, or anything else of value upon presentation of a financial transaction card knowing it to be forged, expired, or revoked, or knowing that it is presented by a person without authority to use the card; or

(ii) represents in writing to the issuer that the person has furnished money, goods, services, or anything else of value which has not in fact been furnished;

(6) upon applying for a financial transaction card to an issuer, or for a public assistance benefit which is distributed by means of a financial transaction card:

(i) knowingly gives a false name or occupation; or

(ii) knowingly and substantially overvalues assets or substantially undervalues indebtedness for the purpose of inducing the issuer to issue a financial transaction card; or

(iii) knowingly makes a false statement or representation for the purpose of inducing an issuer to issue a financial transaction card used to obtain a public assistance benefit;

(7) with intent to defraud, falsely notifies the issuer or any other person of a theft, loss, disappearance, or nonreceipt of a financial transaction card; or

(8) without the consent of the cardholder and knowing that the cardholder has not given consent, falsely alters, makes, or signs any written document pertaining to a card transaction to obtain or attempt to obtain the property of another.

Sec. 54. [REPEALER.]

Minnesota Statutes 1992, section 256.985, is repealed.

Sec. 55. [EFFECTIVE DATES.]

Subdivision 1. Section 39, subdivisions 5 to 7, [257.75, subdivisions 5 to 7,] are effective the day following final enactment.

Subd. 2. Sections 4, 5, 6, 22, and 23 [256.73, subdivisions 2, 3a, and 5; 256.74, subdivision 1; and 256.78] are effective July 1, 1993.

Subd. 3. Sections 52 and 53 [609.821, subdivisions 1 and 2.] are effective for crimes committed on or after July 1, 1993.

Subd. 4. Sections 7 and 9 to 19 [256.73, subdivision 8; 256.736, subdivisions 10, 10a, 14, 16, and 19; 256.7366; and 256.737, subdivisions 1, 1a, 2, 3, and 4.] are effective October 1, 1993.

Subd. 5. Sections 2, 32 to 38, and 46 [144.215; 257.54; 257.541; 257.55; 257.57; 257.59; 257.73; 257.74; and 518.611, subdivision 6.] are effective January 1, 1994.

ARTICLE 7

REGIONAL TREATMENT CENTERS AND MENTAL HEALTH ADMINISTRATION

Section 1. Minnesota Statutes 1992, section 245.462, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGER.] "Case manager" means an individual employed by the county or other entity authorized by the county board to provide case management services specified in section 245.4711. A case manager must have a bachelor's degree in one of the behavioral sciences or related fields from an accredited college or university and have at least 2,000 hours of supervised experience in the delivery of services to adults with mental illness, must be skilled in the process of identifying and assessing a wide range of client needs, and must be knowledgeable about local community resources and how to use those resources for the benefit of the client. The case manager shall meet in person with a mental health professional at least once each month to obtain clinical supervision of the case manager's activities. Case managers with a bachelor's degree but without 2,000 hours of supervised experience in the delivery of services to adults with mental illness must complete 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of adults with serious and persistent mental illness and must receive clinical supervision regarding individual service delivery from a mental health professional at least once each week until the requirement of 2,000 hours of supervised experience is met. Clinical supervision must be documented in the client record.

Until June 30, ~~1994~~ 1996, a refugee who does not have the qualifications specified in this subdivision may provide case management services to adult refugees with serious and persistent mental illness who are members of the same ethnic group as the case manager if the person: (1) is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or a related field from an accredited college or university; (2) completes 40 hours of training as specified in this subdivision; and (3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 2. Minnesota Statutes 1992, section 245.462, subdivision 20, is amended to read:

Subd. 20. [MENTAL ILLNESS.] (a) "Mental illness" means an organic disorder of the brain or a clinically significant disorder of thought, mood, perception, orientation, memory, or behavior that is listed in the clinical manual of the International Classification of Diseases (ICD-9-CM), current edition, code range 290.0 to 302.99 or 306.0 to 316.0 or the corresponding code in the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM-MD), current edition, Axes I, II, or III, and that seriously limits a person's capacity to function in primary aspects of daily living such as personal relations, living arrangements, work, and recreation.

(b) An "adult with acute mental illness" means an adult who has a mental illness that is serious enough to require prompt intervention.

(c) For purposes of case management and community support services, a "person with serious and persistent mental illness" means an adult who has a mental illness and meets at least one of the following criteria:

(1) the adult has undergone two or more episodes of inpatient care for a mental illness within the preceding 24 months;

(2) the adult has experienced a continuous psychiatric hospitalization or residential treatment exceeding six months' duration within the preceding 12 months;

(3) the adult:

(i) has a diagnosis of schizophrenia, bipolar disorder, major depression, or borderline personality disorder;

(ii) indicates a significant impairment in functioning; and

(iii) has a written opinion from a mental health professional, in the last three years, stating that the adult is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless an ongoing case management or community support services program is provided; or

(4) the adult has, in the last three years, been committed by a court as a mentally ill person under chapter 253B, or the adult's commitment has been stayed or continued; or

(5) the adult (i) was eligible under clauses (1) to (4), but the specified time period has expired or the adult was eligible as a child under section 245.4871, subdivision 6; and (ii) has a written opinion from a mental health professional, in the last three years, stating that the adult is reasonably likely to have future episodes requiring inpatient or residential treatment, of a frequency described in clause (1) or (2), unless ongoing case management or community support services are provided.

Sec. 3. Minnesota Statutes 1992, section 245.484, is amended to read:

245.484 [RULES.]

The commissioner shall adopt emergency rules to govern implementation of case management services for eligible children in section 245.4881 and professional home-based family treatment services for medical assistance eligible children, in section 245.4884, subdivision 3, by January 1, 1992, and must adopt permanent rules by January 1, 1993.

The commissioner shall adopt permanent rules as necessary to carry out sections 245.461 to 245.486 and 245.487 to 245.4888. The commissioner shall reassign agency staff as necessary to meet this deadline.

By January 1, 1993 1994, the commissioner shall adopt permanent rules specifying program requirements for family community support services.

Sec. 4. Minnesota Statutes 1992, section 245.4871, subdivision 4, is amended to read:

Subd. 4. [CASE MANAGER.] (a) "Case manager" means an individual employed by the county or other entity authorized by the county board to provide case management services specified in subdivision 3 for the child with severe emotional disturbance and the child's family. A case manager must have experience and training in working with children.

(b) A case manager must:

(1) have at least a bachelor's degree in one of the behavioral sciences or a related field from an accredited college or university;

(2) have at least 2,000 hours of supervised experience in the delivery of mental health services to children;

(3) have experience and training in identifying and assessing a wide range of children's needs; and

(4) be knowledgeable about local community resources and how to use those resources for the benefit of children and their families.

(c) The case manager may be a member of any professional discipline that is part of the local system of care for children established by the county board.

(d) The case manager must meet in person with a mental health professional at least once each month to obtain clinical supervision.

(e) Case managers with a bachelor's degree but without 2,000 hours of supervised experience in the delivery of mental health services to children with emotional disturbance must:

(1) begin 40 hours of training approved by the commissioner of human services in case management skills and in the characteristics and needs of children with severe emotional disturbance before beginning to provide case management services; and

(2) receive clinical supervision regarding individual service delivery from a mental health professional at least once each week until the requirement of 2,000 hours of experience is met.

(f) Clinical supervision must be documented in the child's record. When the case manager is not a mental health professional, the county board must provide or contract for needed clinical supervision.

(g) The county board must ensure that the case manager has the freedom to access and coordinate the services within the local system of care that are needed by the child.

(h) Until June 30, ~~1991~~ 1996, a refugee who does not have the qualifications specified in this subdivision may provide case management services to child refugees with severe emotional disturbance of the same ethnic group as the refugee if the person:

(1) is actively pursuing credits toward the completion of a bachelor's degree in one of the behavioral sciences or related fields at an accredited college or university;

(2) completes 40 hours of training as specified in this subdivision; and

(3) receives clinical supervision at least once a week until the requirements of obtaining a bachelor's degree and 2,000 hours of supervised experience are met.

Sec. 5. Minnesota Statutes 1992, section 245.4873, subdivision 2, is amended to read:

Subd. 2. [STATE LEVEL; COORDINATION.] The state coordinating council consists of the commissioners or designees of commissioners of the departments of human services, health, education, state planning, and corrections, and a representative of the Minnesota district judges association juvenile committee, in conjunction with the commissioner of commerce or a designee of the commissioner, and the director or designee of the director of the office of strategic and long range planning. The members of the council shall annually alternate chairing the council beginning with the commissioner of human services and proceeding in the order as listed in this subdivision. The council shall meet at least quarterly to:

(1) educate each agency about the policies, procedures, funding, and services for children with emotional disturbances of all agencies represented;

(2) develop mechanisms for interagency coordination on behalf of children with emotional disturbances;

(3) identify barriers including policies and procedures within all agencies represented that interfere with delivery of mental health services for children;

(4) recommend policy and procedural changes needed to improve development and delivery of mental health services for children in the agency or agencies they represent;

(5) identify mechanisms for better use of federal and state funding in the delivery of mental health services for children; and

~~(6) until February 15, 1992, prepare an annual report on the policy and procedural changes needed to implement a coordinated, effective, and cost-efficient children's mental health delivery system.~~

~~This report shall be submitted to the legislature and the state mental health advisory council annually as part of the report required under section 245.487, subdivision 4. The report shall include information from each department represented on:~~

~~(1) the number of children in each department's system who require mental health services;~~

- ~~(2) the number of children in each system who receive mental health services;~~
- ~~(3) how mental health services for children are funded within each system;~~
- ~~(4) how mental health services for children could be coordinated to provide more effectively appropriate mental health services for children; and~~
- (5) recommendations for the provision of early screening and identification of mental illness in each system perform the duties required under sections 245.494 to 245.496.

Sec. 6. Minnesota Statutes 1992, section 245.4882, subdivision 5, is amended to read:

Subd. 5. [SPECIALIZED RESIDENTIAL TREATMENT SERVICES.] The commissioner of human services shall establish or contract for continue efforts to further interagency collaboration to develop a comprehensive system of services, including family community support and specialized residential treatment services for children. The services shall be designed for children with emotional disturbance who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings. If no appropriate services are available in Minnesota or within the geographical area in which the residents of the county normally do business, the commissioner is responsible, effective July 1, 1995, for 50 percent of the nonfederal costs of out-of-state treatment of children for whom no appropriate resources are available in Minnesota. Counties are eligible to receive enhanced state funding under this section only if they have established juvenile screening teams under section 260.151, subdivision 3, and if the out-of-state treatment has been approved by the commissioner. By January 1, 1995, the commissioners of human services and corrections shall jointly develop a plan, including a financing strategy, for increasing the in-state availability of treatment within a secure setting. By July 1, 1994, the commissioner of human services shall also:

- (1) conduct a study and develop a plan to meet the needs of children with both a developmental disability and severe emotional disturbance; and
- (2) study the feasibility of expanding medical assistance coverage to include specialized residential treatment for the children described in this subdivision.

Sec. 7. [245.491] [CITATION; DECLARATION OF PURPOSE.]

Subdivision 1. [CITATION.] Sections 245.491 to 245.496 may be cited as "the children's mental health integrated fund."

Subd. 2. [PURPOSE.] The legislature finds that children with emotional or behavioral disturbances or who are at risk of suffering such disturbances often require services from multiple service systems including mental health, social services, education, corrections, juvenile court, health, and jobs and training. In order to better meet the needs of these children, it is the intent of the legislature to establish an integrated children's mental health service system that:

- (1) allows local service decision makers to draw funding from a single local source so that funds follow clients and eliminates the need to match clients, funds, services, and provider eligibilities;
- (2) creates a local pool of state, local, and private funds to procure a greater medical assistance federal financial participation;
- (3) improves the efficiency of use of existing resources;
- (4) minimizes or eliminates the incentives for cost and risk shifting; and
- (5) increases the incentives for earlier identification and intervention.

The children's mental health integrated fund established under sections 245.491 to 245.496 must be used to develop and support this integrated mental health service system. In developing this integrated service system, it is not the intent of the legislature to limit any rights available to children and their families through existing federal and state laws.

Sec. 8. [245.492] [DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] The definitions in this section apply to sections 245.491 to 245.496.

Subd. 2. [BASE LEVEL FUNDING.] "Base level funding" means funding received from state, federal, or local sources and expended across the local system of care in fiscal year 1993 for children's mental health services or for special education services for children with emotional or behavioral disturbances.

Subd. 3. [CHILDREN WITH EMOTIONAL OR BEHAVIORAL DISTURBANCES.] "Children with emotional or behavioral disturbances" includes children with emotional disturbances as defined in section 245.4871, subdivision 15, and children with emotional or behavioral disorders as defined in Minnesota Rules, part 3525.1329, subpart 1.

Subd. 4. [FAMILY.] "Family" has the definition provided in section 245.4871, subdivision 16.

Subd. 5. [FAMILY COMMUNITY SUPPORT SERVICES.] "Family community support services" has the definition provided in section 245.4871, subdivision 17.

Subd. 6. [INITIAL TARGET POPULATION.] "Initial target population" means a population of children that the local children's mental health collaborative agrees to serve in the start-up phase and who meet the criteria for the target population. The initial target population may be less than the target population.

Subd. 7. [INTEGRATED FUND.] "Integrated fund" is a pool of both public and private local, state, and federal resources, consolidated at the local level, to accomplish locally agreed upon service goals for the target population. The fund is used to help the local children's mental health collaborative to serve the mental health needs of children in the target population by allowing the local children's mental health collaboratives to develop and implement an integrated service system.

Subd. 8. [INTEGRATED FUND TASK FORCE.] "The integrated fund task force" means the statewide task force established in Laws 1991, chapter 292, article 6, section 57.

Subd. 9. [INTEGRATED SERVICE SYSTEM.] "Integrated service system" means a coordinated set of procedures established by the local children's mental health collaborative for coordinating services and actions across categorical systems and agencies that results in:

- (1) integrated funding;
- (2) improved outreach, early identification, and intervention across systems;
- (3) strong collaboration between parents and professionals in identifying children in the target population facilitating access to the integrated system, and coordinating care and services for these children;
- (4) a coordinated assessment process across systems that determines which children need multiagency care coordination and wraparound services;
- (5) multiagency plan of care; and
- (6) wraparound services.

Services provided by the integrated service system must meet the requirements set out in sections 245.487 to 245.4887. Children served by the integrated service system must be economically and culturally representative of children in the service delivery area.

Subd. 10. [INTERAGENCY EARLY INTERVENTION COMMITTEE.] "Interagency early intervention committee" refers to the committee established under section 120.17, subdivision 12.

Subd. 11. [LOCAL CHILDREN'S ADVISORY COUNCIL.] "Local children's advisory council" refers to the council established under section 245.4875, subdivision 5.

Subd. 12. [LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVE.] "Local children's mental health collaborative" means an entity formed by the contractual agreement of representatives of the local system of care including mental health services, social services, correctional services, education services, health services, and vocational services for the purpose of developing and governing an integrated service system. A local coordinating council, a community transition interagency committee as defined in section 120.17, subdivision 16, or an interagency early intervention committee may serve as a local children's mental health collaborative if its representatives are capable of carrying out the duties of the local children's mental health collaborative set out in sections 245.491 to 245.496. Where a local coordinating council is not the local children's mental health collaborative, the local children's mental health collaborative must work closely with the local coordinating council in designing the integrated service system.

Subd. 13. [LOCAL COORDINATING COUNCIL.] "Local coordinating council" refers to the council established under section 245.4875, subdivision 6.

Subd. 14. [LOCAL SYSTEM OF CARE.] "Local system of care" has the definition provided in section 245.4871, subdivision 24.

Subd. 15. [MENTAL HEALTH SERVICES.] "Mental health services" has the definition provided in section 245.4871, subdivision 28.

Subd. 16. [MULTIAGENCY PLAN OF CARE.] "Multiagency plan of care" means a written plan of intervention and integrated services developed by a multiagency team in conjunction with the child and family based on their unique strengths and needs as determined by a multiagency assessment. The plan must outline measurable client outcomes and specific services needed to attain these outcomes, the agencies responsible for providing the specified services, funding responsibilities, timelines, the judicial or administrative procedures needed to implement the plan of care, the agencies responsible for initiating these procedures and designate one person with lead responsibility for overseeing implementation of the plan.

Subd. 17. [RESPITE CARE.] "Respite care" is planned routine care to support the continued residence of a child with emotional or behavioral disturbance with the child's family or long-term primary caretaker.

Subd. 18. [SERVICE DELIVERY AREA.] "Service delivery area" means the geographic area to be served by the local children's mental health collaborative and must include at a minimum a part of a county and school district or a special education cooperative.

Subd. 19. [START-UP FUNDS.] "Start-up funds" means the funds available to assist a local children's mental health collaborative in planning and developing the integrated service system for children in the target population, in setting up a local integrated fund, and in developing procedures for enhancing federal financing participation.

Subd. 20. [STATE COORDINATING COUNCIL.] "State coordinating council" means the council established under section 245.4873, subdivision 2.

Subd. 21. [TARGET POPULATION.] "Target population" means children up to age 18 with an emotional or behavioral disturbance or who are at risk of suffering an emotional or behavioral disturbance as evidenced by a behavior or condition that affects the child's ability to function in a primary aspect of daily living including personal relations, living arrangements, work, school, and recreation, and a child who can benefit from:

- (1) multiagency service coordination and wraparound services; or
- (2) informal coordination of traditional mental health services provided on a temporary basis.

Children between the ages of 18 and 21 who meet this criteria may be included in the target population at the option of the local children's mental health collaborative.

Subd. 22. [THERAPEUTIC SUPPORT OF FOSTER CARE.] "Therapeutic support of foster care" has the definition provided in section 245.4871, subdivision 34.

Subd. 23. [WRAPAROUND SERVICES.] "Wraparound services" are alternative, flexible, coordinated, and highly individualized services that are based on a multiagency plan of care. These services are designed to build on the strengths and respond to the needs identified in the child's multiagency assessment and to improve the child's ability to function in the home, school, and community. Wraparound services may include, but are not limited to, respite services, services that assist the child or family in enrolling in or participating in recreational activities, assistance in purchasing otherwise unavailable items or services important to maintain a specific child in the family, and services that assist the child to participate in more traditional services and programs.

Sec. 9. [245.493] [LOCAL LEVEL COORDINATION.]

Subdivision 1. [REQUIREMENTS TO QUALIFY AS A LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVE.] In order to qualify as a local children's mental health collaborative and be eligible to receive start-up funds, the representatives of the local system of care, or at a minimum one county, one school district or special education cooperative, and one mental health entity must agree to the following:

- (1) to establish a local children's mental health collaborative and develop an integrated service system;
- (2) to meet the duties described in subdivision 2; and
- (3) to commit resources to providing services through the local children's mental health collaborative.

Subd. 2. [GENERAL DUTIES OF THE LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVES.] Each local children's mental health collaborative must:

(1) identify a service delivery area and an initial target population within that service delivery area. The initial target population must be economically and culturally representative of children in the service delivery area to be served by the local children's mental health collaborative. The size of the initial target population must also be economically viable for the service delivery area;

(2) seek to maximize federal revenues available to serve children in the target population by designating local expenditures for mental health services that can be matched with federal dollars;

(3) in consultation with the local children's advisory council and the local coordinating council, if it is not the local children's mental health collaborative, design, develop, and ensure implementation of an integrated service system and develop interagency agreements necessary to implement the system;

(4) expand membership to include representatives of other services in the local system of care including prepaid health plans under contract with the commissioner of human services to serve the mental health needs of children and families;

(5) create or designate a management structure for fiscal and clinical responsibility and outcome evaluation;

(6) spend funds generated by the local children's mental health collaborative as required in sections 245.491 to 245.496; and

(7) explore methods and recommend changes needed at the state level to reduce duplication and promote coordination of services including the use of uniform forms for reporting, billing, and planning of services.

Sec. 10. [245.4931] [INTEGRATED LOCAL SERVICE SYSTEM.]

The integrated service system established by the local children's mental health collaborative must:

(1) include a process for communicating to agencies in the local system of care eligibility criteria for services received through the local children's mental health collaborative and a process for determining eligibility. The process shall place strong emphasis on outreach to families, respecting the family role in identifying children in need, and valuing families as partners;

(2) include measurable outcomes, timelines for evaluating progress, and mechanisms for quality assurance and appeals;

(3) involve the family, where appropriate the individual child, in developing multiagency service plans to the extent required in sections 120.17, subdivision 3a; 245.4871, subdivision 21; 245.4881, subdivision 4; 253B.03, subdivision 7; 257.071, subdivision 1; and 260.191, subdivision 1e;

(4) meet all standards and provide all mental health services as required in sections 245.487 to 245.4888, and ensure that the services provided are culturally appropriate; and

(5) spend funds generated by the local children's mental health collaborative as required in sections 245.491 to 245.496.

Sec. 11. [245.4932] [REVENUE ENHANCEMENT; AUTHORITY AND RESPONSIBILITIES.]

Subdivision 1. [PROVIDER RESPONSIBILITIES.] The children's mental health collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:

(1) the collaborative shall designate a lead county or other qualified entity as the fiscal agency for reporting, claiming, and receiving payments;

(2) the collaborative may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement;

(3) the collaborative must continue the base level of expenditures for services for children with emotional or behavioral disturbances and their families from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under this subdivision, would have been available for those services. The base year for purposes of this subdivision shall be the accounting period closest to state fiscal year 1993;

(4) the collaborative must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the contract;

(5) notwithstanding section 256B.19, subdivision 1, and except for family community support services and therapeutic support of foster care, when a local children's mental health collaborative seeks reimbursement under section 256B.0625, subdivision 34, for wraparound services and other services not eligible as of January 1, 1993, for reimbursement under medical assistance, the nonfederal share of costs shall be provided by the collaborative or by the service provider from sources other than federal funds or funds used to match other federal funds;

(6) provider expenditures eligible for federal reimbursement under sections 245.493 to 245.496 must not be made from federal funds or funds used to match other federal funds; and

(7) the commissioner may suspend, reduce, or terminate the federal reimbursement to a provider that does not meet the requirements of sections 245.493 to 245.496.

Subd. 2. [PAYMENTS.] Notwithstanding section 256.025, subdivision 2, payments under sections 245.493 to 245.496 to providers for wraparound service expenditures and expenditures for other services not eligible for reimbursement under medical assistance shall only be made of federal earnings from services provided under sections 245.493 to 245.496.

Subd. 3. [CENTRALIZED DISBURSEMENT OF MEDICAL ASSISTANCE PAYMENTS.] Notwithstanding section 256B.041, and except for family community support services and therapeutic support of foster care, county payments for the cost of wraparound services and other services not eligible on January 1, 1993, for reimbursement under medical assistance, shall not be made to the state treasurer. For purposes of wraparound services under sections 245.493 to 245.496, the centralized disbursement of payments to providers under section 256B.041 consists only of federal earnings from services provided under sections 245.493 to 245.496.

Sec. 12. [245.494] [STATE LEVEL COORDINATION.]

Subdivision 1. [STATE COORDINATING COUNCIL.] The state coordinating council, in consultation with the integrated fund task force, shall:

(1) assist local children's mental health collaboratives in meeting the requirements of sections 245.491 to 245.496, by seeking consultation and technical assistance from national experts and coordinating presentations and assistance from these experts to local children's mental health collaboratives;

(2) assist local children's mental health collaboratives in identifying an economically viable initial target population;

(3) develop methods to reduce duplication and promote coordinated services including uniform forms for reporting, billing, and planning of services;

(4) by September 1, 1994, develop a model multiagency plan of care that can be used by local children's mental health collaboratives in place of an individual education plan, individual family community support plan, individual family support plan, and an individual treatment plan;

(5) assist in the implementation and operation of local children's mental health collaboratives by facilitating the integration of funds, coordination of services, and measurement of results, and by providing other assistance as needed;

(6) by July 1, 1993, develop a procedure for awarding start-up funds. Development of this procedure shall be exempt from chapter 14;

(7) develop procedures and provide technical assistance to allow local children's mental health collaboratives to integrate resources for children's mental health services with other resources available to serve children in the target population in order to maximize federal participation and improve efficiency of funding;

(8) ensure that local children's mental health collaboratives and the services received through these collaboratives meet the requirements set out in sections 245.491 to 245.496;

(9) identify base level funding from state and federal sources across systems and work with local children's mental health collaboratives to determine local base level funding;

(10) explore ways to access additional federal funds and enhance revenues available to address the needs of the target population;

(11) develop a mechanism for identifying the state share of funding for services to children in the target population and for making these funds available on a per capita basis for services provided through the local children's mental health collaborative to children in the target population. Each year beginning January 1, 1994, forecast the growth in the state share and increase funding for local children's mental health collaboratives accordingly;

(12) identify barriers to integrated service systems that arise from data practices and make recommendations including legislative changes needed in the data practices act to address these barriers; and

(13) annually review the expenditures of local children's mental health collaboratives to ensure that funding for services provided to the target population continues from sources other than the federal funds earned under sections 245.491 to 245.496 and that federal funds earned are spent consistent with sections 245.491 to 245.496.

Subd. 2. [STATE COORDINATING COUNCIL REPORT.] Each year, beginning February 1, 1995, the state coordinating council must submit a report to the legislature on the status of the local children's mental health collaboratives. The report must include the number of local children's mental health collaboratives, the amount and type of resources committed to local children's mental health collaboratives, the additional federal revenue received as a result of local children's mental health collaboratives, the services provided, the number of children served, outcome indicators, the identification of barriers to additional collaboratives and funding integration, and recommendations for further improving service coordination and funding integration.

Subd. 3. [DUTIES OF THE COMMISSIONER OF HUMAN SERVICES.] In areas where a local children's mental health collaborative has been established, the commissioner of human services, in consultation with the integrated fund task force, shall by January 1, 1994:

(1) separate all medical assistance, general assistance medical care, and MinnesotaCare resources devoted to mental health services including inpatient, outpatient, medication management, services under the rehabilitation option, and related physician services from the total service package for the initial target population and any subsequent portion of the target population as identified in section 245.492, subdivision 20 and subdivision 5, respectively, and develop a separate contract for managing these mental health benefits that will require all contractors to:

(i) provide mental health services eligible for medical assistance reimbursement;

(ii) meet performance standards established by the commissioner of human services including providing services consistent with the requirements and standards set out in sections 245.487 to 245.4888 and 245.491 to 245.496;

(iii) provide the commissioner of human services with data consistent with that collected under sections 245.487 to 245.4888; and

(iv) in service delivery areas where there is a local children's mental health collaborative for the target population defined by local children's mental health collaborative:

(A) participate in the local children's mental health collaborative;

(B) commit resources to the integrated fund that are actuarially equivalent to resources received for the target population being served by local children's mental health collaboratives; and

(C) meet the requirements and the performance standards developed for local children's mental health collaboratives;

(2) ensure that for medical assistance, general assistance medical care, and MinnesotaCare recipients enrolled in prepaid health plans under section 256B.44, 256B.69, or 256D.03, such prepaid health plans shall have the option to participate in the local children's mental health collaborative as a provider of mental health services specified by that collaborative. Any prepaid health plan that is operating within the jurisdiction of the local children's mental health collaborative and that is able to meet all the requirements under section 245.494, subdivision 3, paragraph (1), items (i) to (iv), shall have 90 days from the date of receipt of written notice of the establishment of the collaborative to decide whether it will participate as a contractor for those services specified by the collaborative. Should the prepaid health plan decide to participate in the local children's mental health collaborative, any resources devoted to the provision of mental health services to the initial target population and to any subsequent portion of the target population shall remain a part of the total service package managed by the prepaid health plan, in conformance with the overall goals of the local collaborative. However, a separate contract shall be developed with the prepaid health plan where a higher level of medical assistance federal financial participation can be achieved through a separate contract;

(3) provide that, should a prepaid health plan operating within the jurisdiction of a local children's mental health collaborative decide not to participate in the collaborative, any resources devoted to the provision of mental health services to the initial target population and to any subsequent portion of the target population shall be removed from the total service package managed by the prepaid health plan. The mental health resources removed from the total service package shall be placed into the integrated fund, and other qualified contractors shall be given the opportunity to pursue a contract for those services specified by the collaborative;

(4) develop a mechanism for integrating medical assistance resources for mental health services with resources for general assistance medical care, MinnesotaCare, and any other state and local resources available for services for children in the target population and develop a procedure for making the state share of these resources available on a per capita basis for use by a local children's mental health collaborative. This mechanism shall not be implemented until the receipt of all necessary written federal approvals;

(5) gather data needed to manage mental health care including evaluation data and data necessary to establish a separate capitation rate for children's mental health services if that option is selected;

(6) develop a model contract for providers of mental health managed care that meets the requirements set out in sections 245.491 to 245.496 and 256B.69, and utilize this contract for all subsequent awards;

(7) develop revenue enhancement or rebate mechanisms and procedures to certify expenditures made through local children's mental health collaboratives for mental health services that may be eligible for federal financial participation under medical assistance, including expenses for administration, and other federal programs;

(8) ensure that new contracts and extensions or modifications to existing contracts under section 256B.69 do not impede implementation of sections 245.491 to 245.496;

(9) provide technical assistance to help local children's mental health collaboratives certify local expenditures for federal financial participation;

(10) assist local children's mental health collaboratives in identifying an economically viable initial target population;

(11) seek all necessary federal waivers or approvals using due diligence in order to meet implementation timelines for sections 245.491 to 245.496 and recommend necessary legislation to enhance federal revenue, provide clinical and management flexibility, and otherwise meet the goals of local children's mental health collaboratives and request necessary state plan amendments to maximize the availability of medical assistance for activities undertaken by the local children's mental health collaborative;

(12) take all steps necessary to secure medical assistance reimbursement under the rehabilitation option for family community support services and therapeutic support of foster care and for residential treatment and wraparound services when these services are provided through a local children's mental health collaborative;

(13) provide a mechanism to identify separately the reimbursement to a county for child welfare targeted case management provided to the target population for purposes of subsequent transfer by the county to the integrated fund; and

(14) where interested and qualified contractors are available, finalize contracts within 180 days of receipt of written notification of the establishment of a local children's mental health collaborative.

Subd. 4. [RULEMAKING.] The commissioners of human services, health, and corrections, and the state board of education shall adopt or amend rules as necessary to implement sections 245.491 to 245.496.

Subd. 5. [RULE MODIFICATION.] By January 15, 1994, the commissioner shall report to the legislature the extent to which claims for federal reimbursement for case management as set out in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, as they pertain to mental health case management are consistent with the number of children eligible to receive this service. The report shall also identify how the commissioner intends to increase the numbers of eligible children receiving this service, including recommendations for modifying rules or statutes to improve access to this service and to reduce barriers to its provision.

In developing these recommendations, the commissioner shall:

(1) review experience and consider alternatives to the reporting and claiming requirements, such as the rate of reimbursement, the claiming unit of time, and documenting and reporting procedures set out in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, as they pertain to mental health case management;

(2) consider experience gained from implementation of child welfare targeted case management;

(3) determine how to adjust the reimbursement rate to reflect reductions in caseload size;

(4) determine how to ensure that provision of targeted child welfare case management does not preclude an eligible child's right, or limit access, to case management services for children with severe emotional disturbance as set out in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, as they pertain to mental health case management;

(5) determine how to include cost and time data collection for contracted providers for rate setting, claims, and reimbursement purposes;

(6) evaluate the need for cost control measures where there is no county share; and

(7) determine how multiagency teams may share the reimbursement.

The commissioner shall conduct a study of the cost of county staff providing case management services under Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, as they pertain to mental health case management. If the average cost of providing case management services to children with severe emotional disturbance is determined by the commissioner to be greater than the average cost of providing child welfare targeted case management, the commissioner shall ensure that a higher reimbursement rate is provided for case management services under Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, to children with severe emotional disturbance. The total medical assistance funds expended for this service in the biennium ending in state fiscal year 1995 shall not exceed the amount projected in the state Medicaid forecast for case management for children with serious emotional disturbances.

Sec. 13. [245.495] [ADDITIONAL FEDERAL REVENUES.]

(a) Each local children's mental health collaborative shall report expenditures eligible for federal reimbursement in a manner prescribed by the commissioner of human services under section 256.01, subdivision 2, clause (17). Except as provided in paragraph (b), the commissioner of human services shall pay all funds earned by each local children's mental health collaborative to the collaborative. Each local children's mental health collaborative must use these funds to expand the target population to be served or to develop or provide mental health services through the local integrated service system to children in the target population. Funds may not be used to supplant funding for services to children in the target population.

(b) The commissioner may set aside a portion of the federal funds earned under this section to repay the special revenue maximization account under section 256.01, subdivision 2, clause (15). The set-aside must not exceed five percent of the federal reimbursement earned by collaboratives, and repayment is limited to the costs of developing and implementing sections 245.491 to 245.496.

(c) For purposes of this section, "mental health services" are community-based, nonresidential services, which may include respite care, that are identified in the child's multiagency plan of care.

Sec. 14. [245.496] [IMPLEMENTATION.]

Subdivision 1. [APPLICATIONS FOR START-UP FUNDS FOR LOCAL CHILDREN'S MENTAL HEALTH COLLABORATIVES.] By July 1, 1993, the commissioner of human services shall publish the procedures for awarding start-up funds. Applications for local children's mental health collaboratives shall be available through the commissioner of human services and shall be submitted to the state coordinating council. The application must state the amount of start-up funds requested by the local children's mental health collaborative and how the local children's mental health collaborative intends on using these funds.

Subd. 2. [DISTRIBUTION OF START-UP FUNDS.] By October 1, 1994, the state coordinating council must ensure distribution of a portion of the start-up funds to local children's mental health collaboratives that meet the requirements established in section 245.493 and whose applications have been approved by the council. The remaining appropriation for start-up funds shall be distributed by February 1, 1994. If the number of applications received exceed the number of local children's mental health collaboratives that can be funded, the funds must be geographically distributed across the state and balanced between the seven-county metropolitan area and the rest of the state. Preference must be given to collaboratives that include multiple school districts, the juvenile court and correctional systems, or other multiple government entities from the local system of care.

Subd. 3. [SUBMISSION AND APPROVAL OF LOCAL COLLABORATIVE PROPOSALS FOR INTEGRATED SYSTEMS.] By December 31, 1994, a local children's mental health collaborative that received start-up funds must submit to the state coordinating council its proposal for creating and funding an integrated service system for children in the target population. Within 60 days of receiving the local collaborative proposal the state coordinating council must review the proposal and notify the local children's mental health collaborative as to whether or not the proposal has been approved. If the proposal is not approved, the state coordinating council must indicate changes needed to receive approval.

Sec. 15. Minnesota Statutes 1992, section 245.73, subdivision 2, is amended to read:

Subd. 2. [APPLICATION; CRITERIA.] County boards may submit an application and budget for use of the money in the form specified by the commissioner. The commissioner shall make grants only to counties whose applications and budgets are approved by the commissioner for residential programs for adults with mental illness to meet licensing requirements pursuant to sections 245A.01 to 245A.16. State funds received by a county pursuant to this section shall be used only for direct service costs. Both direct service and other costs, including but not limited to renovation, construction or rent of buildings, purchase or lease of vehicles or equipment as required for licensure as a residential program for adults with mental illness under sections 245A.01 to 245A.16, may be paid out of the matching funds required under subdivision 3. Neither the state funds nor the matching funds These grants shall not be used for room and board costs. For calendar year 1994 and subsequent years, the commissioner shall allocate the money appropriated under this section on a calendar year basis.

Sec. 16. Minnesota Statutes 1992, section 245.73, subdivision 3, is amended to read:

Subd. 3. [FORMULA.] Grants made pursuant to this section shall finance 75 to 100 percent of the county's costs of expanding or providing services for adult mentally ill persons in residential facilities as provided in subdivision 2.

Sec. 17. Minnesota Statutes 1992, section 245.73, is amended by adding a subdivision to read:

Subd. 5. [TRANSFER OF FUNDS.] The commissioner may transfer money from adult mental health residential program grants to community support program grants under section 256E.12 if the county requests such a transfer and if the commissioner determines the transfer will help adults with mental illness to remain and function in their own communities. The commissioner shall consider past utilization of the residential program in determining which counties to include in the transferred fund.

Sec. 18. Minnesota Statutes 1992, section 246.0135, is amended to read:

246.0135 [OPERATION OF REGIONAL TREATMENT CENTERS.]

(a) The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization. For persons with mental retardation or related conditions who move from one regional treatment center to another regional treatment center, the provisions of section 256B.092, subdivision 10, must be followed for both the discharge from one regional treatment center and admission to another regional treatment center, except that the move is not subject to the consensus requirement of section 256B.092, subdivision 10, paragraph (b).

(b) Prior to closing or downsizing a regional treatment center, the commissioner of human services shall be responsible for assuring that community-based alternatives developed in response are adequate to meet the program needs identified by each county within the catchment area and do not require additional local county property tax expenditures.

(c) The nonfederal share of the cost of alternative treatment or care developed as the result of the closure of a regional treatment center, including costs associated with fulfillment of responsibilities under chapter 253B shall be paid from state funds appropriated for purposes specified in section 246.013.

(d) Counties in the catchment area of a regional treatment center which has been closed or downsized may not at any time be required to pay a greater cost of care for alternative care and treatment than the county share set by the commissioner for the cost of care provided by regional treatment centers.

(e) The commissioner may not divert state funds used for providing for care or treatment of persons residing in a regional treatment center for purposes unrelated to the care and treatment of such persons.

Sec. 19. Minnesota Statutes 1992, section 256B.0625, subdivision 20, is amended to read:

Subd. 20. [MENTAL ILLNESS CASE MANAGEMENT.] (a) To the extent authorized by rule of the state agency, medical assistance covers case management services to persons with serious and persistent mental illness or subject to federal approval, children with severe emotional disturbance. Entities meeting program standards set out in rules governing family community support services as defined in section 245.4871, subdivision 17, are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subpart 6.

(b) In counties where fewer than 50 percent of children estimated to be eligible under medical assistance to receive case management services for children with severe emotional disturbance actually receive these services in state fiscal year 1995, community mental health centers serving those counties, entities meeting program standards in Minnesota Rules, parts 9520.0570 to 9520.0870, and other entities authorized by the commissioner are eligible for medical assistance reimbursement for case management services for children with severe emotional disturbance when these services meet the program standards in Minnesota Rules, parts 9520.0900 to 9520.0926 and 9505.0322, excluding subpart 6.

Sec. 20. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 32. [FAMILY COMMUNITY SUPPORT SERVICES.] Medical assistance covers family community support services as defined in section 245.4871, subdivision 17.

Sec. 21. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 33. [THERAPEUTIC SUPPORT OF FOSTER CARE.] Medical assistance covers therapeutic support of foster care as defined in section 245.4871, subdivision 34.

Sec. 22. Minnesota Statutes 1992, section 256B.0625, is amended by adding a subdivision to read:

Subd. 34. [WRAPAROUND SERVICES.] Medical assistance covers wraparound services as defined in section 245.492, subdivision 20, that are provided through a local children's mental health collaborative, as that entity is defined in section 245.492, subdivision 11.

Sec. 23. Minnesota Statutes 1992, section 349.2125, subdivision 4, is amended to read:

Subd. 4. [DISPOSAL.] (a) The property described in subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. Seventy percent of the proceeds of the sale of forfeited property, after payment of seizure, storage, forfeiture and sale expenses, must be forwarded to the seizing authority for deposit as a supplement to its operating fund or similar fund for official use, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after resolution of the forfeiture to the ~~department of human services~~ Minnesota council on compulsive gambling to fund its programs for the treatment of compulsive gamblers. If answer is filed within the time provided, the court shall fix a time for a hearing, which shall be not less than ten nor more than 30 days after the time for filing answer expires. At the time fixed for hearing, unless continued for cause, the matter shall be heard and determined by the court, without a jury, as in other civil actions.

(b) If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the property unlawfully used, sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds to the seizing authority for official use and sharing in the manner provided in paragraph (a). A sale under this section shall free the property sold from any and all liens on it. Appeal from the order of the district court will lie as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of not less than \$100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the public interest to do so.

Sec. 24. Laws 1991, chapter 292, article 6, section 54, is amended to read:

Sec. 54. [RULE REVISION.]

The commissioner must revise Minnesota Rules, parts 9545.0900 to 9545.1090, which govern facilities that provide residential services for children with emotional handicaps. The rule revisions must be adopted ~~within 12 months of the effective date of this section~~ by January 1, 1994.

Sec. 25. Laws 1991, chapter 292, article 6, section 57, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE TASK FORCE.] The commissioner of human services shall convene a task force to study the feasibility of establishing an integrated children's mental health fund. The task force shall consist of mental health professionals, county social services personnel, service providers, advocates, and parents of children who have experienced episodes of emotional disturbance. The task force shall also include representatives of the children's mental health subcommittee of the state advisory council and local coordinating councils established under Minnesota Statutes, sections 245.487 to 245.4887. The task force shall include the commissioners of education, health, and human services; two members of the senate; and two members of the house of representatives. The task force shall examine all possible county, state, and federal sources of funds for children's mental health with a view to designing an integrated children's mental health fund, improving methods of coordinating and maximizing all funding sources, and increasing federal funding. Programs to be examined shall include, but not be limited to, the following: medical assistance, title IV-E of the social security act, title XX social service programs, chemical dependency programs, education and special education programs, and, for children with a dual diagnosis, programs for the developmentally disabled. The task force may consult with experts in the field, as necessary. ~~The task force shall make a preliminary report and recommendations on local coordination of funding sources by January 1, 1992, to facilitate the development of local protocols and procedures under subdivision 2. The task force shall submit a final report to the legislature by January 1, 1993, with its findings and recommendations. By January 1, 1994, the task force shall provide a report to the legislature with recommendations of the task force for promoting integrated funding and services for children's mental health. The report must include the following recommendations: (1) how to phase in all delivery systems, including the juvenile court and correctional systems; (2) how to expand the initial target population so that the state eventually has a statewide integrated children's mental health service system that integrates funding regardless of source for children with emotional or behavioral disturbances or those at risk of suffering such disturbances; (3) proposed outcome measures for local children's mental health collaboratives; and (4) any necessary legislative changes in the data practices act. The task force shall continue through June 30, 1995, and shall advise and assist the state coordinating council and local children's mental health collaboratives as required in Minnesota Statutes, sections 245.491 to 245.496.~~

Sec. 26. Laws 1991, chapter 292, article 6, section 57, subdivision 3, is amended to read:

Subd. 3. [FINAL REPORT.] By February 15, 1993, the commissioner of human services shall provide a report to the legislature that describes the reports and recommendations of the statewide task force under subdivision 1 and of the local coordinating councils under subdivision 2, and provides the commissioner's recommendations for legislation or other needed changes.

Sec. 27. [ADULT MENTAL HEALTH SERVICES AND FUNDING.]

Subdivision 1. [STATEWIDE TASK FORCE.] The commissioner of human services shall convene a task force to study and make recommendations concerning adult mental health services and funding. The task force shall consist of the commissioners of health, jobs and training, corrections, and commerce, the director of the housing finance agency, two members of the house of representatives, and two members of the senate. The task force shall also include persons diagnosed with mental illness, family members of persons diagnosed with mental illness, mental health professionals, county social services personnel, public and private service providers, advocates for persons with mental illness, and representatives of the state advisory council established under Minnesota Statutes, section 245.697, and of the local advisory council established under Minnesota Statutes, section 245.466, subdivision 5. The task force must also include public employee representatives from each of the state regional treatment centers that treat adults with mental illness, the division of rehabilitative services, and county public employee bargaining units whose members serve adults with mental illness. Public employee representatives must be selected by their exclusive representatives. The commissioner of human services shall contract with a facilitator-mediator chosen by agreement of the members of the task force. The task force shall examine all possible county, state, and federal sources of funds for adult mental health with a view to improving methods of coordinating services and maximizing all funding sources and community support services, and increasing federal funding. Programs to be examined shall include,

but not be limited to, the following: medical assistance, title XX social services programs, jobs and training programs, corrections programs, and housing programs. The task force may consult with experts in the field, as necessary. The task force shall make a preliminary report and recommendations on coordination of services and funding sources by January 1, 1994, to facilitate the development of local protocols and procedures under subdivision 2. The task force shall submit a final report to the legislature by January 1, 1995, with its findings and recommendations. Once this report has been submitted, the task force will expire.

Subd. 2. [DEVELOPMENT OF LOCAL PROTOCOLS AND PROCEDURES.] (a) By January 1, 1994, each local adult mental health advisory council established under Minnesota Statutes, section 245.466, subdivision 5, may establish a task force to develop recommended protocols and procedures that will ensure that the planning, case management, and delivery of services for adults with severe mental illness are coordinated and make the most efficient and effective use of available funding. The task force must include, at a minimum, representatives of county medical assistance and mental health staff and representatives of state and county public employee bargaining units. The protocols and procedures must be designed to:

(1) ensure that services to adults are adequately funded to meet the adult's needs;

(2) ensure that planning for services, case management, service delivery, and payment for services involves coordination of all affected agencies, providers, and funding sources; and

(3) maximize available funding by making full use of all available funding, including medical assistance.

(b) By June 1, 1994, each council may make recommendations to the statewide task force established under subdivision 1 regarding the feasibility and desirability of existing or proposed methods of service delivery and funding sources to ensure that services are tailored to the specific needs of each adult and to allow where feasible greater flexibility in paying for services.

(c) By June 1, 1994, each local advisory council may report to the commissioner of human services the council's findings and the recommended protocols and procedures. The council may also recommend legislative changes or rule changes that will improve local coordination and further maximize available funding.

Subd. 3. [FINAL REPORT.] By February 15, 1995, the commissioner of human services shall provide a report to the legislature that describes the reports and recommendations of the statewide task force under subdivision 1 and of the local advisory councils under subdivision 2, and provides the commissioner's recommendations for legislation or other needed changes.

Sec. 28. [MENTAL HEALTH SERVICES DELIVERY SYSTEM PILOT PROJECT IN DAKOTA COUNTY.]

Subdivision 1. [AUTHORIZATION FOR CONTINUATION OF PILOT PROJECT.] (a) The previously authorized mental health services delivery system pilot project in Dakota county shall be continued for a two-year period commencing on July 1, 1993, and ending on June 30, 1995.

(b) Dakota county shall receive a grant from the department of human services in the amount of \$50,000 per year to pay related expenses associated with the pilot project during fiscal years 1994 and 1995.

Subd. 2. [AUTHORIZATION FOR INTEGRATED FUNDING OF STATE-SUPPORTED MENTAL HEALTH SERVICES.] (a) The commissioner of human services shall establish an adult mental health services integrated fund for Dakota county to permit flexibility in expenditures based on local needs with local control.

(b) The revenues and expenditures included in the integrated fund shall be as follows:

(1) residential services funds administered under Minnesota Rules, parts 9535.2000 to 9535.3000, in an amount to be determined by mutual agreement between Dakota county and the commissioner of human services after an examination of the county's historical utilization of Minnesota Rules, parts 9520.0500 to 9520.0690, facilities located both within and outside of the county;

(2) community support services funds administered under Minnesota Rules, parts 9535.1700 to 9535.1760;

(3) Anoka alternatives grant funds;

(4) housing support services grant funds;

(5) OBRA grant funds; and

(6) crisis foster homes grant funds.

(c) As part of the pilot project, Dakota county may study the feasibility of adding medical assistance, general assistance, general assistance medical care, and Minnesota supplemental aid to the integrated fund. The commissioner of human services, with the express consent of the Dakota county board of commissioners, may add medical assistance, general assistance, general assistance medical care, and Minnesota supplemental aid to the integrated fund.

(d) Dakota county must provide the commissioner of human services with timely and pertinent information about the county's adult mental health service delivery system through the following methods:

(1) submission of community social services act plans and plan amendments;

(2) submission of social service expenditure and grant reconciliation reports, based on a coding format to be determined by mutual agreement between the county and the commissioner;

(3) compliance with the community mental health reporting system and with other state reporting systems necessary for the production of comprehensive statewide information;

(4) submission of the data on clients, services, costs, providers, human resources, and outcomes that the state needs in order to compile information on a statewide basis; and

(5) participation in semiannual meetings convened by the commissioner for the purpose of reviewing Dakota county's adult mental health program and assessing the impact of integrated funding.

(e) The commissioner of human services shall waive or modify any administrative rules, regulations, or guidelines which are incompatible with the implementation of the integrated fund.

(f) The integrated fund may be subject to the following conditions and understandings.

(1) Dakota county may apply for any new or expanded mental health service funds which may become available in the future, on an equal basis with other counties.

(2) The integrated fund may be adjusted at least biennially to reflect any increase in the population of Dakota county, using a method to be determined by mutual agreement between the county and the commissioner of human services.

(3) If the level of state funding for mental health services in other counties is adjusted upward or downward, an adjustment at the equivalent rate shall be made to Dakota county's integrated fund, to the extent that the adjustment made elsewhere applies to the revenue and expenditure categories included in the integrated fund.

(4) Payments to Dakota county for the integrated fund shall be made in 12 equal installments per year at the beginning of each month, or by another method to be determined by mutual agreement between the county and the commissioner of human services.

(5) The commissioner of human services shall exempt Dakota county from fiscal and other sanctions for noncompliance with any requirements in state rules, regulations, or guidelines which are incompatible with the implementation of the integrated fund.

(6) The integrated fund may be discontinued for any reason by the Dakota county board of commissioners or the commissioner of human services, after 90 days' written notice to the other party.

(7) If the integrated fund is discontinued, any expenses incurred by Dakota county in order to resume full compliance with state rules, regulations, and guidelines, shall be covered by the state, to the extent allowed by rules and appropriation funding.

(8) The integrated fund shall be established on July 1, 1993, or later by mutual agreement between the county and the commissioner of human services.

(9) If any of the revenues included in the integrated fund are federal in origin, any federal requirements for the use and reporting of those funds shall remain in force, unless such requirements are waived or modified by the appropriate federal agency.

Sec. 29. [REPEALER, COUNTY GRANTS, FEDERAL BLOCK GRANTS.]

Minnesota Statutes 1992, sections 245.711 and 245.712, are repealed.

Sec. 30. [EFFECTIVE DATES.]

Subdivision 1. Section 28 [Mental Health Services Delivery System Pilot Project in Dakota County] is effective July 1, 1993.

Subd. 2. Section 6 [245.4882, subdivision 5] is effective July 1, 1993.

Subd. 3. Section 12 [245.494], subdivision 1, clause (6), is effective the day following final enactment.

Subd. 4. Section 14 [245.496], subdivision 1, is effective the day following final enactment.

Subd. 5. Section 19 [256B.0625, subdivision 20], paragraph (b), is effective October 1, 1995.

Subd. 6. Sections 20 and 21 [256B.0625, subdivisions 32 and 33] are effective October 1, 1994.

Subd. 7. Section 22 [256B.0625, subdivision 34] is effective January 1, 1994.

Subd. 8. Section 23 [349.2125, subdivision 4] is effective the day following final enactment.

ARTICLE 8

GROUP RESIDENTIAL HOUSING

Section 1. Minnesota Statutes 1992, section 256.025, subdivision 1, is amended to read:

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

(b) "Base amount" means the calendar year 1990 county share of county agency expenditures for all of the programs specified in subdivision 2, except for the programs in subdivision 2, clauses (4), (7), and (13). The 1990 base amount for clause (4) shall be reduced by one-seventh for each county, and the 1990 base amount for subdivision 2, clause (7) shall be reduced by seven-tenths for each county, and those amounts in total shall be the 1990 base amount for group residential housing in subdivision 2, clause (13).

(c) "County agency expenditure" means the total expenditure or cost incurred by the county of financial responsibility for the benefits and services for each of the programs specified in subdivision 2. The term includes the federal, state, and county share of costs for programs in which there is federal financial participation. For programs in which there is no federal financial participation, the term includes the state and county share of costs. The term excludes county administrative costs, unless otherwise specified.

(d) "Nonfederal share" means the sum of state and county shares of costs of the programs specified in subdivision 2.

(e) The "county share of county agency expenditures growth amount" is the amount by which the county share of county agency expenditures in calendar years 1991 to 2000 has increased over the base amount.

Sec. 2. Minnesota Statutes 1992, section 256.025, subdivision 2, is amended to read:

Subd. 2. [COVERED PROGRAMS AND SERVICES.] The procedures in this section govern payment of county agency expenditures for benefits and services distributed under the following programs:

- (1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;
- (2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;
- (3) general assistance medical care under section 256D.03, subdivision 6;
- (4) general assistance under section 256D.03, subdivision 2;
- (5) work readiness under section 256D.03, subdivision 2;
- (6) emergency assistance under section 256.871, subdivision 6;
- (7) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (8) preadmission screening and alternative care grants;
- (9) work readiness services under section 256D.051;
- (10) case management services under section 256.736, subdivision 13;
- (11) general assistance claims processing, medical transportation and related costs; and
- (12) medical assistance, medical transportation and related costs; and
- (13) group residential housing under section 256I.05, subdivision 8, transferred from programs in clauses (4) and (7).

Sec. 3. Minnesota Statutes 1992, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051, or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

Sec. 4. Minnesota Statutes 1992, section 256D.35, subdivision 3a, is amended to read:

Subd. 3a. [ASSISTANCE UNIT.] "Assistance unit" means the individual applicant or recipient or an eligible applicant or recipient couple who live together.

Sec. 5. Minnesota Statutes 1992, section 256D.44, subdivision 2, is amended to read:

Subd. 2. [STANDARD OF ASSISTANCE FOR SHELTER.] The state standard of assistance for shelter provides for the recipient's shelter costs. The monthly state standard of assistance for shelter must be determined according to paragraphs (a) to (e) (f).

(a) If the an applicant or recipient does not reside with another person or persons, the state standard of assistance is the actual cost for shelter items or \$124, whichever is less.

~~(b) If the recipient resides with another person, the state standard of assistance is the actual costs for shelter items or \$93, whichever is less. If an applicant married couple or recipient married couple, who live together, does not reside with others, the state standard of assistance is the actual cost for shelter items or \$186, whichever is less.~~

~~(c) Actual shelter costs for applicants or recipients are determined by dividing the total monthly shelter costs by the number of persons who share the residence. If an applicant or recipient resides with another person or persons, the state standard of assistance is the actual cost for shelter items or \$93, whichever is less.~~

~~(d) If an applicant or recipient married couple, who live together, resides with others, the state standard of assistance is the actual cost for shelter items or \$124, whichever is less.~~

~~(e) Actual shelter costs for applicants or recipients, who reside with others, are determined by dividing the total monthly shelter costs by the number of persons who share the residence.~~

~~(f) Married couples, living together and receiving MSA on January 1, 1994, and whose eligibility has not been terminated for a full calendar month, are exempt from the standards in paragraphs (b) and (d).~~

Sec. 6. Minnesota Statutes 1992, section 256D.44, subdivision 3, is amended to read:

Subd. 3. [STANDARD OF ASSISTANCE FOR BASIC NEEDS.] The state standard of assistance for basic needs provides for the applicant's or recipient's maintenance needs, other than actual shelter costs. Except as provided in subdivision 4, the monthly state standard of assistance for basic needs is as follows:

(a) ~~For~~ If an applicant or recipient who does not reside with another person or persons, the state standard of assistance is ~~\$305~~ \$371.

(b) ~~For an individual who resides with another person or persons, the state standard of assistance is \$242. If an applicant or recipient married couple who live together, does not reside with others, the state standard of assistance is \$557.~~

(c) If an applicant or recipient resides with another person or persons, the state standard of assistance is \$286.

(d) If an applicant or recipient married couple who live together, resides with others, the state standard of assistance is \$371.

(e) Married couples, living together and receiving MSA on January 1, 1994, and whose eligibility has not been terminated a full calendar month, are exempt from the standards in paragraphs (b) and (d).

Sec. 7. Minnesota Statutes 1992, section 256I.01, is amended to read:

256I.01 [CITATION.]

Sections 256I.01 to 256I.06 shall be cited as the "group residential housing rate act."

Sec. 8. Minnesota Statutes 1992, section 256I.02, is amended to read:

256I.02 [PURPOSE.]

The group residential housing rate act establishes a comprehensive system of rates and payments for persons who reside in a group residence and who meet the eligibility criteria ~~of the general assistance program under sections 256D.01 to 256D.21, or the Minnesota supplemental aid program under sections 256D.33 to 256D.54 under section 256I.04, subdivision 1.~~

Sec. 9. Minnesota Statutes 1992, section 256I.03, subdivision 2, is amended to read:

Subd. 2. [GROUP RESIDENTIAL HOUSING RATE.] "Group residential housing rate" means a monthly rate set for shelter, fuel, food, utilities, household supplies, and other costs necessary to provide room and board for eligible individuals ~~eligible for general assistance under sections 256D.01 to 256D.21 or supplemental aid under sections 256D.33 to 256D.54.~~ Group residential housing rate does not include payments for foster care for children who are not blind, child welfare services, medical care, dental care, hospitalization, nursing care, drugs or medical supplies, program costs, or other social services. ~~However, the group residential housing rate for recipients living in residences in section 256I.05, subdivision 2, paragraph (c), clause (2), includes all items covered by that residence's medical assistance per diem rate.~~ The rate is negotiated by the county agency ~~or the state~~ according to the provisions of sections 256I.01 to 256I.06.

Sec. 10. Minnesota Statutes 1992, section 256I.03, subdivision 3, is amended to read:

Subd. 3. [GROUP RESIDENTIAL HOUSING.] "Group residential housing" means a group living situation that provides at a minimum room and board to unrelated persons who meet the eligibility requirements of section 256I.04. This definition includes foster care settings for a single adult. To receive payment for a group residence rate, the residence must be licensed ~~by either the department of health or human services and must comply with applicable laws and rules establishing standards for health, safety, and licensure. Secure crisis shelters for battered women and their children designated by the department of corrections are not group residences under this chapter meet the requirements under section 256I.04, subdivision 2a.~~

Sec. 11. Minnesota Statutes 1992, section 256I.03, is amended by adding a subdivision to read:

Subd. 5. [MSA EQUIVALENT RATE.] "MSA equivalent rate" means an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for MSA recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

(2) for persons who are not eligible to receive food stamps due to living arrangement, the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

The MSA equivalent rate is to be adjusted on the first day of July each year to reflect changes in any of the component rates under clauses (1) to (3).

Sec. 12. Minnesota Statutes 1992, section 256I.03, is amended by adding a subdivision to read:

Subd. 6. [MEDICAL ASSISTANCE ROOM AND BOARD RATE.] "Medical assistance room and board rate" means an amount equal to the medical assistance income standard for a single individual living alone in the community less the medical assistance personal needs allowance under section 256B.35. For the purposes of this section, the amount of the group residential housing rate that exceeds the medical assistance room and board rate is considered a remedial care cost. A remedial care cost may be used to meet a spend down obligation under section 256B.056, subdivision 5. The medical assistance room and board rate is to be adjusted on the first day of January of each year.

Sec. 13. Minnesota Statutes 1992, section 256I.04, subdivision 1, is amended to read:

Subdivision 1. [INDIVIDUAL ELIGIBILITY REQUIREMENTS.] To be eligible for a group residential housing payment, the individual must be eligible for general assistance under sections 256D.01 to 256D.21, or supplemental aid under sections 256D.33 to 256D.54. If the individual is in the group residence due to illness or incapacity, the individual must be in the residence under a plan developed or approved by the county agency. Residence in other group residences must be approved by the county agency. An individual is eligible for and entitled to a group residential housing payment to be made on the individual's behalf if the county agency has approved the individual's residence in a group residential housing setting and the individual meets the requirements in paragraph (a) or (b).

(a) The individual is aged, blind, or is over 18 years of age and disabled as determined under the criteria used by the title II program of the Social Security Act, and meets the resource restrictions and standards of the supplemental security income program, and the individual's countable income after deducting the exclusions and disregards of the SSI program and the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the county agency's agreement with the provider of group residential housing in which the individual resides.

(b) The individual's resources are less than the standards specified by section 256D.08, and the individual's countable income as determined under sections 256D.01 to 256D.21, less the medical assistance personal needs allowance under section 256B.35 is less than the monthly rate specified in the county agency's agreement with the provider of group residential housing in which the individual resides.

Sec. 14. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 1a. [COUNTY APPROVAL.] A county agency may not approve a group residential housing payment for an individual in any setting with a rate in excess of the MSA equivalent rate for more than 30 days in a calendar year unless the county agency has developed or approved a plan for the individual which specifies that:

(1) the individual has an illness or incapacity which prevents the person from living independently in the community; and

(2) the individual's illness or incapacity requires the services which are available in the group residence.

Sec. 15. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 1b. [OPTIONAL STATE SUPPLEMENTS TO SSI.] Group residential housing payments made on behalf of persons eligible under subdivision 1, paragraph (a), are optional state supplements to the SSI program.

Sec. 16. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 1c. [INTERIM ASSISTANCE.] Group residential housing payments made on behalf of persons eligible under subdivision 1, paragraph (b), are considered interim assistance payments to applicants for the federal SSI program.

Sec. 17. Minnesota Statutes 1992, section 256I.04, subdivision 2, is amended to read:

Subd. 2. [DATE OF ELIGIBILITY.] For a person living in a group residence who is eligible for general assistance under sections 256D.01 to 256D.21, payment shall be made from the date a signed application form is received by the county agency or the date the applicant meets all eligibility factors, whichever is later. For a person living in a group residence who is eligible for supplemental aid under sections 256D.33 to 256D.54, payment shall be made from the first of the month in which an approved application is received by a county agency. An individual who has met the eligibility requirements of subdivision 1, shall have a group residential housing payment made on the individual's behalf from the first day of the month in which a signed application form is received by a county agency, or the first day of the month in which all eligibility factors have been met, whichever is later.

Sec. 18. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 2a. [LICENSE REQUIRED.] A county agency may not enter into an agreement with an establishment to provide group residential housing unless:

(1) the establishment is licensed by the department of health as a hotel and restaurant; a board and lodging establishment; a residential care home; a boarding care home before March 1, 1985; or a supervised living facility, and the service provider for residents of the facility is licensed under chapter 245A; or

(2) the residence is licensed by the commissioner of human services under Minnesota Rules, parts 9555.5050 to 9555.6265, or certified by a county human services agency prior to July 1, 1992, using the standards under Minnesota Rules, parts 9555.5050 to 9555.6265.

The requirements under clauses (1) and (2) do not apply to establishments exempt from state licensure because they are located on Indian reservations and subject to tribal health and safety requirements.

Sec. 19. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 2b. [GROUP RESIDENTIAL HOUSING AGREEMENTS.] Agreements between county agencies and providers of group residential housing must be in writing and must specify the name and address under which the establishment subject to the agreement does business and under which the establishment, or service provider if different from the group residential housing establishment, is licensed by the department of health or the department of human services; the address of the location or locations at which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing funds for each eligible resident at each location; the number of beds at each location which are subject to the group residential housing agreement; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections.

Sec. 20. Minnesota Statutes 1992, section 256I.04, is amended by adding a subdivision to read:

Subd. 2c. [CRISIS SHELTERS.] Secure crisis shelters for battered women and their children designated by the Minnesota department of corrections are not group residences under this chapter.

Sec. 21. Minnesota Statutes 1992, section 256I.04, subdivision 3, is amended to read:

Subd. 3. [MORATORIUM ON THE DEVELOPMENT OF GROUP RESIDENTIAL HOUSING BEDS.] (a) County agencies shall not enter into agreements for new ~~general assistance or Minnesota supplemental aid~~ group residence residential housing beds except: (1) ~~for adult foster homes licensed by the commissioner of human services under Minnesota Rules, parts 9555.5105 to 9555.6265~~ for group residential housing establishments meeting the requirements

of subdivision 2a, clause (2); (2) for facilities group residential housing establishments licensed under Minnesota Rules, parts 9525.0215 to 9525.0355, provided the facility is needed to meet the census reduction targets for persons with mental retardation or related conditions at regional treatment centers; (3) to ensure compliance with the federal Omnibus Budget Reconciliation Act alternative disposition plan requirements for inappropriately placed persons with mental retardation or related conditions or mental illness; or (4) up to 80 beds in a single, specialized facility located in Hennepin county that will provide housing for chronic inebriates who are repetitive users of detoxification centers and are refused placement in emergency shelters because of their state of intoxication. Planning for the specialized facility must have been initiated before July 1, 1991, in anticipation of receiving a grant from the housing finance agency under section 462A.05, subdivision 20a, paragraph (b).

(b) A county agency may enter into a group residential housing agreement for beds in addition to those currently covered under a group residential housing agreement if the additional beds are only a replacement of beds which have been made available due to closure of a setting, a change of licensure or certification which removes the beds from group residential housing payment, or as a result of the downsizing of a group residential housing setting. The transfer of available beds from one county to another can only occur by the agreement of both counties.

(c) Group residential housing beds which become available as a result of downsizing settings which have a license issued under Minnesota Rules, parts 9535.2000 to 9535.3000, must be permanently removed from the group residential housing census and not replaced.

Sec. 22. Minnesota Statutes 1992, section 256I.05, subdivision 1, is amended to read:

Subdivision 1. [~~MONTHLY MAXIMUM RATES.~~] (a) ~~Monthly payments for room and board rates negotiated by a county agency, or set by the department under rules developed pursuant to subdivision 6, on behalf of for a recipient living in a group residence residential housing must be paid at the rates in effect on June 30, 1991, not to exceed \$966.37 for a group residence that entered into an initial group residential housing agreement with a county agency before June 1, 1989 the MSA equivalent rate specified under section 256I.03, subdivision 5, with the exception that a county agency may negotiate a room and board rate that exceeds the MSA equivalent rate by up to \$426.37 for recipients of waiver services under title XIX of the Social Security Act. This exception is subject to the following conditions:~~

(1) that the secretary of health and human services has not approved a state request to include room and board costs which exceed the MSA equivalent rate in an individual's set of waiver services under title XIX of the Social Security Act; or

(2) that the secretary of health and human services has approved the inclusion of room and board costs which exceed the MSA equivalent rate, but in an amount that is insufficient to cover costs which are included in a group residential housing agreement in effect on June 30, 1994, and the amount of the rate that is above the MSA equivalent rate has been approved by the commissioner. The county agency may at any time negotiate a lower payment room and board rate than the rate that would otherwise be paid under this subdivision.

(b) The maximum monthly rate for an establishment that enters into an initial group residential housing agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under subdivision 1. This is effective until June 30, 1995.

Sec. 23. Minnesota Statutes 1992, section 256I.05, subdivision 1a, is amended to read:

Subd. 1a. [~~LOWER MAXIMUM SUPPLEMENTARY RATES.~~] (a) ~~The maximum monthly rate for a general assistance or Minnesota supplemental aid group residence that enters into an initial group residential housing agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under subdivision 1. This is effective until June 30, 1993, or until the statewide system authorized under subdivision 6 is established, whichever occurs first.~~

(b) The maximum monthly rate for a general assistance or Minnesota supplemental aid group residence that is neither licensed by nor registered with the Minnesota department of health, or licensed by the department of human services, to provide programs or services in addition to room and board is an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for Minnesota supplemental aid recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a), and 3, paragraph (a); plus

(2) ~~for persons who are not eligible to receive food stamps due to living arrangements, the maximum allotment authorized by the federal food stamp program for a single individual which is in effect on the first day of July each year, less~~

(3) ~~the personal needs allowance authorized for medical assistance recipients under section 256B.35. In addition to the room and board rate specified in subdivision 1, the county agency may negotiate a payment not to exceed \$426.37 for other services necessary to provide room and board provided by the group residence if the residence is licensed by or registered by the department of health, or licensed by the department of human services to provide services in addition to room and board, and if the recipient of services is not also concurrently receiving services under a home and community-based waiver under title XIX of the Social Security Act or under Minnesota Rules, parts 9535.2000 to 9535.3000. The registration and licensure requirement does not apply to establishments which are exempt from state licensure because they are located on Indian reservations and for which the tribe has prescribed health and safety requirements. Service payments under this section may be prohibited under rules to prevent the supplanting of federal funds with state funds. The commissioner shall pursue the feasibility of obtaining the approval of the secretary of health and human services to provide home and community-based waiver services under title XIX of the Social Security Act for residents who are not eligible for an existing home and community-based waiver due to a primary diagnosis of mental illness or chemical dependency, and shall apply for a waiver if it is determined to be cost effective.~~

Sec. 24. Minnesota Statutes 1992, section 256I.05, is amended by adding a subdivision to read:

Subd. 1c. [RATE INCREASES.] A county agency may not increase the rates negotiated for group residential housing above those in effect on June 30, 1993, except:

(a) A county may increase the rates for group residential housing settings to the MSA equivalent rate for those settings whose current rate is below the MSA equivalent rate.

(b) A county agency may increase the rates for residents in adult foster care whose difficulty of care has increased. The total group residential housing rate for these residents must not exceed the maximum rate specified in subdivisions 1 and 1a. County agencies must not include nor increase group residential housing difficulty of care rates for adults in foster care whose difficulty of care is eligible for funding by home and community-based waiver programs under title XIX of the Social Security Act.

(c) The room and board rates will be increased each year when the MSA equivalent rate is adjusted for SSI cost-of-living increases by the amount of the annual SSI increase, less the amount of the increase in the medical assistance personal needs allowance under section 256B.35.

(d) When a group residential housing rate is used to pay for an individual's room and board, or other costs necessary to provide room and board, the rate payable to the residence must continue for up to 18 calendar days per incident that the person is temporarily absent from the residence, not to exceed 60 days in a calendar year, if the absence or absences have received the prior approval of the county agency's social service staff. Prior approval is not required for emergency absences due to crisis, illness or injury.

(e) For facilities meeting substantial change criteria within the prior year. Substantial change criteria exists if the group residential housing establishment experiences a 25 percent increase or decrease in the total number of its beds, if the net cost of capital additions or improvements is in excess of 15 percent of the current market value of the residence, or if the residence physically moves, or changes its licensure, and incurs a resulting increase in operation and property costs.

(f) A county agency may increase by up to five percent the total rate paid for recipients of assistance under sections 256D.01 to 256D.21 or 256D.33 to 256D.54 who reside in residences that are licensed by the commissioner of health as a boarding care home, but are not certified for the purposes of the medical assistance program. However, an increase under this clause must not exceed an amount equivalent to 65 percent of the 1991 medical assistance reimbursement rate for nursing home resident class A, in the geographic grouping in which the facility is located, as established under Minnesota Rules, parts 9549.0050 to 9549.0058.

Sec. 25. Minnesota Statutes 1992, section 256I.05, subdivision 8, is amended to read:

Subd. 8. [STATE PARTICIPATION.] For a resident of a group residence who is eligible for general assistance under sections 256D.01 to 256D.21 section 256I.04, subdivision 1, paragraph (b), state participation in the group residential housing rate payment is determined according to section 256D.03, subdivision 2. For a resident of a group residence who is eligible under sections 256D.33 to 256D.54 section 256I.04, subdivision 1, paragraph (a), state participation in the group residential housing rate is determined according to section 256D.36.

Sec. 26. Minnesota Statutes 1992, section 256I.06, is amended to read:

256I.06 [PAYMENT METHODS.]

When a group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.01 to 256D.21, the Monthly payment may Subdivision 1. [MONTHLY PAYMENTS.] Monthly payments made on an individual's behalf for group residential housing must be issued as a voucher or vendor payment. When a group residential housing rate is used to pay the room and board costs of a person eligible under sections 256D.33 to 256D.54, payments must be made to the recipient. If a recipient is not able to manage the recipient's finances, a representative payee must be appointed.

Subd. 2. [TIME OF PAYMENT.] A county agency may make payments to a group residence in advance for an individual whose stay in the group residence is expected to last beyond the calendar month for which the payment is made and who does not expect to receive countable earned income during the month for which the payment is made. Group residential housing payments made by a county agency on behalf of an individual who is not expected to remain in the group residence beyond the month for which payment is made must be made subsequent to the individual's departure from the group residence. Group residential housing payments made by a county agency on behalf of an individual with earned income must be made subsequent to receipt of a monthly household report form.

Subd. 3. [FILING OF APPLICATION.] The county agency must immediately provide an application form to any person requesting group residential housing. Application for group residential housing must be in writing on a form prescribed by the commissioner. The county agency must determine an applicant's eligibility for group residential housing as soon as the required verifications are received by the county agency and within 30 days after a signed application is received by the county agency for the aged or blind or within 60 days for the disabled.

Subd. 3a. [VERIFICATION.] The county agency must request, and applicants and recipients must provide and verify, all information necessary to determine initial and continuing eligibility and group residential housing payment amounts. If necessary, the county agency shall assist the applicant or recipient in obtaining verifications. If the applicant or recipient refuses or fails without good cause to provide the information or verification, the county agency shall deny or terminate eligibility for group residential housing payments.

Subd. 3b. [REDETERMINATION OF ELIGIBILITY.] The eligibility of each recipient must be redetermined at least once every 12 months.

Subd. 3c. [REPORTS.] Recipients must report changes in circumstances that affect eligibility or group residential housing payment amounts within ten days of the change. Recipients with earned income must complete a monthly household report form. If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for group residential housing payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for group residential housing payment effective the first day of the month the eligibility was terminated.

Subd. 3d. [DETERMINATION OF RATES.] The county in which a group residence is located will determine the amount of group residential housing rate to be paid on behalf of an individual in the group residence regardless of the individual's county of financial responsibility.

Subd. 3e. [AMOUNT OF GROUP RESIDENTIAL HOUSING PAYMENT.] The amount of a group residential housing payment to be made on behalf of an eligible individual is determined by subtracting the individual's countable income under section 256I.04, subdivision 1, for a whole calendar month from the group residential housing charge for that same month. The group residential housing charge is determined by multiplying the group residential housing rate times the period of time the individual was a resident or temporarily absent under section 256I.05, subdivision 3a.

Sec. 27. [TRANSFER OF GROUP RESIDENTIAL HOUSING FUNDS.]

Upon federal approval of payment under the home and community-based waiver provisions for room and board costs in addition to the MSA equivalent rate defined in Minnesota Statutes, section 256I.03, the commissioner of human services shall transfer anticipated group residential housing expenditures to the medical assistance account to meet the nonfederal share requirement of funding these additional costs as home and community-based services. Any transfer of group residential housing funds to the medical assistance account shall correspond to the increase in the waiver rates resulting from medical assistance payment for unusual room and board costs in excess of the MSA equivalent rate.

Sec. 28. [REPEALER.]

Minnesota Statutes 1992, sections 256I.03, subdivision 4, 256I.05, subdivisions 4 and 9, and 256I.051, are repealed.

Minnesota Statutes 1992, section 256I.05, subdivision 10, is repealed.

Sec. 29. [EFFECTIVE DATE.]

Subdivision 1. Sections 1, 2, 3, 7, 8, 9, 10, 11, 13 to 26, and 28 [256.025, subdivisions 1 and 2; 256D.03, subdivision 3; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and 5; 256I.04, subdivisions 1, 1a, 1b, 1c, 2, 2a, 2b, 2c, and 3; 256I.05, subdivisions 1, 1a, 1c, and 8; 256I.06; and the repealer section of article 8] are effective July 1, 1994, contingent upon federal recognition that group residential housing payments qualify as optional state supplement payments to the supplemental security income program under title XVI of the Social Security Act and confer categorical eligibility for medical assistance under the state plan for medical assistance.

Subd. 2. Sections 4, 5, and 6 [256D.35, subdivision 3a, and 256D.44, subdivisions 2 and 3,] are effective January 1, 1994.

Subd. 3. Implementation of section 12 [256I.03, subdivision 6,] is contingent upon approval by the secretary of health and human services of the definition and procedure contained in that section.

Subd. 4. Section 27 [TRANSFER OF GROUP RESIDENTIAL HOUSING FUNDS] is effective upon receipt by the commissioner of human services of the requested approval from the secretary of health and human services.

ARTICLE 9

HEALTH DEPARTMENT

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this 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.

Sec. 2. [UNCODIFIED LANGUAGE.]

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

Sec. 3. [FUNDING SOURCE.]

All language in this article designating an appropriation refers to a general fund appropriation unless a different fund is specifically referenced.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$56,701,000	\$57,070,000	\$113,771,000
State Government Special Revenue	20,952,000	20,162,000	41,114,000
Environmental	191,000	204,000	395,000
Trunk Highway	1,390,000	1,390,000	2,780,000
TOTAL	\$ 79,234,000	\$ 78,826,000	\$ 158,060,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 4. COMMISSIONER OF HEALTH

Subdivision 1. Total Appropriation

55,148,000

53,951,000

Summary by Fund

General	39,171,000	38,744,000
Environmental	191,000	204,000
State Government		
Special Revenue	14,546,000	13,763,000
Trunk Highway	1,390,000	1,390,000

The appropriation from the environmental fund is for monitoring well water supplies and conducting health assessments in the metropolitan area.

The appropriation from the trunk highway fund is for emergency medical services activities.

The commissioner of health, with the approval of the commissioner of finance, may transfer appropriated funds between fiscal years and from supply and expense categories to the salary account in order to avoid layoffs.

The amounts that may be spent from this appropriation for each program and activity are more specifically described in the following subdivisions.

Subd. 2. Health Protection

16,880,000

15,900,000

Summary by Fund

General	7,263,000	7,053,000
State Government		
Special Revenue	9,448,000	8,665,000
Environmental	169,000	182,000

Of this appropriation, \$300,000 is for lead activities and programs of which \$25,000 must be used to provide safe housing, under Minnesota Statutes, section 144.874, subdivision 4, to meet the relocation requirements of residential lead abatement and \$25,000 must be used to provide grants to nonprofit community-based organizations in areas at high risk for toxic lead exposure, for lead cleanup equipment and material grants under Minnesota Statutes, section 144.872, subdivision 4.

Of this appropriation, \$80,000 is to maintain lead inspector services for rural Minnesota.

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Of this appropriation, \$100,000 is for a grant to the World Health Organization collaborating center for reference and research on streptococci at the University of Minnesota to conduct a study to determine the efficacy of conducting throat cultures for evidence of streptococcal infection in selected symptomatic students. The study must be conducted in four schools, one of which is in rural Minnesota and one of which is in a core city. The study must be conducted with students in grades K-12.

Subd. 3. Health Care Resources and Systems

3,781,000

3,781,000

Summary by Fund

General	665,000	665,000
State Government		
Special Revenue	3,116,000	3,116,000

\$200,000 is appropriated to the commissioner of health for the biennium for the purposes of occupational analysis under chapter 214. The commissioner may convene an advisory committee to assist in developing recommendations.

Notwithstanding the provisions of Minnesota Statutes, sections 144.122 and 144.53, the commissioner of health shall increase the annual licensure fee charged to a hospital accredited by the joint commission on accreditation of health care organizations by \$520 and shall increase the annual licensure fee charged to nonaccredited hospitals by \$225.

Of this appropriation \$100,000 is to support the operations of the human services occupations advisory committee.

Notwithstanding the provisions of Minnesota Statutes, sections 144.122, 144.53, and 144A.07, a health care facility licensed under the provisions of Minnesota Statutes, chapter 144 or 144A, may submit the required fee for licensure renewal in quarterly installments. Any health care facility requesting to pay the renewal fees in quarterly payments shall make the request at the time of license renewal. Facilities licensed under the provisions of Minnesota Statutes, chapter 144, shall submit quarterly payments by January 1, April 1, July 1, and October 1 of each year. Nursing homes licensed under Minnesota Statutes, chapter 144A, shall submit the first quarterly payment with the application for renewal, and the remaining payments shall be submitted at three-month intervals from the license expiration date. The commissioner of health can require full payment of any outstanding balance if a quarterly payment is late. Full payment of the annual renewal fee will be required in the event that the facility is sold or ceases operation during the licensure year. Failure to pay the licensure fee is grounds for the nonrenewal of the license.

The commissioner shall adjust the fees for hospital licensure renewal in such a way that hospitals not accredited by the Joint Commission on Accreditation of Health Care Organizations would have their fees capped at \$2,000, plus \$100 per bed. Any loss of revenue that results from this cap would be evenly distributed to hospitals which are accredited by the Joint Commission.

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The commissioner shall report to the chairs of the health and housing finance division of the health and human services committee in the house of representatives and the health and family services finance division in the senate by January 1995 on the progress in developing a revised cost allocation system to determine licensing fees for health care facilities and bring language to modify hospital and nursing home fees.

Any efforts undertaken by the Minnesota department of health to conduct periodic educational programs for nursing home residents shall build on and be coordinated with the resident and family advisory council education program established in Minnesota Statutes, section 144A.33.

Of this appropriation, \$250,000 each year is to be transferred to the department of human services for a culturally designated Wet-Dry housing facility of up to 40 beds in Hennepin county.

\$80,000 is appropriated in the second year to the commissioner of health to be transferred to the department of human services to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county owned and had a licensed capacity of 115 beds.

Subd. 4. Health Delivery Systems

30,366,000

30,135,000

Summary by Fund

General	29,058,000	28,827,000
Trunk Highway	1,308,000	1,308,000

Of this appropriation, \$5,750,000 is for the WIC program.

\$300,000 is appropriated from the general fund to the ambulance service personnel longevity award and incentive trust account. Of this appropriation, \$40,000 is appropriated from the ambulance service personnel longevity award and incentive trust account to the commissioner of health to administer the ambulance service personnel longevity award and incentive program. Of this appropriation, \$45,000 is appropriated from the ambulance service personnel longevity award and incentive trust account to the commissioner of health to redesign and consolidate the volunteer ambulance attendant reimbursement database, to establish the database for the personnel longevity award and incentive program, and to purchase computer equipment for fiscal year 1994.

General fund appropriations for the women, infants and children food supplement program (WIC) are available for either year of the biennium. Transfers of appropriations between fiscal years must be for the purpose of maximizing federal funds or minimizing fluctuations in the number of participants.

Of this appropriation, \$300,000 is for the creation and operation of an ambulance service incentive program.

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When cost effective, the commissioner may use money received for the services for children with handicaps program to purchase health coverage for eligible children.

In the event that Minnesota is required to comply with the provision in the federal maternal and child health block grant law, which requires 30 percent of the allocation to be spent on primary services for children, federal funds allocated to the commissioner of health under Minnesota Statutes, section 145.882, subdivision 2, may be transferred to the commissioner of human services for the purchase of primary services for children covered by MinnesotaCare. The commissioner of human services shall transfer an equal amount of the money appropriated for MinnesotaCare to the commissioner of health to assure access to quality child health services under Minnesota Statutes, section 145.88.

General fund appropriations for treatment services in the services for children with handicaps program are available for either year of the biennium.

Up to \$95,000 of the appropriation for treatment services in the services for children with handicaps program may be used to conduct a needs assessment of children with special health care needs and their families, and \$105,000 must be used to avoid reducing the nursing staff due to inflationary increases to the extent possible with this appropriation.

Of this appropriation, \$130,000 is for ambulance attendant reimbursements.

Of this appropriation, \$70,000 is to establish and administer a financial data collection program on ambulance services licensed in the state. The commissioner shall coordinate this program with the data collection initiatives of Minnesota Statutes, chapter 62J. In designing the data collection program, the commissioner shall consult with the Minnesota Ambulance Association and regional emergency medical services programs.

The financial data collection program must include, but is not limited to, ambulance charges, third-party reimbursements, sources of direct and indirect subsidies, and other costs involved in providing ambulance care in Minnesota.

All licensed ambulance services shall be required to cooperate and report information requested by the commissioner. Information collected on individuals is nonpublic data. The commissioner may provide summary data under Minnesota Statutes, section 13.05, subdivision 7, and may release summary data in reports.

The commissioner shall report to the legislature by February 1, 1995. The report must include an analysis of the financial condition of licensed ambulance services in Minnesota, including a description of:

(1) the various organization models used to finance and deliver ambulance services;

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(2) the factors influencing the total revenues, rates charged, operational and other expenses;

(3) limitations and barriers in collecting data on revenues and expenses;

(4) the range of revenues collected and rates charged by type of organizational model and by region of the state;

(5) any other significant findings relevant to the financial condition of ambulance services in the state.

The commissioner may contract for the collection of data and the creation of the financial data collection system. The commissioner shall report to the legislature on January 15 in each odd-numbered year all of the above information. The commissioner shall assist ambulance services which are unable to comply with data requests. Money appropriated is available in either year of the biennium. For purposes of establishing the base for the next biennium, the commissioner of finance shall assume \$70,000 to be available for each biennium.

Subd. 5. Health Support Services

4,271,000

4,285,000

Summary by Fund

General	2,185,000	2,199,000
Environmental	22,000	22,000
Trunk Highway	82,000	82,000
State Government		
Special Revenue	1,982,000	1,982,000

Sec. 5. VETERANS NURSING HOMES BOARD

16,989,000

17,785,000

For the biennium ending June 30, 1995, money appropriated to the veterans nursing homes board for the purchase of provisions within the item "current expense" must be used solely for that purpose. Money provided and not used for the purchase of provisions must be canceled into the fund from which appropriated, except that money provided and not used for the purchase of provisions because of population decreases may be transferred and used for the purchase of medical and hospital supplies with the written approval of the governor after consultation with the legislative advisory commission.

The allowance for food may be adjusted annually to reflect changes in the producer price index, as prepared by the United States Bureau of Labor Statistics, with the approval of the commissioner of finance. Adjustments for fiscal year 1994 and fiscal year 1995 must be based on the June 1993 and June 1994 producer price index respectively, but the adjustment must be prorated if the wholesale food price index adjustment would require money in excess of this appropriation.

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For the biennium ending June 30, 1995, the board may set costs of care at the Silver Bay and Luverne facilities based on costs of average skilled nursing care provided to residents of the Minneapolis veterans home.

The veterans homes board shall limit the total administrative expenditures for the board and all the homes to no more than 17 percent of total expenditures in fiscal year ending June 30, 1994, and 16 percent of total expenditures in fiscal year ending June 30, 1995. The board may transfer money between facilities after notifying the chairs of the health and housing finance division of the health and human services committee in the house of representatives and the chair of the health and family services finance division in the senate.

Sec. 6. HEALTH-RELATED BOARDS

Subdivision 1. Total Appropriation

6,406,000

6,399,000

Fees generated by the health-related licensing boards or the commissioner of health under Minnesota Statutes, section 214.06, must be credited to the health occupations licensing account within the state government special revenue fund.

A board named in this article may transfer appropriated funds to the health-related licensing board administrative services unit within the board of chiropractic examiners for additional administrative support services.

Of this appropriation from the state government special revenue fund, \$63,000 the first year and \$63,000 the second year is to provide administrative services to all health-related licensing boards.

For the biennium ending June 30, 1995, fees set by the board of medical practice pursuant to Minnesota Statutes, section 214.06, must be fixed by rule. The procedure for noncontroversial rules in Minnesota Statutes, sections 14.22 to 14.28 may be used except that, notwithstanding the requirements of Minnesota Statutes, section 14.22, subdivision 1, clause (3), no public hearing may be held. The notice of intention to adopt the rules must state that no hearing will be held. The procedure in this subdivision may be used only when the total fees estimated for the biennium do not exceed the sum of direct appropriation, indirect costs, transfers in, and salary supplements for that purpose. A public hearing is required for adjustments of fees spent under open appropriations of dedicated receipts.

The commissioner of finance shall not permit the allotment, encumbrance, or expenditure of money appropriated in this section in excess of the anticipated biennial revenues from fees collected by the boards. Neither this provision nor Minnesota Statutes, section 214.06, applies to transfers from the general contingent account, if the amount transferred does not exceed the amount of surplus revenue accumulated by the transferee during the previous five years.

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Subd. 2. Board of Chiropractic Examiners	368,000	368,000
Subd. 3. Board of Dentistry	665,000	652,000
Subd. 4. Board of Marriage and Family Therapy	94,000	94,000
Subd. 5. Board of Medical Practice	2,045,000	2,045,000
Subd. 6. Board of Nursing	1,501,000	1,504,000
Subd. 7. Board of Nursing Home Administrators	171,000	171,000
Subd. 8. Board of Optometry	71,000	72,000
Subd. 9. Board of Pharmacy	600,000	602,000
Subd. 10. Board of Podiatry	30,000	30,000
Subd. 11. Board of Psychology	315,000	315,000
Subd. 12. Board of Social Work	438,000	438,000
Subd. 13. Board of Veterinary Medicine	108,000	108,000
Sec. 7. COUNCIL ON DISABILITY	541,000	541,000
Sec. 8. CARRYOVER LIMITATION		

None of the appropriations in this act which are allowed to be carried forward from fiscal year 1994 to fiscal year 1995 shall become part of the base level funding for the 1995-1997 biennial budget.

Sec. 9. TRANSFERS

Subdivision 1. Approval Required

For the biennium ending June 30, 1995, the commissioners of health, jobs and training, human rights, and housing finance, and the veterans nursing homes board, may transfer money from nonsalary accounts to salary accounts; and unencumbered salary money may be transferred to the next fiscal year, in order to avoid layoffs. Before these transfers may be made, the commissioners and the board must have received the advance approval of the commissioner of finance, and must have notified the chairs of the human services division of the house health and human services committee and the health care and family services finance division of the senate committees on health care and family services about the transfers. Amounts transferred to fiscal year 1995 shall not increase the base funding level of the appropriation for the following biennium. The commissioners and the board shall not transfer money to or from the grants and aid object of expenditure without the written approval of the governor after consulting with the legislative advisory commission, except that transfers in the services for the blind and the rehabilitation services programs may be made upon approval by the commissioner of finance.

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Subd. 2. Transfers of Unencumbered Appropriations

For the biennium ending June 30, 1995, the commissioners of health, jobs and training, human rights, and housing finance, and the veterans nursing homes board, by the direction of the governor after consulting with the legislative advisory commission, may transfer unencumbered appropriation balances among all programs.

Sec. 10. [115C.082] [LEAD FUND.]

Subdivision 1. [FUND ESTABLISHED.] A lead fund is created in the state treasury. The fund consists of all revenue deposited in the fund under sections 115C.081 and 297E.01, subdivision 11, and all other money and interest made available to the fund by law.

Subd. 2. [USES OF FUND.] (a) Money in the lead fund may be appropriated for:

- (1) all lead programs administered by the commissioner of jobs and training;
 - (2) all lead activities and programs administered by the commissioner of health; and
 - (3) all lead programs administered by the commissioner of the housing finance agency.
- (b) Money in the lead fund must be annually distributed for lead abatement as follows:

(1) 25 percent to the commissioner of health for lead activities and programs including contracting with community health boards;

(2) ten percent to the housing development fund for lead programs; and

(3) the remainder to the commissioner of jobs and training for lead abatement programs.

(c) In expending funds under this program, the commissioner of health shall abide by the following requirements:

(1) no funds shall be spent for lead screening unless the board of health or grantee meets the center for disease control proficiency requirements and the analytical requirements specified in section 144.873, subdivision 3. The commissioner may make grants that include providing the appropriate analytical equipment in order to meet this condition;

(2) no money shall be provided to boards of health who issue abatement orders inconsistent with the rules promulgated under section 144.878; and

(3) before issuing a contract to boards of health, outside a city of the first class, the commissioner of health shall evaluate the need and cost effectiveness of contracting for sanitarian and public health nurse services to determine whether the contract grant should be with an individual board of health, or a group of boards of health, or whether services should be delivered by the commissioner. Nothing in this provision is designed to restrict grants for lead education or lead screening.

Sec. 11. Minnesota Statutes 1992, section 116.76, subdivision 14, is amended to read:

Subd. 14. [PATHOLOGICAL WASTE.] "Pathological waste" means human tissues and body parts removed accidentally or during surgery or autopsy intended for disposal. ~~Pathological waste does not include teeth.~~

Sec. 12. Minnesota Statutes 1992, section 116.78, subdivision 4, is amended to read:

Subd. 4. [SHARPS.] Sharps, except those generated from a household or from a farm operation or agricultural business:

- (1) must be placed in puncture-resistant containers;
- (2) may not be compacted or mixed with other waste material whether or not the sharps are decontaminated unless it is part of an infectious waste decontamination process approved by the ~~commissioner of health or the~~ commissioner of the pollution control agency that will prevent exposure during transportation and disposal; and
- (3) may not be disposed of at refuse-derived fuel facilities or at other facilities where waste is hand sorted.

Sec. 13. Minnesota Statutes 1992, section 116.78, subdivision 7, is amended to read:

Subd. 7. [COMPACTION AND MIXTURE WITH OTHER WASTES.] Infectious waste may not be compacted or mixed with other waste materials prior to incineration or disposal. Compaction is acceptable if it is part of an infectious waste system, approved by the ~~commissioner of health or the~~ commissioner of the pollution control agency, that is designed to prevent exposure during storage, transportation, and disposal.

Sec. 14. Minnesota Statutes 1992, section 116.79, subdivision 1, is amended to read:

Subdivision 1. [PREPARATION OF MANAGEMENT PLANS.] (a) To the extent applicable to the facility, a person in charge of a facility that generates, stores, decontaminates, incinerates, or disposes of infectious or pathological waste must prepare a management plan for the infectious or pathological waste handled by the facility. A person may prepare a common management plan for all generating facilities owned and operated by the person. If a single plan is prepared to cover multiple facilities, the plan must identify common policy and procedures for the facilities and any management procedures that are facility specific. The plan must identify each generating facility covered by the plan. A management plan must list all physicians, dentists, chiropractors, podiatrists, veterinarians, certified nurse practitioners, certified nurse midwives, or physician assistants, employed by, under contract to, or working at the generating facilities, except hospitals or laboratories. A management plan from a hospital must list the number of licensed beds and from a laboratory must list the number of generating employees.

- (b) The management plan must describe, to the extent the information is applicable to the facility:
 - (1) the type of infectious waste and pathological waste that the person generates or handles;
 - (2) the segregation, packaging, labeling, collection, storage, and transportation procedures for the infectious waste or pathological waste that will be followed;
 - (3) the decontamination or disposal methods for the infectious or pathological waste that will be used;
 - (4) the transporters and disposal facilities that will be used for the infectious waste;
 - (5) the steps that will be taken to minimize the exposure of employees to infectious agents throughout the process of disposing of infectious or pathological wastes; and
 - (6) the name of the individual responsible for the management of the infectious waste or pathological waste.
- (c) The management plan must be kept at the facility.
- (d) To the extent applicable to the facility, management plans must be accompanied by a statement of the quantity of infectious and pathological waste generated, decontaminated, stored, incinerated, or disposed of at the facility during the previous two-year period. Quantities shall be reported in gallons or pounds. ~~The commissioner of health shall prepare a summary of the quantities of infectious and pathological waste generated, by facility type.~~
- (e) A management plan must be updated ~~and resubmitted~~ at least once every two years.

Sec. 15. Minnesota Statutes 1992, section 116.79, subdivision 4, is amended to read:

Subd. 4. [PLANS FOR STORAGE, DECONTAMINATION, INCINERATION, AND DISPOSAL FACILITIES.] (a) A person who stores, incinerates, or decontaminates infectious or pathological waste, other than at the facility where the waste was generated, or a person who incinerates ~~or disposes of~~ infectious or pathological waste on site, must submit a copy of the management plan to the commissioner of the pollution control agency with a fee of \$225. The fee must be deposited in the state treasury and credited to the general fund. ~~A person who incinerates on site must submit an attachment to the generator's management plan detailing the incineration operation.~~

(b) The commissioner shall review the plans and may require a plan to be modified within 180 days after the plan is submitted if the commissioner determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the waste.

Sec. 16. Minnesota Statutes 1992, section 116.80, subdivision 1, is amended to read:

Subdivision 1. [TRANSFER OF INFECTIOUS WASTE.] (a) A generator may not transfer infectious waste to a commercial transporter unless the transporter is registered with the commissioner.

(b) A transporter may not deliver infectious waste to a facility prohibited to accept the waste.

(c) A person who is registered to transport infectious waste may not refuse waste generated from a facility that is properly packaged and labeled as "infectious waste."

Sec. 17. Minnesota Statutes 1992, section 116.80, subdivision 2, is amended to read:

Subd. 2. [PREPARATION OF MANAGEMENT PLANS.] (a) A commercial transporter in charge of a business that transports infectious waste must prepare a management plan for the infectious waste handled by the commercial transporter.

(b) The management plan must describe, to the extent the information is applicable to the commercial transporter:

(1) the type of infectious waste that the commercial transporter handles;

(2) the transportation procedures for the infectious waste that will be followed;

(3) the disposal facilities that will be used for the infectious waste;

(4) the steps that will be taken to minimize the exposure of employees to infectious agents throughout the process of transporting and disposing of infectious waste; and

(5) the name of the individual responsible for the transportation and management of the infectious waste.

(c) The management plan must be kept at the commercial transporter's principal place of business.

(d) Management plans must be accompanied by a statement of the quantity of infectious waste transported during the previous two-year period. Quantities shall be reported in ~~gallons or~~ pounds.

(e) A management plan must be updated and resubmitted at least once every two years.

(f) The commissioner shall review the plans and may require a plan to be modified within 180 days after the plan is submitted if the commissioner determines that the plan is not consistent with state or federal law or that the plan is not adequate to minimize exposure of persons to the waste.

Sec. 18. Minnesota Statutes 1992, section 116.81, subdivision 1, is amended to read:

Subdivision 1. [AGENCY RULES.] The agency, in consultation with the commissioner of health, may adopt rules to implement sections 116.76 to 116.82. ~~The agency has primary responsibility for rules relating to transportation of infectious waste and facilities storing, transporting, decontaminating, incinerating, and disposing of infectious waste.~~

The agency, before adopting rules affecting animals or research animal waste, must consult the commissioner of agriculture and the board of animal health.

Sec. 19. Minnesota Statutes 1992, section 116.82, subdivision 3, is amended to read:

Subd. 3. [LOCAL ENFORCEMENT.] Sections 116.76 to 116.81 may be enforced by a county by delegation of enforcement authority granted to the ~~commissioner of health and the agency~~ in section 116.83. Separate enforcement actions may not be brought by a state agency and a county for the same violations. The state or county may not bring an action that is being enforced by the federal Office of Safety and Health Administration.

Sec. 20. Minnesota Statutes 1992, section 116.83, subdivision 1, is amended to read:

Subdivision 1. [~~STATE RESPONSIBILITIES ENFORCEMENT AUTHORITY.~~] The agency ~~or the commissioner of health~~ may enforce sections 116.76 to 116.81. ~~The commissioner of health is primarily responsible for enforcement involving generators. The agency is primarily responsible for enforcement involving other persons subject to sections 116.76 to 116.81.~~

Sec. 21. Minnesota Statutes 1992, section 116.83, subdivision 3, is amended to read:

Subd. 3. [ACCESS TO INFORMATION AND PROPERTY.] Subject to section 144.651, the commissioner of the pollution control agency ~~or the commissioner of health~~ may on presentation of credentials, during regular business hours:

(1) examine and copy any books, records, memoranda, or data that is related to compliance with sections 116.76 to 116.81; and

(2) enter public or private property regulated by sections 116.76 to 116.81 for the purpose of taking an action authorized by this section including obtaining information and conducting investigations.

Sec. 22. [116.87] [DEFINITIONS.]

Subdivision 1. [RESIDENTIAL LEAD PAINT WASTE.] "Residential lead paint waste" means waste produced by removing lead paint from the interior or exterior structure or the ground surface of a residence. Residential lead paint waste does not include:

(1) lead paint waste removed with the aid of any chemical paint stripper; or

(2) lead paint waste that is mixed with water and that contains any free liquid.

Subd. 2. [RESIDENCE.] The term "residence" has the meaning given in rules adopted under sections 144.871 to 144.879.

Sec. 23. [116.88] [AUTHORIZED MANAGEMENT METHODS.]

Subdivision 1. [DISPOSAL.] Notwithstanding any other law, a person who disposes of residential lead paint waste in the state may dispose of the waste at:

(1) a land disposal facility that meets the requirements of Minnesota Rules, chapter 7045;

(2) a facility that meets the requirements for a new mixed municipal land disposal facility under Minnesota Rules, chapter 7035;

(3) a demolition debris land disposal facility equipped with a clay or artificial liner and leachate collection system;
or

(4) a solid waste incinerator ash landfill if disposal is approved by the commissioner in accordance with agency rules.

Subd. 2. [MANAGEMENT RESPONSIBILITY; NOT TRANSFERABLE TO OCCUPANT.] (a) A person whose activities produce residential lead paint waste is responsible for the management and proper disposal of the waste.

(b) When residential lead paint waste is produced by activities of a person other than the occupant of the residence from which the waste is removed, the person shall not leave the residential lead paint waste at that residence and shall not transfer responsibility for managing or disposing of the waste to the occupant.

Subd. 3. [WASTE PRODUCED BY OCCUPANT.] Residential lead paint waste produced by activities of the occupant of the residence from which the waste is removed may be managed as provided by law for household hazardous waste.

Subd. 4. [DEMOLITION DEBRIS.] Residential lead paint waste attached to woodwork, walls, or other elements removed from the structure of a residence that constitute demolition debris may be disposed of at any permitted demolition debris land disposal facility.

Sec. 24. [116.89] [PROHIBITED METHODS OF MANAGEMENT.]

Subdivision 1. [UNLINED LANDFILLS.] Except as provided in section 116.88, subdivision 4, no person shall dispose of residential lead paint waste at an unlined land disposal facility.

Subd. 2. [INCINERATION.] No person shall send or accept residential lead paint waste for incineration by a mixed municipal solid waste incinerator.

Sec. 25. [116.90] [RECYCLING AND TREATMENT.]

Nothing in sections 116.87 to 116.91 is intended to prevent or discourage treatment or recycling of residential lead paint waste. The commissioner shall encourage treatment and recycling of residential lead paint waste.

Sec. 26. [116.91] [ENFORCEMENT.]

Subdivision 1. [RULES.] The Minnesota pollution control agency may adopt rules necessary to implement and enforce the provisions of sections 116.87 to 116.90, including rules to regulate the transportation, storage, disposal, and other management of residential lead paint waste after the waste leaves the site where it was produced.

Subd. 2. [LICENSE REVOCATION.] In addition to enforcement by the Minnesota pollution control agency, the commissioner of health may revoke the license of an abatement contractor that violates any provision of sections 116.87 to 116.90 or the rules adopted under subdivision 1.

Sec. 27. Minnesota Statutes 1992, section 144.122, is amended to read:

144.122 [LICENSE AND PERMIT FEES.]

(a) The state commissioner of health, by rule, may prescribe reasonable procedures and fees for filing with the commissioner as prescribed by statute and for the issuance of original and renewal permits, licenses, registrations, and certifications issued under authority of the commissioner. The expiration dates of the various licenses, permits, registrations, and certifications as prescribed by the rules shall be plainly marked thereon. Fees may include application and examination fees and a penalty fee for renewal applications submitted after the expiration date of the previously issued permit, license, registration, and certification. The commissioner may also prescribe, by rule, reduced fees for permits, licenses, registrations, and certifications when the application therefor is submitted during the last three months of the permit, license, registration, or certification period. Fees proposed to be prescribed in the rules shall be first approved by the department of finance. All fees proposed to be prescribed in rules shall be reasonable. The fees shall be in an amount so that the total fees collected by the commissioner will, where practical, approximate the cost to the commissioner in administering the program. All fees collected shall be deposited in the state treasury and credited to the general state government special revenue fund unless otherwise specifically appropriated by law for specific purposes.

(b) The commissioner may charge a fee for voluntary certification of medical laboratories and environmental laboratories, and for environmental and medical laboratory services provided by the department, without complying with paragraph (a) or chapter 14. Fees charged for environment and medical laboratory services provided by the department must be approximately equal to the costs of providing the services.

(c) The commissioner may develop a schedule of fees for diagnostic evaluations conducted at clinics held by the services for children with handicaps program. All receipts generated by the program are annually appropriated to the commissioner for use in the maternal and child health program.

(d) The commissioner, for fiscal years 1993 and beyond, shall set license fees for hospitals and nursing homes that are not boarding care homes at a level sufficient to recover, over a two-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

Joint Commission on Accreditation of Healthcare Organizations (JCAHO hospitals)	\$2,142
Non-JCAHO hospitals	\$2,228 plus \$138 per bed
Nursing home	\$324 plus \$76 per bed

For fiscal years 1993 and beyond, the commissioner shall set license fees for outpatient surgical centers, boarding care homes, and supervised living facilities at a level sufficient to recover, over a four-year period, the deficit associated with the collection of license fees from these facilities. The license fees for these facilities shall be set at the following levels:

Outpatient surgical centers	\$1,645
Boarding care homes	\$249 plus \$58 per bed
Supervised living facilities	\$249 plus \$58 per bed.

Sec. 28. Minnesota Statutes 1992, section 144.123, subdivision 1, is amended to read:

Subdivision 1. [WHO MUST PAY.] Except for the limitation contained in this section, the commissioner of health shall charge a handling fee for each specimen submitted to the department of health for analysis for diagnostic purposes by any hospital, private laboratory, private clinic, or physician. No fee shall be charged to any entity which receives direct or indirect financial assistance from state or federal funds administered by the department of health, including any public health department, nonprofit community clinic, venereal disease clinic, family planning clinic, or similar entity. The commissioner of health may establish by rule other exceptions to the handling fee as may be necessary to gather information for epidemiologic purposes. All fees collected pursuant to this section shall be deposited in the state treasury and credited to the general state government special revenue fund.

Sec. 29. Minnesota Statutes 1992, section 144.226, subdivision 2, is amended to read:

Subd. 2. [FEES TO GENERAL STATE GOVERNMENT SPECIAL REVENUE FUND.] Fees collected under this section by the state registrar shall be deposited to the general state government special revenue fund.

Sec. 30. Minnesota Statutes 1992, section 144.3831, subdivision 2, is amended to read:

Subd. 2. [COLLECTION AND PAYMENT OF FEE.] The public water supply described in subdivision 1 shall:

(1) collect the fees assessed on its service connections;

(2) pay the department of revenue an amount equivalent to the fees based on the total number of service connections. The service connections for each public water supply described in subdivision 1 shall be verified every four years by the department of health; and

(3) pay one-fourth of the total yearly fee to the department of revenue each calendar quarter. The first quarterly payment is due on or before September 30, 1992. In lieu of quarterly payments, a public water supply described in subdivision 1 with fewer than 50 service connections may make a single annual payment by June 30 each year, starting in 1993. The fees payable to the department of revenue shall be deposited in the state treasury as nondedicated general state government special revenue fund revenues.

Sec. 31. Minnesota Statutes 1992, section 144.802, subdivision 1, is amended to read:

Subdivision 1. [LICENSES; CONTENTS, CHANGES, AND TRANSFERS.] No natural person, partnership, association, corporation or unit of government may operate an ambulance service within this state unless it possesses a valid license to do so issued by the commissioner. The license shall specify the base of operations, primary service area, and the type or types of ambulance service for which the licensee is licensed. The licensee shall obtain a new license if it wishes to establish a new base of operation, or to expand its primary service area, or to provide a new type or types of service. A license, or the ownership of a licensed ambulance service, may be transferred only after the approval of the commissioner, based upon a finding that the proposed licensee or proposed new owner of a licensed ambulance service meets or will meet the requirements of section 144.804. If the proposed transfer would result in a change in or addition of a new base of operations, expansion of the service's primary service area, or provision of a new type or types of ambulance service, the commissioner shall require the prospective licensee or owner to comply with subdivision 3. The commissioner may approve the license or ownership transfer prior to completion of the application process described in subdivision 3 upon obtaining written assurances from the proposed licensee or proposed new owner that no change in the service's base of operations, expansion of the service's primary service area, or provision of a new type or types of ambulance service will occur during the processing of the application. The cost of licenses shall be in an amount prescribed by the commissioner pursuant to section 144.122. Licenses shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122. Fees collected shall be deposited to the trunk highway fund.

Sec. 32. Minnesota Statutes 1992, section 144.8091, subdivision 1, is amended to read:

Subdivision 1. [REPAYMENT FOR VOLUNTEER TRAINING.] Any political subdivision, or nonprofit hospital or nonprofit corporation operating a licensed ambulance service shall be reimbursed by the commissioner for the necessary expense of the initial training of a volunteer ambulance attendant upon successful completion by the attendant of a basic emergency care course, or a continuing education course for basic emergency care, or both, which has been approved by the commissioner, pursuant to section 144.804. Reimbursement may include tuition, transportation, food, lodging, hourly payment for the time spent in the training course, and other necessary expenditures, except that in no instance shall a volunteer ambulance attendant be reimbursed more than ~~\$350~~ \$400 for successful completion of a basic course, and ~~\$140~~ \$200 for successful completion of a continuing education course.

Sec. 33. Minnesota Statutes 1992, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means removal of, replacement of, or encapsulation of deteriorated paint, bare soil, dust, drinking water, or other lead-containing materials that are or may become readily accessible during the lead abatement process and pose an immediate threat of actual lead exposure to people.

Sec. 34. Minnesota Statutes 1992, section 144.871, subdivision 6, is amended to read:

Subd. 6. [ELEVATED BLOOD LEAD LEVEL.] "Elevated blood lead level" in a child ~~no more than six years old before the sixth birthday~~ or in a pregnant woman means a blood lead level that exceeds the federal Centers for Disease Control guidelines for preventing lead poisoning in young children, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 35. Minnesota Statutes 1992, section 144.871, subdivision 7a, is amended to read:

Subd. 7a. [HIGH RISK FOR TOXIC LEAD EXPOSURE.] "High risk for toxic lead exposure" means either a census tract that meets one or more of the following criteria:

(1) ~~that a census tract where~~ elevated blood lead levels have been diagnosed in a population of children or pregnant women;

(2) ~~without blood lead data, that a population of children or pregnant women resides in:~~

(i) a census tract with many residential structures known to have or suspected of having deteriorated lead-based paint; or

(ii) (3) a census tract with a median soil lead concentration greater than 100 parts per million for any sample collected according to Minnesota Rules, part 4761.0400, subpart 8, and rules adopted under section 144.878; ~~or~~

~~(3) the priorities adopted by the commissioner under section 144.878, subdivision 2, shall apply to this subdivision.~~

Sec. 36. Minnesota Statutes 1992, section 144.871, subdivision 7b, is amended to read:

Subd. 7b. [PRIMARY PREVENTION FOR TOXIC LEAD EXPOSURE.] ~~"Primary prevention for toxic lead exposure" means performance of swab team services, encapsulation, and removal and replacement abatement, including lead cleanup and health education, before children develop elevated blood lead levels. includes any or all of the following:~~

(1) education of the general public in populations where children under six years of age and pregnant women have been identified with blood lead levels greater than nine micrograms per deciliter;

(2) education for property owners and renters concerning in-place management of potential lead hazards to create lead-safe housing;

(3) in-place management of potential lead hazards using swab team services or property owner or renter lead abatement activities; and

(4) encapsulation, and removal and replacement abatement where necessary to make the residence lead safe.

Sec. 37. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

Subd. 7c. [LEAD INSPECTOR.] "Lead inspector" means a person who has successfully completed a training course in investigation of residences for possible sources of lead exposure and who is licensed by the commissioner under section 144.877 to perform this activity.

Sec. 38. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

Subd. 7d. [PERSON.] "Person" has the meaning given in section 1031.005, subdivision 16.

Sec. 39. Minnesota Statutes 1992, section 144.871, subdivision 9, is amended to read:

Subd. 9. [SWAB TEAM.] "Swab team" means a person or persons who implement in-place management of lead exposure sources, which includes. Swab team services include any or all of the following:

(1) covering or replacing bare soil that has a lead concentration of 100 parts per million, and establishing safe exterior play and garden areas; removing lead dust by washing, vacuuming, and cleaning the interior of residential property;

(2) other means that immediately protect children who engage in mouthing or pica behavior from lead sources, including cleanup and health education, advice and assistance to help a family locate and move to a temporary lead-safe residence while abatement is being completed, or to help a family locate and move to alternate lead-safe housing when abatement is not completed by the property owner, and any other assistance necessary to meet the family's immediate needs as a result of the relocation;

(3) removing loose paint and paint chips and installing guards to protect intact paint; and

(3) removing lead dust by washing, vacuuming, and cleaning the interior of residential property including carpets; and

(4) other means, including cleanup and health education, that immediately protect children who engage in mouthing or pica behavior from lead sources covering or replacing bare soil that has a lead concentration of 100 parts per million, and establishing safe exterior play and garden areas.

Sec. 40. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

Subd. 10. [VENOUS BLOOD SAMPLE.] "Venous blood sample" means a quantity of blood drawn from a vein.

Sec. 41. Minnesota Statutes 1992, section 144.872, subdivision 2, is amended to read:

Subd. 2. [HOME ASSESSMENTS.] (a) The commissioner shall, within available federal or state appropriations, contract with boards of health, who may determine priority for responding to cases of elevated blood lead levels, to conduct assessments to determine sources of lead contamination in the residences of pregnant women whose blood lead levels are at least ten micrograms per deciliter and of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must be notified of all violations of standards under section 144.878, subdivision 2, that are identified during a home assessment.

(b) The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels.

(c) Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter.

(d) The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

Sec. 42. Minnesota Statutes 1992, section 144.872, subdivision 3, is amended to read:

Subd. 3. [SAFE HOUSING.] The commissioner shall, within the limits of available appropriations, contract with boards of health for safe housing to be used in meeting relocation requirements in section 144.874, subdivision 4. The commissioner shall, within available federal or state appropriations, award grants to boards of health for the purposes of paying housing and relocation costs under section 144.874, subdivision 4.

Sec. 43. Minnesota Statutes 1992, 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 educational materials, and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and certified trainers in order to meet the requirements of this program 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 loose paint and plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil.

(b) Upon certification, the grantees 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. 44. Minnesota Statutes 1992, section 144.872, is amended by adding a subdivision to read:

Subd. 5. [SWAB TEAMS.] Boards of health may determine priority for responding to cases of elevated blood lead levels.

Sec. 45. Minnesota Statutes 1992, section 144.873, is amended to read:

144.873 [REPORTING OF MEDICAL AND ENVIRONMENTAL SAMPLE ANALYSES.]

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 date of the test, and the current address and birthdate 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. 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.

Subd. 2. [TEST OF CHILDREN IN HIGH RISK AREAS.] Within limits of available state and federal appropriations, the commissioner shall promote and subsidize a blood lead test of all children under six years of age before the sixth birthday who live in all areas of high risk for toxic lead exposure that are currently known or subsequently identified. Within the limits of available appropriations, the commissioner shall conduct surveys, especially soil assessments larger than a residence, as defined by the commissioner, to determine probable sources of lead exposure in greater Minnesota communities where a case of elevated blood lead levels has been reported.

Surveys conducted under this subdivision must consist of evaluating census tracts to determine whether or not they are at high risk for toxic lead exposure. The evaluation shall consist of a priority response determination under section 144.878, subdivision 2a. In making this evaluation, the commissioner shall:

- (1) conduct a soil survey in the manner provided for under Minnesota Rules, part 4761.0400, subpart 8; and
- (2) evaluate housing quality, if data is available.

The commissioner may also conduct a blood lead screening of children under six years of age within the census tract.

Subd. 3. [STATEWIDE LEAD SCREENING.] Statewide lead screening by blood lead assays in conjunction with routine blood tests analyzed by laboratories that meet the center for disease control laboratory proficiency standards, by atomic absorption equipment, or other equipment with equivalent or better accuracy shall be advocated used by boards of health.

Sec. 46. Minnesota Statutes 1992, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely 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 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.

(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 per day at one or more other sites such as another residence, such as or a residential or commercial child care facility, the board of health must also assess the other residence sites. The board of health shall have one additional day to complete the assessment for each additional site.

(b) (d) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to 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. 47. Minnesota Statutes 1992, section 144.874, subdivision 2, is amended to read:

Subd. 2. [RESIDENTIAL LEAD ASSESSMENT GUIDE.] (a) The commissioner of health shall develop or purchase a residential lead assessment guide that enables parents and other caregivers to assess the possible lead sources present and that suggests lead abatement actions. The guide must provide information on safe abatement and disposal methods, sources of equipment, and telephone numbers for additional information to enable the persons to either perform the abatement or to intelligently select an abatement contractor. In addition, the guide must:

- (1) meet the requirements of Minnesota laws and rules;
- (2) be understandable at not more than an eighth grade reading level;
- (3) include information on all necessary safety precautions for all lead source cleanup; and
- (4) be the best available educational material.

(b) A board of health must provide the residential lead assessment guide at no cost to:

(1) parents and other caregivers of children who are identified as having blood lead levels of at least ten micrograms per deciliter; and

(2) all property owners and occupants who are issued housing code orders requiring disruption abatement of lead sources, and all occupants of those residences.

(c) A board of health must provide the residential lead assessment guide on request to owners or tenants occupants of residential property within the jurisdiction of the board of health.

Sec. 48. Minnesota Statutes 1992, section 144.874, subdivision 3, is amended to read:

Subd. 3. [SWAB TEAMS; LEAD ASSESSMENT; LEAD ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Lead abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. The board of health is not required to pay for lead abatement. With each lead abatement order, the board of health must coordinate with swab team abatement and provide a residential lead abatement guide.

Sec. 49. Minnesota Statutes 1992, section 144.874, is amended by adding a subdivision 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 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. 50. Minnesota Statutes 1992, section 144.874, subdivision 4, is amended to read:

Subd. 4. [RELOCATION OF RESIDENTS.] A board of health must ensure that residents are relocated from rooms or dwellings during abatement that generates leaded dust, such as removal or disruption of lead-based paint or plaster that contains lead. Residents must be allowed to return to the residence or dwelling after completion of abatement. A board of health shall use grant funds under section 144.872, subdivision 3, in cooperation with local housing agencies, to pay for moving costs and rent for a temporary residence for any low-income resident temporarily relocated during lead abatement, not to exceed \$250 per household. For purposes of this section, "low-income resident" means any resident whose gross household income is at or below 185 percent of the federal poverty level.

(b) Any resident of rental property who is notified by the board of health to vacate the premises during lead abatement notwithstanding any rental agreement or lease provisions:

(1) shall not be required to pay rent due the landlord for the period of time the tenant must vacate the premises; and

(2) may elect to immediately terminate the tenancy effective on the date the tenant vacates the premises for lead abatement, and shall not be liable for any further rent or other charges due under the terms of the tenancy.

(c) A landlord of rental property in which tenants must vacate the premises during lead abatement must:

(1) allow a tenant to return to the dwelling after lead abatement and retesting, as required under subdivision 6, is completed unless the tenant has elected to terminate the tenancy under paragraph (b); and

(2) return any security deposit due under section 504.20 to any tenant who terminates tenancy under paragraph (b) within five days of the date the tenant vacates the unit.

Sec. 51. Minnesota Statutes 1992, section 144.874, subdivision 5, is amended to read:

Subd. 5. [WARNING NOTICE; FINE.] A warning notice must be posted on all entrances to properties for which an order to abate a lead source has been issued by a board of health. This A person who unlawfully removes a warning notice posted under this section is subject to a fine of up to \$250. The warning notice must be at least 8-1/2 by 11 inches in size and must include the following language, or substantially similar language:

(a) "This property contains dangerous amounts of lead to which children under age six and pregnant women should not be exposed."

(b) "It is unlawful to remove or deface this warning. ~~This warning may be removed only upon the direction of the board of health.~~"

(c) "Persons who remove or deface this warning are subject to a fine of up to \$250. This warning may be removed only upon the direction of the board of health."

Sec. 52. Minnesota Statutes 1992, section 144.874, subdivision 6, is amended to read:

Subd. 6. [SERVICES AND RETESTING REQUIRED.] After completion of swab team services and the abatement as ordered, including any repairs ordered by a local housing or building inspector, the board of health must retest the residence to assure the violations no longer exist. The board of health is not required to test a residence after lead abatement that was not ordered by the board of health.

Sec. 53. Minnesota Statutes 1992, section 144.874, subdivision 9, is amended to read:

Subd. 9. [PRIMARY PREVENTION.] Although children who are found to already have elevated blood lead levels must have the highest priority for intervention, the commissioner shall pursue primary prevention of lead poisoning for toxic lead exposure within the limits of appropriations.

Sec. 54. Minnesota Statutes 1992, section 144.874, is amended by adding a subdivision to read:

Subd. 11a. [LEAD ABATEMENT DIRECTIVES.] In order to achieve statewide consistency in the application of lead abatement standards, the commissioner shall issue program directives that interpret the application of rules under section 144.878 in ambiguous or unusual lead abatement situations. These directives are guidelines to local boards of health. The commissioner shall periodically review the evaluation of lead abatement orders and the program directives to determine if the rules under section 144.878 need to be amended to reflect new understanding of lead abatement practices and methods.

Sec. 55. Minnesota Statutes 1992, section 144.876, is amended by adding a subdivision to read:

Subd. 4. [NOTICE OF ABATEMENT.] At least five days before starting work at each lead abatement worksite, a lead abatement contractor shall give written notice to the commissioner and the board of health.

Sec. 56. [144.877] [LEAD INSPECTORS; LICENSING.]

Subdivision 1. [LICENSE REQUIRED.] A lead inspector must obtain a license within 180 days of the effective date of this section and must renew it annually. The license must be readily available at assessment sites for inspection by the commissioner or by staff of a board of health with jurisdiction over a work site. A license cannot be transferred.

Subd. 2. [LICENSE APPLICATION.] An application for license or license renewal must be on a form provided by the commissioner and must include:

- (1) a \$50 nonrefundable fee, in the form of a check;
- (2) evidence that the applicant has successfully completed a lead inspector training course approved in subdivision 6, or has, within the previous 180 days, successfully completed an initial lead inspection training course.

The fee required in this subdivision is waived for an employee of a board of health.

Subd. 3. [LICENSE RENEWAL.] A license is valid for one year from the issuance date unless the commissioner revokes it. An applicant must successfully complete either an initial lead inspection training course or an annual refresher lead inspection training course to apply for license renewal.

Subd. 4. [LICENSE REPLACEMENT.] A licensed lead inspector may obtain a replacement license by reapplying for a license. A replacement expires on the same date as the original license. A nonrefundable \$25 fee is required with each replacement application.

Subd. 5. [DENIAL OF LICENSE APPLICATION.] The commissioner may deny an application, revoke, or impose limitations or conditions on a license, if the applicant or licensed lead inspector:

- (1) violates rules adopted under sections 144.871 to 144.879;
- (2) submits an application that is incomplete, inaccurate, or lacks the required fee, or submits an invalid check;
- (3) obtains a license, certificate, or approval through error, fraud, or cheating;
- (4) provides false or fraudulent information on forms;
- (5) aids or allows an unlicensed or uncertified person to engage in activities for which a license or certificate is required;
- (6) endangers public health or safety;
- (7) has been convicted during the previous five years of a felony or gross misdemeanor related to residential lead assessment or residential lead abatement; or
- (8) has been convicted during the previous five years of a violation of section 270.72, 325F.69, or 325F.71.

An application for licensure that has been denied may be resubmitted when the reasons for denial have been corrected. A person whose license is revoked may not apply for a license within one year of the date of revocation. After one year, the application requirements must be followed by an applicant for a license, certificate, or course approval. An applicant who submits an approvable application within 60 days of initial denial is not required to pay a second fee.

Subd. 6. [APPROVAL OF LEAD INSPECTION COURSE.] A lead inspection course sponsored by the United States Environmental Protection Agency is an approved course for the purpose of this section.

Subd. 7. [LEAD INSPECTION; RULES.] The commissioner may adopt rules to implement this section. The commissioner may also approve lead inspector courses offered by groups other than those approved by the United States Environmental Protection Agency and shall charge a fee to cover the costs of approving courses.

Sec. 57. Minnesota Statutes 1992, section 144.878, subdivision 2, is amended to read:

Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.] (a) The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose. ~~The commissioner shall adopt priorities for providing abatement services to areas defined to be at high risk for toxic lead exposure. In adopting priorities, the commission shall consider the number of children and pregnant women diagnosed with elevated blood lead levels and the median concentration of lead in the soil. The commissioner shall give priority to areas having the largest population of children and pregnant women having elevated blood lead levels, areas with the highest median soil lead concentration, and areas where it has been determined that there are large numbers of residences that have deteriorating paint.~~ The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that the intact paint is on a chewable or lead-dust producing surface that is a known source or reasonably expected to be a source of actual lead exposure to a specific person. In adopting rules under this subdivision, the commissioner shall require the best available technology for lead abatement methods, paint stabilization, and repainting.

(b) The commissioner of health shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment. The commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil, unless it is proven that a different standard provides greater protection of public health.

(c) The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods and ~~disposal of any hazardous waste~~ are is conducted in a manner that protects public health and the environment.

(d) All standards adopted under this subdivision must provide adequate reasonable margins of safety that are consistent with a detailed review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous. The rules must apply to any individual performing or ordering the performance of lead abatement.

(e) No unit of local government may have an ordinance or regulation governing lead abatement methods for lead in paint, dust, or soil for residences and residential land that require a different lead abatement method than the lead abatement standards established under sections 144.871 to 144.879.

Sec. 58. Minnesota Statutes 1992, section 144.878, subdivision 2a, is amended to read:

Subd. 2a. [PRIORITIES FOR RESPONSE ACTION.] ~~By January 1, 1988,~~ The commissioner of health must adopt new rules establishing the a priority list of census tracts at high risk for toxic lead exposure for primary prevention response actions. The rules must consider the potential for children's contact with the soil and the existing level of lead in the soil and may consider the relative risk to the public health, the size of the population at risk, and blood lead levels of resident populations. 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, defined 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. 59. Minnesota Statutes 1992, section 144.878, subdivision 5, is amended to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] The commissioner shall adopt rules to license lead abatement contractors, to certify employees of lead abatement contractors who perform abatement, and to certify lead abatement trainers who provide lead abatement training for contractors, employees, or other lead abatement trainers. The rules must include standards and procedures for on-the-job training for swab teams. A person who performs painting, renovation, rehabilitation, remodeling, or other residential work that is not lead abatement need not be a licensed lead abatement contractor. By July 1, 1994, a person who performs work that removes intact paint on residences built before February 27, 1978, must determine whether lead sources are present and whether the planned work would be lead abatement as defined in section 144.871, subdivision 2. This determination may be made by quantitative chemical analysis, X-ray fluorescence analyzer, or chemical spot test using sodium rhodizonate. If lead sources are identified, the work must be performed by a licensed lead abatement contractor. An owner of an owner-occupied residence with one or two units is not subject to the requirements under this subdivision. All lead abatement training must include a hands-on component and instruction on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. The commissioner shall adopt rules to approve lead abatement training courses and to charge a fee for approval. At least 30 days before publishing initial notice of proposed rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services committees in the house of representatives and the senate, and to any legislative committee on licensing created by the legislature.

Sec. 60. [144.8781] [ENFORCEMENT.]

Subdivision 1. [CEASE AND DESIST ORDER.] (a) The commissioner may issue an order requiring a person to cease lead abatement if the commissioner determines that a condition exists that poses an immediate danger to the public health. For purposes of this subdivision, an immediate danger to the public health exists if the commissioner determines that:

- (1) lead abatement is being performed in a manner that violates applicable state or federal law or related rules;
- (2) the person performing lead abatement is not currently licensed or certified as required by rules adopted under sections 144.871 to 144.879; or
- (3) the lead abatement contractor has not given prior written notice required by section 144.876 to the commissioner and board of health.

(b) An order to cease lead abatement is effective for a maximum of 60 days. Following issuance of the order, the commissioner shall provide the contractor or individual with an opportunity for a hearing under the contested case provisions of chapter 14. Within ten days of the hearing, the commissioner shall decide whether to rescind, modify, or reissue the previous order. A modified or reissued order is effective for a maximum of 60 days from the date of modification or reissuance.

Subd. 2. [ORDER FOR CORRECTIVE ACTION.] (a) The commissioner may issue an order requiring a person violating sections 144.871 to 144.879 or a rule adopted under sections 144.871 to 144.879 to take the corrective action the commissioner determines will accomplish the purpose of the project and prevent future violation. The order for corrective action shall state the conditions that constitute the violation, the specific statute or rule violated, and the time by which the violation must be corrected.

(b) If the person believes that the information contained in the commissioner's order for corrective action is in error, the person may ask the commissioner to reconsider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within five working days of receipt of the order, and:

- (1) specify which parts of the order for corrective action are alleged to be in error;
- (2) explain why they are in error; and
- (3) provide documentation to support the allegation of error.

The commissioner shall respond to a request made under this subdivision within 15 working days after receipt of the request. A request for reconsideration does not stay the order for corrective action but the commissioner may provide additional time to comply with the order after reviewing the request. The commissioner's disposition of a request for reconsideration is final.

Subd. 3. [INJUNCTIVE RELIEF.] In addition to any other remedy provided by law, the commissioner may bring an action for injunctive relief in the district court in Ramsey county or, at the commissioner's discretion, in the district court in the county in which the lead abatement is being undertaken, to halt the work or an activity connected with it. A temporary restraining order or other injunctive relief may be granted by the court if continuation of the lead abatement or an activity connected with it would result in an imminent risk of harm to any person.

Subd. 4. [PENALTIES.] (a) A person who violates any of the requirements of sections 144.871 to 144.879 or any requirement, rule, or order issued under this section is subject to a civil penalty of not more than \$5,000 per day of violation. Penalties may be recovered in a civil action in the name of the state brought by the attorney general.

(b) The commissioner may issue an order assessing a penalty of not more than \$5,000 per violation to any person who violates any of the requirements of sections 144.871 to 144.879 or any requirement, rule, or order issued under this section. A person subject to an administrative penalty order may request a contested case hearing under chapter 14 within 20 days from date of receipt of the penalty order. If the penalty order is not contested within 20 days of receipt, it becomes final and may not be contested.

(c) The amount of penalty shall be based on the past history of violations, the severity of violation, the culpability of the person, and other relevant factors.

(d) Penalties assessed under sections 144.871 to 144.879 shall be paid to the commissioner for deposit in the general fund. Unpaid penalties shall be increased to 125 percent of the original assessed amount if not paid within 60 days after the penalty order becomes final. After 60 days, interest shall accrue on the unpaid penalty balance at the rate established in section 549.09.

Subd. 5. [MISDEMEANOR PENALTY.] A person is guilty of a misdemeanor and may be sentenced to payment of a fine of not more than \$700, imprisonment for not more than 30 days, or both, for each violation if that person:

(1) hinders or delays the commissioner or the commissioner's authorized representative in the performance of the duty to enforce sections 144.871 to 144.879;

(2) undertakes lead abatement without a current, valid license;

(3) refuses to make a license or certificate accessible to either the commissioner or the commissioner's authorized representative;

(4) employs a person to do lead abatement who does not have a valid certificate;

(5) fails to report lead abatement as required by section 144.876; or

(6) makes a false material statement related to a license, certificate, report, or other documents required under sections 144.871 to 144.879.

Subd. 6. [DISCRIMINATION.] A person who discriminates against or otherwise sanctions an employee who complains to or cooperates with the commissioner in administering sections 144.871 to 144.879 is guilty of a misdemeanor.

Sec. 61. Minnesota Statutes 1992, section 144.98, subdivision 5, is amended to read:

Subd. 5. [~~LABORATORY CERTIFICATION ACCOUNT STATE GOVERNMENT SPECIAL REVENUE FUND.~~] There is an account in the special revenue fund called the laboratory certification account. Fees collected under this section and appropriations for the purposes of this section must be deposited in the laboratory certification account. Money in the laboratory certification account is annually appropriated to the commissioner of health to administer this section state government special revenue fund.

Sec. 62. [144C.01] [AMBULANCE SERVICE PERSONNEL LONGEVITY AWARD AND INCENTIVE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] An ambulance service personnel longevity award and incentive program is established. The program is intended to recognize the service rendered to state and local government and the citizens of Minnesota by qualified ambulance service personnel, and to reward qualified ambulance service personnel for significant contributions to state and local government and to the public. The purpose of the ambulance service personnel longevity award and incentive trust is to accumulate resources to allow for the payment of longevity awards to qualified ambulance service personnel upon the completion of a substantial ambulance service career.

Subd. 2. [ADMINISTRATION.] (a) Unless paragraph (c) applies, consistent with the responsibilities of the state board of investment and the various ambulance services, the ambulance service personnel longevity award and incentive program must be administered by the commissioner of health. The administrative responsibilities of the commissioner of health for the program relate solely to the record keeping, award application, and award payment functions. The state board of investment is responsible for the investment of the ambulance service personnel longevity award and incentive trust. The applicable ambulance service is responsible for determining, consistent with this chapter, who is a qualified ambulance service person, what constitutes a year of credited ambulance service, what constitutes sufficient documentation of a year of prior service, and for submission of all necessary data to the commissioner of health in a manner consistent with this chapter. Determinations of an ambulance service are final.

(b) The commissioner of health may administer the commissioner's assigned responsibilities regarding the program directly or may retain a qualified governmental or nongovernmental plan administrator under contract to administer those responsibilities regarding the program. A contract with a qualified plan administrator must be the result of an open competitive bidding process and must be reopened for competitive bidding at least once during every five-year period after the effective date of this section.

(c) The commissioner of employee relations shall review the options within state government for the most appropriate administration of pension plans or similar arrangements for emergency service personnel and recommend to the governor the most appropriate future pension plan or nonpension plan administrative arrangement for this chapter. If the governor concurs in the recommendation, the governor shall transfer the future administrative responsibilities relating to this chapter to that administrative agency.

Sec. 63. [144C.02] [PROGRAM ELIGIBILITY; QUALIFIED AMBULANCE SERVICE PERSONNEL.]

(a) Persons eligible to participate in the ambulance service personnel longevity award and incentive program are qualified ambulance service personnel.

(b) Qualified ambulance service personnel are ambulance attendants, ambulance drivers, and ambulance service medical directors or medical advisors who meet the following requirements:

(1) employment of the person by or provision by the person of service to an ambulance service that is licensed as such by the state of Minnesota and that provides ambulance services that are generally available to the public and are free of unfair discriminatory practices under chapter 363;

(2) performance by the person during the 12 months ending as of the immediately previous June 30 of all or a predominant portion of the person's services in the state of Minnesota or on behalf of Minnesota residents, as verified by August 1 annually in an affidavit from the chief administrative officer of the ambulance service;

(3) current certification of the person during the 12 months ending as of the immediately previous June 30 by the Minnesota department of health as an ambulance attendant, ambulance driver, or ambulance service medical director or medical advisor under section 144.804, and supporting rules, and current active ambulance service employment or service provision status of the person, as verified by August 1 annually in an affidavit from the chief administrative officer of the ambulance service; and

(4) conformance by the person with the definition of the phrase "volunteer ambulance attendant" under section 144.8091, subdivision 2, except that for the salary limit specified in that provision there must be substituted, for purposes of this section only, a limit of \$3,000 for calendar year 1993, and \$3,000 multiplied by the cumulative percentage increase in the national Consumer Price Index, all items, for urban wage earners and clerical workers, as published by the federal Department of Labor, Bureau of Labor Statistics, since December 31, 1993, and for an ambulance service medical director, conformance based solely on the person's hourly stipends or salary for service as a medical director.

(c) The term "active ambulance service employment or service provision status" means being in good standing with and on the active roster of the ambulance service making the certification.

(d) The maximum period of ambulance service employment or service provision for which a person may receive credit towards an award under this chapter, including prior service credit under section 144C.07, subdivision 2, paragraph (c), is 20 years.

(e) For a person who is employed by or provides service to more than one ambulance service concurrently during any period during the 12-month period, credit towards an award under this chapter is limited to one ambulance service during any period. The creditable period is with the ambulance service for which the person undertakes the greatest portion of employment or service hours.

Sec. 64. [144C.03] [AMBULANCE SERVICE PERSONNEL LONGEVITY AWARD AND INCENTIVE TRUST; TRUST ACCOUNT.]

Subdivision 1. [TRUST.] There is established an ambulance service personnel longevity award and incentive trust.

Subd. 2. [TRUST ACCOUNT.] There is established in the general fund an ambulance service personnel longevity award and incentive trust account. The trust account must be credited with appropriations for that purpose, and investment earnings on those accumulated proceeds. The assets and income of the trust account must be held and managed by the commissioner of finance and the state board of investment for the benefit of the state of Minnesota and its general creditors.

Subd. 3. [PRIORITY OF CLAIMS.] The state of Minnesota intends that this program, trust, and trust account not constitute a separate fund for any legal purpose, including the federal Internal Revenue Code, as amended, and the federal Employee Retirement Income Security Act of 1974, as amended. Qualified ambulance service personnel have only an unsecured promise of the state of Minnesota to pay a longevity award upon meeting entitlement requirements set forth in section 144C.08, and qualified ambulance service personnel meeting those entitlement requirements have the status of general unsecured creditors with respect to an ambulance service personnel longevity award, if and when awarded.

Sec. 65. [144C.05] [DISTRIBUTIONS FROM ACCOUNT.]

Subdivision 1. [AWARD PAYMENTS.] (a) The commissioner of health or the commissioner's designee under section 144C.01, subdivision 2, shall pay ambulance service personnel longevity awards to qualified ambulance service personnel determined to be entitled to an award under section 144C.08 by the commissioner based on the submissions by the various ambulance services. Amounts necessary to pay the ambulance service personnel longevity award are appropriated from the ambulance service personnel longevity award and incentive trust account to the commissioner of health.

(b) If the state of Minnesota is unable to meet its financial obligations as they become due, the commissioner of health shall undertake all necessary steps to discontinue paying ambulance service personnel longevity awards until the state of Minnesota is again able to meet its financial obligations as they become due.

Subd. 2. [GENERAL CREDITORS OF THE STATE.] The trust account is at all times subject to a levy under an execution of any general creditor of the state of Minnesota, and if no other funds are available to satisfy that levy, the levy has priority for payment from the trust account before any ambulance service personnel longevity award.

Sec. 66. [144C.06] [TRUST ACCOUNT INVESTMENT.]

The trust account must be invested by the state board of investment, as provided in section 11A.20.

Sec. 67. [144C.07] [CREDITING QUALIFIED AMBULANCE PERSONNEL SERVICE.]

Subdivision 1. [SEPARATE RECORD KEEPING.] The commissioner of health or the commissioner's designee under section 144C.01, subdivision 2, shall maintain a separate record of potential award accumulations for each qualified ambulance service person under subdivision 2.

Subd. 2. [POTENTIAL ALLOCATIONS.] (a) On September 1, annually, the commissioner of health or the commissioner's designee under section 144C.01, subdivision 2, shall determine the amount of the allocation of the prior year's accumulation to each qualified ambulance service person. The prior year's net investment gain or loss under paragraph (b) must be allocated and that year's appropriation, after deduction of administrative expenses, also must be allocated.

(b) The difference in the market value of the assets of the ambulance service personnel longevity award and incentive trust account as of the immediately previous June 30 and the June 30 occurring 12 months earlier must be reported on or before August 15 by the state board of investment. The market value gain or loss must be expressed as a percentage of the total potential award accumulations as of the immediately previous June 30, and that positive or negative percentage must be applied to increase or decrease the recorded potential award accumulation of each qualified ambulance service person.

(c) The appropriation for this purpose, after deduction of administrative expenses, must be divided by the total number of additional ambulance service personnel years of service recognized since the last allocation or 1,000 years of service, whichever is greater. A qualified ambulance service person must be credited with a year of service if the person is certified by the chief administrative officer of the ambulance service as having rendered active ambulance service during the 12 months ending as of the immediately previous June 30. If the person has rendered prior active ambulance service, the person must be additionally credited with one-fifth of a year of service for each year of active ambulance service rendered before June 30, 1993, but not to exceed in any year one additional year of service or to exceed in total five years of prior service. Prior active ambulance service means employment by or the provision of service to a licensed ambulance service before June 30, 1993, as determined by the person's current ambulance service based on records provided by the person that were contemporaneous to the service. The prior ambulance service must be reported on or before August 15 to the commissioner of health in an affidavit from the chief administrative officer of the ambulance service.

Sec. 68. [144C.08] [AMBULANCE SERVICE PERSONNEL LONGEVITY AWARD.]

(a) A qualified ambulance service person who has terminated active ambulance service, who has at least five years of credited ambulance service, who is at least 50 years old, and who is among the 400 persons with the greatest amount of credited ambulance service applying for a longevity award during that year, is entitled, upon application, to an ambulance service personnel longevity award. An applicant whose application is not approved because of the limit on the number of annual awards may apply in a subsequent year.

(b) If a qualified ambulance service person who meets the age and service requirements specified in paragraph (a) dies before applying for a longevity award, the estate of the decedent is entitled, upon application, to the decedent's ambulance service personnel longevity award, without reference to the limit on the number of annual awards.

(c) An ambulance service personnel longevity award is the total amount of the person's accumulations indicated in the person's separate record under section 144C.07 as of the August 15 preceding the application. The amount is payable only in a lump sum.

(d) Applications for an ambulance service personnel longevity award must be received by the commissioner of health or the commissioner's designee under section 144C.01, subdivision 2, by August 15, annually. Ambulance service personnel longevity awards are payable only as of the last business day in October annually.

Sec. 69. [144C.09] [EFFECT OF CHANGES.]

Subdivision 1. [MODIFICATIONS.] The ambulance service personnel longevity award and incentive program is a gratuity established by the state of Minnesota and may be modified by subsequent legislative enactment at any time without creating any cause of action for any ambulance service personnel related to the program as a result. No provision of this act and no subsequent amendment may be interpreted as causing or resulting in the program to be funded for federal Internal Revenue Code or federal Employee Retirement Income Security Act of 1974 purposes, or as causing or resulting in any contributions to or investment income earned by the ambulance service personnel longevity award and incentive trust account to be subject to federal income tax to ambulance service personnel or their beneficiaries before actual receipt of a longevity award under section 144C.08.

Subd. 2. [NONASSIGNABILITY.] No entitlement or claim of a qualified ambulance service person or the person's beneficiary to an ambulance service personnel longevity award is assignable, or subject to garnishment, attachment, execution, levy, or legal process of any kind, except as provided in section 518.58, 518.581, or 518.611. The commissioner of health may not recognize any attempted transfer, assignment, or pledge of an ambulance service personnel longevity award.

Subd. 3. [PUBLIC EMPLOYEE STATUS.] Recognizing the important public function performed by ambulance service personnel, only for purposes of this act and the receipt of a state sponsored gratuity in the form of an ambulance service personnel longevity award, all qualified ambulance service personnel are considered to be public employees.

Sec. 70. [144C.10] [SCOPE OF ADMINISTRATIVE DUTIES.]

For purposes of administering the award and incentive program, the commissioner of health cannot hear appeals, direct ambulance services to take any specific actions, investigate or take action on individual complaints, or otherwise act on information beyond that submitted by the licensed ambulance services.

Sec. 71. Minnesota Statutes 1992, section 145.925, is amended by adding a subdivision to read:

Subd. 10. [RULES; FUNDING PRIORITIES.] The funding for family planning special project grants shall be awarded through the criteria established in Minnesota Rules. Notwithstanding any rules to the contrary, an organization shall not be excluded or reduced in priority for funding because the organization does not make available, directly or through referral, all methods of contraceptives for reasons of conscience. The commissioner of health shall develop procedures for establishing a conscience clause in the grant application process.

Sec. 72. [145.951] [CHILDREN HELPED IN LONG-TERM DEVELOPMENT.]

The commissioner of health, in consultation with the commissioners of education and human services, shall develop and establish a statewide program to assist families in developing the full potential of their children. The program shall be designed to strengthen the family, to reduce the risk of abuse to children, and to promote the long-term development of children in their home environments. The program shall, through volunteers, provide support to parents and link them with existing social services.

Sec. 73. [145.952] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 145.951 to 145.957, the following terms have the meanings given them in this section.

Subd. 2. [ABUSE.] "Abuse" means physical abuse, sexual abuse, neglect, mental injury, and threatened injury, as those terms are defined in section 626.556, subdivision 2.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health or the commissioner's designee.

Subd. 4. [LOCAL ORGANIZATION.] "Local organization" means an organization that contracts with the commissioner under section 145.953, subdivision 1, to administer the CHILD program on a local level.

Subd. 5. [CHILD PROGRAM OR PROGRAM.] "CHILD program" or "program" means the children helped in long-term development program established under sections 145.951 to 145.957.

Sec. 74. [145.953] [PROGRAM STRUCTURE.]

Subdivision 1. [LOCAL ADMINISTRATION OF PROGRAM.] The commissioner shall contract with private nonprofit and governmental organizations to administer the CHILD program on a local level. The local organization shall be responsible for recruiting, screening, training, and overseeing volunteers for the program.

Subd. 2. [VOLUNTEER COMPONENT.] A volunteer shall be matched with a family to provide ongoing support in parenting. The volunteer shall provide the family with information on the CHILD program and other social services available. Through home visits and frequent contact, the volunteer shall provide support and guidance on raising the child and coping with stresses that may increase the risk of abuse. The volunteer shall also assist the family in obtaining other needed services from existing social services programs.

Sec. 75. [145.954] [STANDARDS FOR PROGRAM.]

In developing and establishing the program, the commissioner shall:

- (1) establish mechanisms to encourage families to participate in the CHILD program;
- (2) establish mechanisms to identify families who may wish to participate in the CHILD program and to match volunteers with these families either before or as soon as possible after a child is born;
- (3) ensure that local organizations coordinate with services already provided by the departments of health, human services, and education to ensure that participating families receive a continuum of care;
- (4) coordinate with local social services agencies, local health boards, and community health boards;
- (5) ensure that services provided through the program are community based and that the special needs of minority communities are addressed;
- (6) develop and implement appropriate systems to gather data on participating families and to monitor and evaluate their progress; and
- (7) evaluate the program's effectiveness.

Sec. 76. [145.955] [DUTIES OF LOCAL ORGANIZATION.]

The local organizations shall:

- (1) recruit and train volunteers to serve families under the program, according to section 145.956;
- (2) provide ongoing supervision and consultation to volunteers; and
- (3) develop resource and referral booklets that volunteers can distribute to families served by the program. The booklets shall contain comprehensive information on the spectrum of services available to assist the family and to reduce the risk of abuse.

Sec. 77. [145.956] [TRAINING AND RECRUITMENT OF VOLUNTEERS.]

Subdivision 1. [TRAINING REQUIREMENTS.] (a) The local organization shall carefully screen and train volunteers to provide program services. Training must prepare volunteers to:

- (1) identify signs of abuse or other indications that a child may be at risk of abuse;
- (2) help families develop communications skills;
- (3) teach and reinforce healthy discipline techniques;
- (4) provide other support a family needs to cope with stresses that increase the risk of abuse; and
- (5) refer the family to other appropriate social services.

(b) The local agency must also provide ongoing support, supervision, and training for all volunteers.

(c) Training must be culturally appropriate and community based. In designing the training, the local organization must seek and incorporate the input of parents on the needs of families who may seek program services.

Subd. 2. [RECRUITMENT OF VOLUNTEERS.] The local organization must recruit minority volunteers to serve communities of color.

Sec. 78. [145.957] [ELIGIBILITY.]

All residents of Minnesota shall be eligible for services under the program. Services shall be available on a sliding fee basis. The commissioner shall develop a sliding fee scale and publish it in the State Register.

Sec. 79. Minnesota Statutes 1992, section 149.04, is amended to read:

149.04 [RENEWAL OF LICENSE.]

Any license may be renewed from time to time and shall be in force after such renewal for a period specified by the state commissioner of health upon the payment of a renewal fee in an amount prescribed by the commissioner pursuant to section 144.122.

All fees received under this chapter shall be paid by the state commissioner of health to the credit of the general state government special revenue fund in the state treasury. The salaries of the necessary employees of the commissioner, the per diem of the inspectors and examiners, their expenses, and all incidental expenses of the commissioner in carrying out the provisions of this chapter shall be paid from the appropriations made to the state commissioner of health, but no expense or claim shall be incurred or paid in excess of the amount received from the fees herein provided.

Sec. 80. Minnesota Statutes 1992, section 157.045, is amended to read:

157.045 [INCREASE IN FEES.]

For licenses issued for 1989 and succeeding years, the commissioner of health shall increase license fees for facilities licensed under this chapter and chapter 327 to a level sufficient to recover all expenses related to the licensing, inspection, and enforcement activities prescribed in those chapters. In calculating the fee increase, the commissioner shall include the salaries and expenses of 5.5 new positions required to meet the inspection frequency prescribed in section 157.04. Fees collected must be deposited in the special revenue account state government special revenue fund.

Sec. 81. Minnesota Statutes 1992, section 198.34, is amended to read:

198.34 [DEPOSIT OF RECEIPTS.]

~~Federal money received by the board for the care of veterans in a veterans home, after being credited to a federal receipt account, must be transferred to the general revenue fund in the state treasury~~ must be deposited into a dedicated account in the state treasury and is appropriated to the veterans homes board of directors for the operational needs of the veterans homes and the board of directors. Money paid to the board by a veteran or by another person on behalf of a veteran for care in a veterans home must be deposited in the state treasury ~~and credited to the general fund in a dedicated account and is appropriated to the veterans homes board of directors for the operational needs of the veterans homes and the board of directors.~~

Sec. 82. [198.345] [VETERANS HOME; FERGUS FALLS.]

Subdivision 1. [ESTABLISHMENT.] The board shall establish a veterans home in Fergus Falls to provide at least 60 beds for skilled nursing care in conformance with licensing rules of the department of health.

Subd. 2. [FUNDING.] The home must be purchased or built with funds, 65 percent of which must be provided by the federal government, and 35 percent by other nonstate sources, including local units of government, veterans' organizations, and corporations or other business entities.

Subd. 3. [SUPPORT SERVICES.] Upon request, the department of human services shall arrange for the extension of support services to the veterans home in Fergus Falls including, but not limited to, the provision of utilities, and kitchen and laundry services.

Sec. 83. Minnesota Statutes 1992, section 214.04, subdivision 1, is amended to read:

Subdivision 1. [SERVICES PROVIDED.] The commissioner of administration with respect to the board of electricity, the commissioner of education with respect to the board of teaching, the commissioner of public safety with respect to the board of private detective and protective agent services, and the board of peace officer standards and training, and the commissioner of revenue with respect to the board of assessors, shall provide suitable offices and other space, joint conference and hearing facilities, examination rooms, and the following administrative support services: purchasing service, accounting service, advisory personnel services, consulting services relating to evaluation procedures and techniques, data processing, duplicating, mailing services, automated printing of license renewals, and

such other similar services of a housekeeping nature as are generally available to other agencies of state government. Investigative services shall be provided the boards by employees of the office of attorney general. The commissioner of health with respect to the health-related licensing boards and shall provide mailing and office supply services and may provide other facilities and services listed in this subdivision at a central location upon request of the health-related licensing boards. The ~~chair of the department~~ commissioner of commerce with respect to the remaining non-health-related licensing boards shall provide the above facilities and services at a central location for the ~~health-related and remaining non-health-related licensing boards.~~

Subd. 1a. [LEGAL AND INVESTIGATIVE SERVICES.] ~~The Legal and investigative services for the boards shall be provided by employees of the attorney general assigned to the departments servicing the boards. Notwithstanding the foregoing, the attorney general shall not be precluded by this section from assigning other attorneys to service a board if necessary in order to insure competent and consistent legal representation.~~ Persons providing legal and investigative services shall to the extent practicable provide the services on a regular basis to the same board or boards.

Sec. 84. Minnesota Statutes 1992, section 214.06, subdivision 1, is amended to read:

Subdivision 1. [FEE ADJUSTMENT.] Notwithstanding any law to the contrary, the commissioner of health as authorized by section 214.13, all health-related licensing boards and all non-health-related licensing boards shall by rule, with the approval of the commissioner of finance, adjust any fee which the commissioner of health or the board is empowered to assess a sufficient amount so that the total fees collected by each board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128. For members of an occupation registered after July 1, 1984, by the commissioner of health under the provisions of section 214.13, the fee established must include an amount necessary to recover, over a five-year period, the commissioner's direct expenditures for adoption of the rules providing for registration of members of the occupation. All fees received shall be deposited in the state treasury. Fees received by the commissioner of health or health-related licensing boards must be credited to the health occupations licensing account in the state government special revenue fund.

Sec. 85. [214.103] [HEALTH-RELATED LICENSING BOARDS; COMPLAINTS; INVESTIGATION AND HEARING.]

Subdivision 1. [APPLICATION.] For purposes of this section, "board" means "health-related licensing board" and does not include non-health-related licensing boards. Nothing in this section supersedes section 214.10, subdivisions 2a, 3, 8, and 9, as they apply to the health-related licensing boards.

Subd. 2. [RECEIPT OF COMPLAINT.] The boards shall receive and resolve complaints or other communications, whether oral or written, against regulated persons. Before resolving an oral complaint, the executive director or a board member designated by the board to review complaints may require the complainant to state the complaint in writing. The executive director or the designated board member shall determine whether the complaint alleges or implies a violation of a statute or rule which the board is empowered to enforce. The executive director or the designated board member may consult with the designee of the attorney general as to a board's jurisdiction over a complaint. If the executive director or the designated board member determines that it is necessary, the executive director may seek additional information to determine whether the complaint is jurisdictional or to clarify the nature of the allegations by obtaining records or other written material, obtaining a handwriting sample from the regulated person, clarifying the alleged facts with the complainant, and requesting a written response from the subject of the complaint.

Subd. 3. [REFERRAL TO OTHER AGENCIES.] The executive director shall forward to another governmental agency any complaints received by the board which do not relate to the board's jurisdiction but which relate to matters within the jurisdiction of another governmental agency. The agency shall advise the executive director of the disposition of the complaint. A complaint or other information received by another governmental agency relating to a statute or rule which a board is empowered to enforce must be forwarded to the executive director of the board to be processed in accordance with this section.

Subd. 4. [ROLE OF THE ATTORNEY GENERAL.] The executive director or the designated board member shall forward a complaint and any additional information to the designee of the attorney general when the executive director or the designated board member determines that a complaint is jurisdictional and (1) requires investigation before the executive director or the designated board member may resolve the complaint; (2) that attempts at resolution for disciplinary action or the initiation of a contested case hearing is appropriate; (3) that an agreement for corrective action is warranted; or (4) that the complaint should be dismissed, consistent with subdivision 8.

Subd. 5. [INVESTIGATION BY ATTORNEY GENERAL.] If the executive director or the designated board member determines that investigation is necessary before resolving the complaint, the executive director shall forward the complaint and any additional information to the designee of the attorney general. The designee of the attorney general shall evaluate the communications forwarded and investigate as appropriate. The designee of the attorney general may also investigate any other complaint forwarded under subdivision 3 when the designee of the attorney general determines that investigation is necessary. In the process of evaluation and investigation, the designee shall consult with or seek the assistance of the executive director or the designated board member. The designee may also consult with or seek the assistance of other qualified persons who are not members of the board who the designee believes will materially aid in the process of evaluation or investigation. Upon completion of the investigation, the designee shall forward the investigative report to the executive director.

Subd. 6. [ATTEMPTS AT RESOLUTION.] (a) At any time after receipt of a complaint, the executive director or the designated board member may attempt to resolve the complaint with the regulated person. The available means for resolution include a conference or any other written or oral communication with the regulated person. A conference may be held for the purposes of investigation, negotiation, education, or conciliation. The results of attempts at resolution with the regulated person may include a recommendation to the board for disciplinary action, an agreement between the executive director or the designated board member and the regulated person for corrective action, or the dismissal of a complaint. If attempts at resolution are not in the public interest or are not satisfactory to the executive director or the designated board member, then the executive director or the designated board member may initiate a contested case hearing.

(1) The designee of the attorney general shall represent the board in all attempts at resolution which the executive director or the designated board member anticipate may result in disciplinary action. The available remedies for disciplinary action by consent with the regulated person are those listed in section 214.108, subdivision 4. A stipulation between the executive director or the designated board member and the regulated person shall be presented to the board for the board's consideration. An approved stipulation and resulting order shall become public data.

(2) The designee of the attorney general shall represent the board upon the request of the executive director or the designated board member in all attempts at resolution which the executive director or the designated board member anticipate may result in corrective action. Any agreement between the executive director or the designated board member and the regulated person for corrective action shall be in writing and shall be reviewed by the designee of the attorney general prior to its execution. The agreement for corrective action shall provide for dismissal of the complaint upon successful completion by the regulated person of the corrective action.

(b) Upon receipt of a complaint alleging sexual contact or sexual conduct with a client, the board must forward the complaint to the designee of the attorney general for an investigation. If, after it is investigated, the complaint appears to provide a basis for disciplinary action, the board shall resolve the complaint by disciplinary action or initiate a contested case hearing. Notwithstanding paragraph (a), clause (2), a board may not take corrective action or dismiss a complaint alleging sexual contact or sexual conduct with a client unless, in the opinion of the executive director, the designated board member, and the designee of the attorney general, there is insufficient evidence to justify disciplinary action.

Subd. 7. [CONTESTED CASE HEARING.] If the executive director or the designated board member determines that attempts at resolution of a complaint are not in the public interest or are not satisfactory to the executive director or the designated board member, the executive director or the designated board member, after consultation with the designee of the attorney general, may initiate a contested case hearing under chapter 14. The designated board member or any board member who was consulted during the course of an investigation may participate at the contested case hearing. A designated or consulted board member may not deliberate or vote in any proceeding before the board pertaining to the case.

Subd. 8. [DISMISSAL OF A COMPLAINT.] A complaint may not be dismissed without the concurrence of two board members. The designee of the attorney general must review before dismissal any complaints which allege any violation of chapter 609, any conduct which would be required to be reported under section 626.556 or 626.557, any sexual contact or sexual conduct with a client, any violation of a federal law, any actual or potential inability to practice the regulated profession or occupation by reason of illness, use of alcohol, drugs, chemicals, or any other materials, or as a result of any mental or physical condition, any violation of state medical assistance laws, or any disciplinary action related to credentialing in another jurisdiction or country which was based on the same or related conduct specified in this subdivision.

Subd. 9. [INFORMATION TO COMPLAINANT.] A board shall furnish to a person who made a complaint a description of the actions of the board relating to the complaint.

Subd. 10. [PROHIBITED PARTICIPATION BY BOARD MEMBER.] A board member who has actual bias or a current or former direct financial or professional connection with a regulated person may not vote in board actions relating to the regulated person.

Sec. 86. Minnesota Statutes 1992, section 245A.14, is amended by adding a subdivision to read:

Subd. 8. [VARIANCES FOR FAMILY DAY CARE PROVIDERS SERVING SCHOOL AGE CHILDREN.] Family day care providers licensed in Otter Tail county under Minnesota Rules, parts 9502.0300 to 9502.0445, who seek to serve additional school age children may seek a variance of the staff ratio and age distribution requirements of Minnesota Rules, part 9502.0367, by applying directly to the commissioner of human services. Notwithstanding any authority delegated under section 245A.16, the commissioner shall receive and act upon the variance applications submitted under this section. In deciding whether or not to grant a variance requested under this section, the commissioner shall ensure compliance with the requirements of section 245A.04, subdivision 9. In addition, the commissioner shall consider the following:

- (1) the number of additional school age children that the provider wishes to serve;
- (2) the time period during which the provider wishes to serve the additional children;
- (3) whether or not the additional children to be served have siblings in care at the facility;
- (4) the availability of other after-school child care programs in the community; and
- (5) whether or not the parents of children in care have been advised of, and have agreed to, an increased number of school age children at the facility.

Sec. 87. Minnesota Statutes 1992, section 256B.0625, subdivision 14, is amended to read:

Subd. 14. [DIAGNOSTIC, SCREENING, AND PREVENTIVE SERVICES.] (a) Medical assistance covers diagnostic, screening, and preventive services.

(b) "Preventive services" include services related to pregnancy, including services for those conditions which may complicate a pregnancy and which may be available to a pregnant woman determined to be at risk of poor pregnancy outcome. Preventive services available to a woman at risk of poor pregnancy outcome may differ in an amount, duration, or scope from those available to other individuals eligible for medical assistance.

(c) "Screening services" include, but are not limited to, blood lead tests.

Sec. 88. Minnesota Statutes 1992, section 326.44, is amended to read:

326.44 [FEES PAID TO GENERAL STATE GOVERNMENT SPECIAL REVENUE FUND.]

All fees received under sections 326.37 to 326.45 shall be deposited by the state commissioner of health to the credit of the general state government special revenue fund in the state treasury. The salaries of the necessary employees of the commissioner and the per diem of the inspectors and examiners hereinbefore provided, their expenses and all incidental expenses of the commissioner in carrying out the provisions of sections 326.37 to 326.45, shall be paid, from the appropriations made to the state commissioner of health, but no expense or claim shall be incurred or paid in excess of the amount received from the fees herein provided.

Sec. 89. Minnesota Statutes 1992, section 326.75, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT OF FEES.] Fees collected under this section shall be deposited in the general state government special revenue fund.

Sec. 90. Minnesota Statutes 1992, section 462A.03, subdivision 15, is amended to read:

Subd. 15. [REHABILITATION.] "Rehabilitation" means the repair, reconstruction, or improvement of existing residential housing with the object of making such residential housing decent, safe, sanitary and more desirable to live in, of greater market value or in conformance with state, county, or city health, housing, building, fire prevention, and housing maintenance codes, and lead and other public standards applicable to housing, as determined by the agency.

Sec. 91. [REPEALER.]

Subdivision 1. [LEAD ABATEMENT.] Minnesota Statutes 1992, sections 144.8721; 144.874, subdivision 10; and 144.878, subdivision 2a, are repealed.

Subd. 2. [INFECTIOUS WASTE.] Minnesota Statutes 1992, sections 116.76, subdivision 7; 116.79, subdivision 3; 116.81, subdivision 2; and 116.83, subdivision 2, are repealed.

Minnesota Rules, parts 4622.0100; 4622.0300; 4622.0400; 4622.0600; 4622.0700, subparts 10 and 12; 4622.0900; 4622.1000; 4622.1050; 4622.1100; 4622.1150; and 4622.1200, are repealed.

Subd. 3. [MENTAL HEALTH PRACTICE EXPENSES.] Minnesota Statutes 1992, section 148B.72, is repealed effective June 30, 1993.

Subd. 4. [ADVISORY COUNCIL.] Minnesota Statutes 1992, section 214.141, is repealed.

Sec. 92. [EFFECTIVE DATE.]

Sections 22 to 26, 33, 60, 87, and 91 are effective the day following final enactment. Section 68 is effective July 1, 1994.

ARTICLE 10

DEPARTMENT OF JOBS AND TRAINING; MINNESOTA HOUSING FINANCE AGENCY

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this 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.

Sec. 2. [UNCODIFIED LANGUAGE.]

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

Sec. 3. [FUNDING SOURCE.]

All language in this article designating an appropriation refers to a general fund appropriation unless a different fund is specifically referenced.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$61,959,000	\$61,229,000	\$123,188,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Sec. 4. JOBS AND TRAINING	45,594,000	45,164,000
Subdivision 1. Rehabilitation Services		
17,778,000		17,781,000

Of this appropriation, \$200,000 is for a cost-of-living adjustment in the Extended Employment Services program in order to maintain the current caseload to the extent possible within this appropriation.

For the biennium ending June 30, 1995, at least 38 percent of the vocational rehabilitation activity budget must be directed toward grants, which are budgeted as aid to individuals and local assistance categories of expense.

The commissioner shall apply for all available federal grants for services to handicapped including funds for the independent living center.

Of the special revenue appropriation, \$400,000 is to be used to provide services to eligible individuals as described in the federal Rehabilitation Act amendments of 1992, United States Code, title 29, only if this use of the money will satisfy federal matching requirements. If this purpose does not satisfy federal matching requirements, the money is appropriated to the department's vocational rehabilitation services for purposes that do satisfy federal matching requirements. Federal matching funds generated by this appropriation shall be used to provide services to persons with vocationally handicapping disabilities in accordance with the Vocational Rehabilitation Act of 1973, as amended.

Subd. 2. State Services for the Blind

3,588,000	3,605,000
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This appropriation may be supplemented by funds provided by the Friends of the Communication Center, for support of Services for the Blind's Communication Center which serves all blind and visually handicapped Minnesotans. The commissioner shall report to the legislature on a biennial basis the funds provided by the Friends of the Communication Center.

Subd. 3. Job Service/Unemployment Insurance

50,000	-0-
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Of this appropriation, \$50,000 is to implement a uniform business identifier process for all firms doing business with and within Minnesota. The planning and implementation of the uniform business identifier process must be accomplished no later than July 31, 1994, using only state agency staff.

Subd. 4. Community-based Services

24,178,000	23,778,000
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APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Of this appropriation, \$400,000 is to be transferred to the Minnesota extension service for operation of the farmer-lender mediation program.

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. Of this appropriation, \$500,000 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, \$800,000 is for the food shelf program.

Of this appropriation, \$1,000,000 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.

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 transfer 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 this appropriation, \$10,000 is for a grant to Community Action for Suburban Hennepin County to be made available as a grant to address health and safety issues for lower income mobile home park residents. Preference shall be given to proposals which can show coordination with residents, and have identified residents' needs and concerns through such means as surveys.

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
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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.

Sec. 5. HOUSING FINANCE AGENCY	16,365,000	16,065,000
Subdivision 1. Total Appropriation	16,365,000	16,065,000

Spending limit on cost of general administration of agency programs:

1994	1995
8,990,000	9,305,000

Of this appropriation, \$100,000 is for lead abatement. Lead abatement performed with this appropriation must meet the standards under Minnesota Statutes, section 144.878 for household lead dust, lead paint, and lead soil.

Of this appropriation, \$3,596,000 is for the Housing Trust Fund to be deposited in the housing trust fund account created under Minnesota Statutes, section 462.201, and used for the purposes provided in that section.

Of this appropriation, \$4,000,000 is for family homeless prevention and assistance program, targeting two percent of the appropriation for regional housing networks and 16.25 percent of the appropriation to be transferred to the commissioner of jobs and training for transitional housing operational expenses.

Of this appropriation, \$2,700,000 is for housing for the mentally ill. Of this amount, \$100,000 shall be targeted for crisis housing assistance and \$200,000 shall be transferred to the department of human services for social support services for residents of high-rise communities.

Of this appropriation, \$100,000 is for a grant to the Northwest Hennepin Human Services Council for a human services enterprise zone demonstration project for coordinated delivery of social services. The pilot project must design a program to:

- (1) establish a zone by setting service delivery boundaries;
- (2) assess barriers to coordinated delivery of housing assistance, health services, family services, and related human service assistance;
- (3) develop methods to simplify service delivery and encourage collaboration among service providers;

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

(4) develop cooperative service agreements between agencies and units of government, including municipal, county, state, and federal government units and agencies, school districts, post-secondary education institutions, and other service providers including representatives of organized labor;

(5) seek waivers of regulations that are barriers to cooperation; and

(6) evaluate the human service enterprise zone to determine how it may be adapted to serve as a model for the delivery of human services.

By February 1, 1994, the grantee shall prepare an interim report for the agency with findings and recommendations on program design. The agency shall report to the legislature by December 1, 1995, on the implementation of the demonstration project to develop a model human services enterprise zone.

The appropriation for the community rehabilitation fund grants shall be used to remove blighted multi-unit residential property, under Minnesota Statutes, section 462A.05, subdivision 37. The commissioner shall award grants to cities for the removal of blighted multi-unit rental properties if the city meets the following criteria:

(1) multi-unit residential rental units are at least 25 percent of the city's housing stock;

(2) at least 50 percent of the multi-unit residential units located within the city were constructed prior to 1979; and

(3) is a city of the second class and has enacted a housing maintenance and rental licensing ordinance prior to 1980.

Grants may be used to acquire or demolish blighted multi-unit residential rental properties or to make loans or grants for acquisition or demolition. Grant funds may not be used for administrative costs. Notwithstanding section 462A.05, subdivision 37, grants made with this sum shall be used for housing rented to or owned by persons or families with income less than or equal to 120 percent of the greater of state or area median income adjusted for family size as determined by the United States Department of Housing and Urban Development.

The agency may use up to \$1,000,000 of available resources for the purpose of making loans under the Minnesota rural and urban homesteading program established under Minnesota Statutes, section 462A.057, subdivision 1. The commissioner shall report to the relevant finance divisions in the house of representatives and senate on the outcomes of this program January 15 of each year.

Sec. 6. Minnesota Statutes 1992, section 16B.06, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION.] The requirements of subdivision 2 do not apply to state contracts distributing state or federal funds pursuant to the federal Economic Dislocation and Worker Adjustment Assistance Act, United States Code, title 29, section 1651 et seq., or sections 268.9771, 268.978, 268.9781, and 268.9782. For these contracts, the commissioner of jobs and training is authorized to directly enter into state contracts with approval of the governor's job training council and encumber available funds to ensure a rapid response to the needs of dislocated workers. The commissioner shall adopt internal procedures to administer and monitor funds distributed under these contracts.

Sec. 7. Minnesota Statutes 1992, section 116L.03, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] The department of ~~trade and economic development~~ jobs and training shall provide staff and administrative services for the board.

Sec. 8. [256E.145] [SOCIAL SERVICES FOR PUBLIC HIGH-RISE COMMUNITIES.]

The commissioner of human services shall cooperate with the commissioner of the housing finance agency to develop at least two pilot projects designed to provide support services to persons living in public high-rise communities. The purpose of the pilot projects is to enhance the quality of life of persons with mental illness and chemical dependency who live in public high-rises through social services designed to build a sense of community among all residents. Projects shall be designed to:

(1) improve participation of persons with mental illness and chemical dependency in building activities including resident councils;

(2) reduce crime;

(3) increase the perception of safety;

(4) provide information on community resources and other needed services and assistance in referral to these services to residents with disabilities;

(5) reduce discord among residents; and

(6) provide education to all building residents on mental illness, chemical dependence, and the needs of persons with disabilities.

The program of social services shall be provided in each high-rise by a project coordinator and a staff team which may include volunteers. The program shall be designed to coordinate activities with public housing management, resident councils, building residents, self-help groups, and other community providers. Projects selected shall provide a ten percent match in federal or local funding which may include in-kind contributions, and shall submit a plan for evaluating project outcomes.

The commissioner of human services shall report back to the legislature by March 1994 with a progress report on the pilot projects which have been funded and a detailed list of the services being provided.

The commissioner shall provide a final report to the legislature by January 1995, which shall include an evaluation of the projects funded and recommendations developed in collaboration with the commissioner of the housing finance agency, on the feasibility of establishing a statewide program of social support services in high-rise communities.

Sec. 9. Minnesota Statutes 1992, section 268.022, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION AND COLLECTION OF SPECIAL ASSESSMENT.] (a) In addition to all other contributions, assessments, and payment obligations under chapter 268, each employer, except an employer making payments in lieu of contributions under section 268.06, subdivision 25, 26, 27, or 28, is liable for a special assessment levied at the rate of one-tenth of one percent per year on all wages for purposes of the contribution payable under section 268.06, subdivision 2, as defined in section 268.04, subdivision 25. Such assessment shall become due and be paid by each employer to the department of jobs and training on the same schedule and in the same manner as other contributions required by section 268.06.

(b) The special assessment levied under this section shall not affect the computation of any other contributions, assessments, or payment obligations due under this chapter.

(c) Notwithstanding any provision to the contrary, if on December 31 of any year the balance of the special assessment fund under this section is greater than \$30,000,000, the special assessment for the following year only shall be levied at a rate of 1/20th of one percent on all wages identified for this purpose under this subdivision.

Sec. 10. Minnesota Statutes 1992, section 268.022, subdivision 2, is amended to read:

Subd. 2. [DISBURSEMENT OF SPECIAL ASSESSMENT FUNDS.] (a) The money collected under this section shall be deposited in the state treasury and credited to a dedicated fund to provide for the ~~dislocated worker employment and training~~ programs established under sections 268.975 to 268.98; including vocational guidance, training, placement, and job development.

(b) All money in the dedicated fund is appropriated to the commissioner who must act as the fiscal agent for the money and must disburse the money for the purposes of this section, not allowing the money to be used for any other obligation of the state. All money in the dedicated fund shall be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other dedicated funds in the state treasury, except that all interest or net income resulting from the investment or deposit of money in the fund shall accrue to the fund for the purposes of the fund.

(c) No more than five percent of the dedicated funds collected in each fiscal year may be used by the department of jobs and training for its administrative costs.

(d) Reimbursement for costs related to collection of the special assessment shall be in an amount negotiated between the commissioner and the United States Department of Labor.

(e) \$3,061,000 of the dedicated funds collected in the first year and \$2,310,000 of the dedicated funds collected in the second year shall be used by the commissioner for the Minnesota youth program under sections 268.31 to 268.36.

(f) \$400,000 of the dedicated funds collected in the first year and \$400,000 of the dedicated funds collected in the second year shall be used by the commissioner for projects with industry under section 268.9786.

(g) The dedicated funds, less amounts under paragraph paragraphs (c), must (d), (e), and (f), shall be allocated as follows:

~~(1) 50 percent to be allocated according to paragraph (c) to the substate grantees under subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1661a in proportion to each substate area's share of the federal allocated funds, to be used to assist dislocated workers under the standards in section 268.98;~~

~~(2) 50 percent to fund specific programs proposed under the state plan request for proposal process and recommended by the governor's job training council. This fund shall be used for state plan request for proposal programs addressing plant closings or layoffs regardless of size; and~~

~~(3) in fiscal years 1991, 1992, and 1993, any amounts transferred to the general fund or obligated before July 1, 1991, shall be excluded from the calculation under this paragraph.~~

(e) In the event that a substate grantee has obligated 100 percent of its formula allocated federal funds under subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1651 et seq., and has demonstrated appropriate use of the funds to the governor's job training council, the substate grantee may request and the commissioner shall provide additional funds to the substate area in an amount equal to the federal formula allocated funds. When a substate grantee has obligated 100 percent of the additional funds provided under this section, and has demonstrated appropriate use of the funds to the governor's job training council, the substate grantee may request and the commissioner shall provide further additional funds in amounts equal to the federal formula allocated funds until the substate area receives its proportionate share of funds under paragraph (d), clause (1).

~~(f) By December 31 of each fiscal year each substate grantee and the governor's job training council shall report to the commissioner on the extent to which funds under this section are committed and the anticipated demand for funds for the remainder of the fiscal year. The commissioner shall reallocate those funds that the substate grantees and the council do not anticipate expending for the remainder of the fiscal year to be available for requests from other substate grantees or other dislocated worker projects proposed to the governor's job training council which demonstrate a need for additional funding.~~

~~(g) Due to the anticipated quarterly variations in the amounts collected under this section, the amounts allocated under paragraph (d) must be based on collections for each quarter. Any amount collected in the final two quarters of the fiscal year, but not allocated, obligated or expended in the fiscal year, shall be available for allocation, obligation and expenditure in the following fiscal year. annually to substate grantees for provision of expeditious response activities under section 268.9771 and worker adjustment services under section 268.9781; and~~

(2) 70 percent to be allocated to activities and programs authorized under sections 268.975 to 268.98.

(h) Any funds not allocated, obligated, or expended in a fiscal year shall be available for allocation, obligation, and expenditure in the following fiscal year.

Sec. 11. Minnesota Statutes 1992, section 268.361, subdivision 6, is amended to read:

Subd. 6. [TARGETED YOUTH.] "Targeted youth" means at-risk persons that who are at least 16 years of age but not older than 24 24 years of age, are eligible for the high school graduation incentive program under section 126.22, subdivisions 2 and 2a, or are economically disadvantaged as defined in United States Code, title 29, section 1503, and are part of one of the following groups:

(1) persons who are not attending any school and (1) have not received a secondary school diploma or its equivalent;
or

(2) persons currently enrolled in a traditional or alternative school setting or a GED program and who, in the opinion of an official of the school, are in danger of dropping out of the school.

Sec. 12. Minnesota Statutes 1992, section 268.361, subdivision 7, is amended to read:

Subd. 7. [VERY LOW INCOME.] "Very low income" means incomes that are at or less than 30 50 percent of the area median income for the Minneapolis-St. Paul metropolitan area, adjusted for family size, as estimated by the department of housing and urban development.

Sec. 13. Minnesota Statutes 1992, section 268.362, is amended to read:

268.362 [GRANTS.]

Subdivision 1. [GENERALLY.] (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience to-at-risk for targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, improvement, or construction of (1) residential units for the homeless, or (2) education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.

(b) Eligible facilities must principally provide services to homeless or very low income individuals and families, and include the following:

(1) Head Start or day care centers;

(2) homeless, battered women, or other shelters;

(3) transitional housing;

(4) youth or senior citizen centers; and

(5) community health centers.

Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Subd. 2. [GRANT APPLICATIONS; AWARDS.] Interested eligible organizations must apply to the commissioner for the grants. The advisory committee must review the applications and provide to the commissioner a list of recommended eligible organizations that the advisory committee determines meet the requirements for receiving a grant. The total grant award for any program may not exceed ~~\$50,000~~ \$80,000 per year. In awarding grants, the advisory committee and the commissioner must give priority to:

(1) continuing and expanding effective programs by providing grant money to organizations that are operating or have operated successfully a successful program that meets the program purposes under section 268.364; and

(2) distributing programs throughout the state through start-up grants for programs in areas that are not served by an existing program.

To receive a grant under this section, the eligible organization must match the grant money with at least an equal amount of nonstate money. The commissioner must verify that the eligible organization has matched the grant money. Nothing in this subdivision shall prevent an eligible organization from applying for and receiving grants for more than one program. A grant received by an eligible organization from the federal Youthbuild Project under United States Code, title 42, section 5091, is nonstate money and may be used to meet the state match requirement. State grant money awarded under this section may be used by grantee organizations for match requirements of a federal Youthbuild Project.

Sec. 14. Minnesota Statutes 1992, section 268.363, is amended to read:

268.363 [ADVISORY COMMITTEE.]

A 13-member advisory committee is established as provided under section 15.059 to assist the commissioner in selecting eligible organizations to receive ~~planning program~~ grants, evaluating the final reports of each organization, and providing recommendations to the legislature. Members of the committee may be reimbursed for expenses but may not receive any other compensation for service on the committee. The advisory committee consists of representatives of the commissioners of education, human services, and jobs and training; a representative of the chancellor of vocational education; a representative of the commissioner of the housing finance agency; the director of the office of jobs policy; and seven public members appointed by the governor. Each of the following groups must be represented by a public member experienced in working with targeted youth: labor organizations, local educators, community groups, consumers, local housing developers, youth between the ages of 16 and ~~21~~ 24 who have a period of homelessness, and other homeless persons. At least three of the public members must be from outside of the metropolitan area as defined in section 473.121, subdivision 2. The commissioner may provide staff to the advisory committee to assist it in carrying out its purpose.

Sec. 15. Minnesota Statutes 1992, section 268.364, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM PURPOSE.] The grants awarded under section 268.362 are for a youth employment and training program directed at targeted youth who are likely to be at risk of not completing their high school education. Each program must include education, work experience, ~~and~~ job skills, and leadership training and peer support components. Each participant must be offered counseling and other services to identify and overcome problems that might interfere with successfully completing the program.

Sec. 16. Minnesota Statutes 1992, section 268.364, subdivision 3, is amended to read:

Subd. 3. [WORK EXPERIENCE COMPONENT.] A work experience component must be included in each program. The work experience component must provide vocational skills training in an industry where there is a viable expectation of job opportunities ~~and~~. A training subsidy, living allowance, or stipend, not to exceed an amount equal to 100 percent of the poverty line for a family of two as defined in United States Code, title 42, section 673, paragraph (2), may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in (1) the expansion or improvement of residential units for homeless persons and very low income families, and or (2) rehabilitation, improvement, or construction of eligible education, social service, or health facilities that principally serve homeless or very low income individuals and families. Any work project must include direct supervision by individuals skilled in each specific vocation. Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

Sec. 17. Minnesota Statutes 1992, section 268.364, is amended by adding a subdivision to read:

Subd. 6. [LEADERSHIP TRAINING AND PEER SUPPORT COMPONENT.] Each program must provide participants with meaningful opportunities to develop leadership skills such as decision making, problem solving, and negotiating. The program must encourage participants to develop strong peer group ties that support their mutual pursuit of skills and values.

Sec. 18. Minnesota Statutes 1992, section 268.365, subdivision 2, is amended to read:

Subd. 2. [PRIORITY FOR HOUSING.] Any residential or transitional housing units that become available through the program a work project that is part of the program described in section 268.364 must be allocated in the following order:

- (1) homeless individuals targeted youth who have participated in constructing, rehabilitating, or improving the unit;
- (2) homeless families with at least one dependent;
- (3) other homeless individuals;
- (4) other very low income families and individuals; and
- (5) families or individuals that receive public assistance and that do not qualify in any other priority group.

Sec. 19. Minnesota Statutes 1992, section 268.55, is amended to read:

268.55 [FOOD BANK FOODSHELF PROGRAM.]

Subdivision 1. [DISTRIBUTION OF APPROPRIATION.] The economic opportunity office of the department of jobs and training shall distribute funds appropriated to it by law for that purpose to food banks, as defined in section 31.50, subdivision 1, paragraph (b). A food bank qualifies under this section if it is a nonprofit corporation, or is affiliated with to the Minnesota foodshelf association, a statewide association of foodshelves organized as a nonprofit corporation, as defined under section 501(c)(3) of the Internal Revenue Code of 1986, and distributes food to distribute to qualifying foodshelves. A foodshelf qualifies under this section if:

- (1) it is a nonprofit corporation, or is affiliated with a nonprofit corporation, as defined in section 501(c)(3) of the Internal Revenue Code of 1986;
- (2) it distributes standard food orders without charge to needy individuals. The standard food order must consist of at least a two-day supply or six pounds per person of nutritionally balanced food items;
- (3) it does not limit food distributions to individuals of a particular religious affiliation, race, or other criteria unrelated to need or to requirements necessary to administration of a fair and orderly distribution system;
- (4) it does not use the money received or the food distribution program to foster or advance religious or political views; and
- (5) it has a stable address and directly serves individuals.

Subd. 2. [APPLICATION.] In order to receive money appropriated for food banks under this section, a food bank the Minnesota foodshelf association must apply to the economic opportunity office department of jobs and training. The application must be in a form prescribed by the economic opportunity office and must contain information required by the economic opportunity office to verify that the applicant is a qualifying food bank, and the amount the applicant is entitled to receive under subdivision 3 department of jobs and training and must indicate the proportion of money each qualifying foodshelf shall receive. Applications must be filed at the times and for the periods determined by the economic opportunity office department of jobs and training.

Subd. 3. [DISTRIBUTION FORMULA.] ~~The economic opportunity office~~ Minnesota foodshelf association shall distribute money ~~appropriated distributed to it for by the department of jobs and training to~~ foodshelf programs to ~~qualifying food banks in proportion to the number of individuals served by the each foodshelf programs supplied by the food bank program.~~ qualifying food banks in proportion to the number of individuals served by the each foodshelf programs supplied by the food bank program. ~~The economic opportunity office department of jobs and training shall gather data from applications the Minnesota foodshelf association or other appropriate sources to determine the proportionate amount each qualifying foodshelf program is entitled to receive. The economic opportunity office department of jobs and training may increase or decrease the qualifying food bank's foodshelf program's proportionate amount if it determines the increase or decrease is necessary or appropriate to meet changing needs or demands.~~

Subd. 4. [USE OF MONEY.] ~~At least 95 96 percent of the money distributed to food banks the Minnesota foodshelf association under this section must be used distributed to foodshelf programs to purchase nutritious food for, transport and coordinate the distribution without charge to qualifying foodshelves serving of nutritious food to needy individuals and families. No more than five four percent of the money may be expended for other expenses, such as rent, salaries, and other administrative expenses of the food banks Minnesota foodshelf association.~~

Subd. 5. [ENFORCEMENT.] ~~Recipient food banks The Minnesota foodshelf association must retain records documenting expenditure of the money and comply with any additional requirements imposed by the economic opportunity office department of jobs and training. The economic opportunity office department of jobs and training may require a food bank receiving funds under this section the Minnesota foodshelf association to report on its use of the funds. The economic opportunity office department of jobs and training may require that the report contain an independent audit. If ineligible expenditures are made by a food bank the Minnesota foodshelf association, the ineligible amount must be repaid to the economic opportunity office department of jobs and training and deposited in the general fund.~~

Subd. 6. [ADMINISTRATIVE EXPENSES.] All funds appropriated under this section must be distributed to the Minnesota foodshelf association as provided under this section with deduction by the commissioner for administrative expenses limited to 1.8 percent.

Sec. 20. Minnesota Statutes 1992, section 268.914, subdivision 1, is amended to read:

Subdivision 1. [STATE SUPPLEMENT FOR FEDERAL GRANTEES.] (a) ~~The commissioner of jobs and training shall distribute money appropriated for that purpose to Head Start program grantees to expand services to additional low-income children. Money must be allocated to each project Head Start grantee in existence on the effective date of Laws 1989, chapter 282. Migrant and Indian reservation grantees must be initially allocated money based on the grantees' share of federal funds. The remaining money must be initially allocated to the remaining local agencies based equally on the agencies' share of federal funds and on the proportion of eligible children in the agencies' service area who are not currently being served. A Head Start grantee must be funded at a per child rate equal to its contracted, federally funded base level for program accounts 20 to 26 at the start of the fiscal year. In allocating funds under this paragraph, the commissioner of jobs and training must assure that each Head Start grantee is allocated no less funding in any fiscal year than was allocated to that grantee in fiscal year 1993. The commissioner may provide additional funding to grantees for start-up costs incurred by grantees due to the increased number of children to be served. Before paying money to the grantees, the commissioner shall notify each grantee of its initial allocation, how the money must be used, and the number of low-income children that must be served with the allocation. Each grantee must notify the commissioner of the number of additional low-income children it will be able to serve. For any grantee that cannot serve additional children to its full allocation, the commissioner shall reduce the allocation proportionately. Money available after the initial allocations are reduced must be redistributed to eligible grantees.~~

(b) ~~Up to 11 percent of the funds appropriated annually may be used to provide grants to local head start agencies to provide funds for innovative programs designed either to target Head Start resources to particular at-risk groups of children or to provide services in addition to those currently allowable under federal head start regulations. The commissioner shall award funds for innovative programs under this paragraph on a competitive basis.~~

Sec. 21. [268.92] [LEAD ABATEMENT PROGRAM.]

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

(a) "Certified worker" means a lead abatement worker certified by the commissioner of health under section 144.878, subdivision 5.

(b) "Certified trainer" means a lead trainer certified by the commissioner of health under section 144.878, subdivision 5.

(c) "Certified worker" means a lead abatement worker certified by the commissioner of health under section 144.878, subdivision 5.

(d) "Commissioner" means the commissioner of jobs and training.

(e) "Eligible organization" means a licensed contractor, certified trainer, city, board of health, community health department, community action agency as defined in section 268.52, or community development corporation.

(f) "High risk for toxic lead exposure" has the meaning given in section 144.871, subdivision 7a.

(g) "Licensed contractor" means a contractor licensed by the department of health under section 144.876.

(h) "Removal and replacement abatement" means lead abatement on residential property that requires retrofitting and conforms to the rules established under section 144.878.

(i) "Swab team" has the meaning given in section 144.871, subdivision 9.

Subd. 2. [GRANTS; ADMINISTRATION.] Within the limits of the available appropriation, the commissioner may make demonstration and training grants to eligible organizations for programs to train workers for swab teams and removal and replacement abatement, and to provide swab team services and removal and replacement abatement for residential property.

Grants awarded under this section must be made in consultation with the commissioners of the department of health, and the housing finance agency, and representatives of neighborhood groups from areas at high risk for toxic lead exposure, a labor organization, the lead coalition, community action agencies, and the legal aid society. The consulting team shall review grant applications and recommend awards to eligible organizations that meet requirements for receiving a grant under this section.

Subd. 3. [APPLICANTS.] (a) Interested eligible organizations may apply to the commissioner for grants under this section. Two or more eligible organizations may jointly apply for a grant. Priority shall be given to community action agencies in greater Minnesota and to either community action agencies or neighborhood based nonprofit organizations in cities of the first class. 3.75 percent of the total allocation may be used for administrative costs. Applications must provide information requested by the commissioner, including at least the information required to assess the factors listed in paragraph (d).

(b) The commissioner of jobs and training shall coordinate with the commissioner of health and local boards of health to provide swab team services. Swab teams, administered by the commissioner of jobs and training, that are not engaged daily in fulfilling the requirements of section 144.872, subdivision 5, must deliver swab team services in census tracts known to be at high risk for toxic lead exposure.

(c) Any additional grants shall be made to establish swab teams for primary prevention, without environmental lead testing, in census tracts at high risk for toxic lead exposure.

(d) In evaluating grant applications, the commissioner shall consider the following criteria:

(1) the use of licensed contractors and certified lead abatement workers for residential lead abatement;

(2) the participation of neighborhood groups and individuals, as swab team members, in areas at high risk for toxic lead exposure;

(3) plans for the provision of primary prevention through swab team services in areas at high risk for toxic lead exposure on a census tract basis without environmental lead testing;

(4) plans for supervision, training, career development, and postprogram placement of swab team members;

(5) plans for resident and property owner education on lead safety;

(6) plans for distributing cleaning supplies to area residents and educating residents and property owners on cleaning techniques;

(7) cost estimates for training, swab team services, equipment, monitoring, and administration;

(8) measures of program effectiveness; and

(9) coordination of program activities with other federal, state, and local public health, job training, apprenticeship, and housing renovation programs including the emergency jobs program under sections 268.672 to 268.881.

Subd. 4. [LEAD ABATEMENT CONTRACTORS.] (a) Eligible organizations and licensed lead abatement contractors may participate in the lead abatement program. An organization receiving a grant under this section must assure that all participating contractors are licensed and that all swab team, and removal and replacement employees are certified by the department of health under section 144.878, subdivision 5. Organizations and licensed contractors may distinguish between interior and exterior services in assigning duties and may participate in the program by:

(1) providing on-the-job training for swab teams;

(2) providing swab team services to meet the requirements of section 144.872;

(3) providing removal and replacement abatement using skilled craft workers;

(4) providing primary prevention, without environmental lead testing, in census tracts at high risk for toxic lead exposure;

(5) providing lead dust cleaning supplies, as described in section 144.872, subdivision 4, to residents; or

(6) instructing residents and property owners on appropriate lead control techniques.

(b) Participating licensed contractors must:

(1) demonstrate proof of workers' compensation and general liability insurance coverage;

(2) be knowledgeable about lead abatement requirements established by the department of housing and urban development and the occupational safety and health administration;

(3) demonstrate experience with on-the-job training programs;

(4) demonstrate an ability to recruit employees from areas at high risk for toxic lead exposure; and

(5) demonstrate experience in working with low-income clients.

Subd. 5. [LEAD ABATEMENT EMPLOYEES.] Each worker engaged in swab team services or removal and replacement abatement in programs established under this section must have blood lead concentrations below 15 micrograms per deciliter as determined by a baseline blood lead screening. Any organization receiving a grant under this section is responsible for lead screening and must assure that all workers in lead abatement programs, receiving grant funds under this section, meet the standards established in this subdivision. Grantees must use appropriate workplace procedures to reduce risk of elevated blood lead levels. Grantees and participating contractors must report all employee blood lead levels that exceed 15 micrograms per deciliter to the commissioner of health.

Subd. 6. [ON-THE-JOB TRAINING COMPONENT.] (a) Programs established under this section must provide on-the-job training for swab teams. Training methods must follow procedures established under section 144.878, subdivision 5.

(b) Swab team members must receive monetary compensation equal to the prevailing wage as defined in section 177.42, subdivision 6, for comparable jobs in the licensed contractor's principal business.

Subd. 7. [REMOVAL AND REPLACEMENT COMPONENT.] (a) Within the limits of the available appropriation, programs may be established if a need is identified for removal and replacement abatement in residential properties. All removal and replacement abatement must be done using least-cost methods that meet the standards of section 144.878, subdivision 2. Removal and replacement abatement must be done by licensed lead abatement contractors. All craft work that requires a state license must be supervised by a person with a state license in the craft work being supervised.

(b) The program design must:

(1) identify the need for trained swab team workers and removal and replacement abatement workers;

(2) describe plans to involve appropriate groups in designing methods to meet the need for trained lead abatement workers; and

(3) include an examination of how program participants may achieve certification as a part of the work experience and training component. Certification may be achieved through licensing, apprenticeship, or other education programs.

Subd. 8. [PROGRAM BENEFITS.] As a condition of providing lead abatement under this section, an organization may require a property owner to not increase rents on a property solely as a result of a substantial improvement made with public funds under the programs in this section.

Subd. 9. [REQUIREMENTS OF ORGANIZATIONS RECEIVING GRANTS.] An eligible organization that is awarded a training and demonstration grant under this section shall prepare and submit a quarterly progress report to the commissioner beginning three months after receipt of the grant.

Subd. 10. [REPORT.] Beginning in the year in which an appropriation is received, the commissioner shall prepare and submit a lead abatement program report to the legislature and the governor by December 31, and every two years thereafter. At a minimum, the report must describe the programs that received grants under this section, and make recommendations for program changes.

Sec. 22. Minnesota Statutes 1992, section 268.975, subdivision 3, is amended to read:

Subd. 3. [DISLOCATED WORKER.] "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been terminated or who has received a notice of termination from public or private sector employment, is eligible for or has exhausted entitlement to unemployment compensation, and is unlikely to return to the previous industry or occupation;

(2) has been terminated or has received a notice of termination of employment as a result of any plant closing or any substantial layoff at a plant, facility, or enterprise;

(3) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age; or

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters, subject to rules to be adopted by the commissioner; or

(5) has been terminated or who has received a notice of termination from employment with a public or nonprofit employer.

~~A dislocated worker must have been working in Minnesota at the time employment ceased.~~

Sec. 23. Minnesota Statutes 1992, section 268.975, subdivision 4, is amended to read:

Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a local government unit, nonprofit organization, community action agency, business organization or association, or labor organization ~~that has applied for a prefeasibility grant under section 268.978.~~

Sec. 24. Minnesota Statutes 1992, section 268.975, subdivision 6, is amended to read:

Subd. 6. [PLANT CLOSING.] "Plant closing" means the announced or actual permanent ~~or temporary~~ shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, ~~if the shutdown results in an employment loss at the single site of employment during any 30-day period for (a) 50 or more employees excluding employees who work less than 20 hours per week; or (b) at least 500 employees who in the aggregate work at least 20,000 hours per week, exclusive of hours of overtime.~~

Sec. 25. Minnesota Statutes 1992, section 268.975, subdivision 7, is amended to read:

Subd. 7. [PREFEASIBILITY STUDY GRANT, GRANT.] "Prefeasibility study grant" ~~or "grant"~~ means the grant awarded under section 268.978.

Sec. 26. Minnesota Statutes 1992, section 268.975, subdivision 8, is amended to read:

Subd. 8. [SUBSTANTIAL LAYOFF.] "Substantial layoff" means a permanent reduction in the work force, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for (a) at least 50 employees excluding those employees that work less than 20 hours a week; ~~or (b) at least 500 employees who in the aggregate work at least 20,000 hours per week, exclusive of hours of overtime.~~

Sec. 27. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 9. [SUBSTATE GRANTEE.] "Substate grantee" means the agency or organization designated to administer at the local level federal dislocated worker programs pursuant to the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq.

Sec. 28. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 10. [WORKER ADJUSTMENT SERVICES.] "Worker adjustment services" means the array of employment and training services designed to assist dislocated workers make the transition to new employment, including basic readjustment assistance, training assistance, and support services.

Sec. 29. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 11. [BASIC READJUSTMENT ASSISTANCE.] "Basic readjustment assistance" means employment transition services that include, but are not limited to: development of individual readjustment plans for participants; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment, including evaluation of educational attainment and participant interests and aptitudes; determination of occupational skills; provision of occupational information; job placement assistance; labor market information; job clubs; job search; job development; prelayoff assistance; relocation assistance; and programs conducted in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs.

Sec. 30. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 12. [TRAINING ASSISTANCE.] "Training assistance" means services that will enable a dislocated worker to become reemployed by retraining for a new occupation or industry, enhancing current skills, or relocating to employ existing skills. Training services include, but are not limited to: classroom training; occupational skill training; on-the-job training; out-of-area job search; relocation; basic and remedial education; literacy and English for training non-English speakers; entrepreneurial training; and other appropriate training activities directly related to appropriate employment opportunities in the local labor market.

Sec. 31. Minnesota Statutes 1992, section 268.975, is amended by adding a subdivision to read:

Subd. 13. [SUPPORT SERVICES.] "Support services" means assistance provided to dislocated workers to enable their participation in an employment transition and training program. Services include, but are not limited to: family care assistance, including child care; commuting assistance; housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program.

Sec. 32. [268.9755] [GOVERNOR'S JOB TRAINING COUNCIL.]

Subdivision 1. [DEFINITION.] For purposes of sections 268.022 and 268.975 to 268.98, "governor's job training council" means the state job training coordinating council established under the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq.

Subd. 2. [DUTIES.] The governor's job training council shall provide advice to the commissioner on:

- (1) the use of funds made available under section 268.022, including methods for allocation and reallocation of funds and the allocation of funds among employment and training activities authorized under sections 268.975 to 268.98;
- (2) performance standards for programs and activities authorized under sections 268.975 to 268.98;
- (3) approval of worker adjustment services plans and dislocation event services grants;
- (4) establishing priorities for provision of worker adjustment services to eligible dislocated workers; and
- (5) the effectiveness of programs and activities authorized in sections 268.975 to 268.98.

Sec. 33. Minnesota Statutes 1992, section 268.976, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] (a) The commissioner shall encourage those business establishments considering a decision to effect a plant closing, substantial layoff, or relocation of operations located in this state to give notice of that decision as early as possible to the commissioner, the employees of the affected establishment, any employee organization representing the employees, and the local government unit in which the affected establishment is located. This notice shall be in addition to any notice required under the Worker Adjustment and Retraining Notification Act, United States Code, title 29, section 2101.

(b) Notwithstanding section 268.975, subdivision 6, for purposes of this section, "plant closing" means the announced or actual permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, if the shutdown results in an employment loss at the single site of employment during any 30-day period for 50 or more employees excluding employees who work less than 20 hours per week.

Sec. 34. [268.9771] [RAPID AND EXPEDITIOUS RESPONSE.]

Subdivision 1. [RESPONSIBILITY.] The commissioner shall respond quickly and effectively to announced or actual plant closings and substantial layoffs. Affected workers and employers, as well as appropriate business organizations or associations, labor organizations, substate grantees, state and local government units, and community organizations shall be assisted by the commissioner through either rapid response activities or expeditious response activities as described in this section to respond effectively to a plant closing or mass layoff.

Subd. 2. [COVERAGE.] Rapid response is to be provided by the commissioner where permanent plant closings or substantial layoffs affect at least 50 workers over a 30-day period as evidenced by actual separation from employment or by advance notification of a closing or layoff. Expeditious response is to be provided by worker adjustment services plan grantees in coordination with rapid response activities or where permanent plant closings and substantial layoffs are not otherwise covered by rapid response.

Subd. 3. [COORDINATION.] The commissioner and expeditious response grantees shall coordinate their respective rapid response and expeditious response activities. The roles and responsibilities of each shall be detailed in written agreements and address on-site contact with employer and employee representatives when notified of a plant closing or substantial layoff. The activities include formation of a community task force, collecting and disseminating information related to economic dislocation and available services to dislocated workers, providing basic readjustment assistance services to workers affected by a plant closure or substantial layoff, conducting a needs assessment survey of workers, and developing a plan of action responsive to the worker adjustment services needs of affected workers.

Subd. 4. [RAPID RESPONSE ACTIVITIES.] The commissioner shall be responsible for implementing the following rapid response activities:

(1) establishing on-site contact with employer and employee representatives within a short period of time after becoming aware of a current or projected plant closing or substantial layoff in order to:

(i) provide information on and facilitate access to available public programs and services; and

(ii) provide emergency assistance adapted to the particular closure or layoff;

(2) promoting the formation of a labor-management committee by providing:

(i) immediate assistance in the establishment of the labor-management committee;

(ii) technical advice and information on sources of assistance, and liaison with other public and private services and programs; and

(iii) assistance in the selection of worker representatives in the event no union is present;

(3) collecting and disseminating information related to economic dislocation, including potential closings or layoffs, and all available resources with the state for dislocated workers;

(4) providing or obtaining appropriate financial and technical advice and liaison with economic development agencies and other organizations to assist in effort to avert dislocations;

(5) disseminating information throughout the state on the availability of services and activities carried out by the dislocated worker unit;

(6) assisting the local community in developing its own coordinated response to a plant closing or substantial layoff and access to state economic development assistance; and

(7) promoting the use of prefeasibility study grants under section 268.978.

Subd. 5. [EXPEDITIOUS RESPONSE ACTIVITIES.] Grantees designated to provide worker adjustment services through worker adjustment services plans shall be responsible for implementing the following expeditious response activities:

(1) establishing on-site contact with employer and employee representatives, not otherwise covered under rapid response, within a short period of time after becoming aware of a current or projected plant closing or mass layoff in order to provide information on available public programs and services;

(2) obtaining appropriate financial and technical advice and liaison with local economic development agencies and other organizations to assist in efforts to avert dislocations;

(3) disseminating information on the availability of services and activities carried out by the grantee through its worker adjustment services plan;

(4) providing basic readjustment assistance services for up to 90 days following the initial on-site meeting with the employer and employee representatives;

(5) assisting the local community in the development of its own coordinated response to the closure or layoff and access to economic development assistance;

(6) facilitating the formation of a community task force, if appropriate, to formulate a service plan to assist affected dislocated workers from plant closings and mass layoffs;

(7) conducting surveys of workers, if appropriate, affected by plant closings or layoffs to identify worker characteristics and worker adjustment service needs; and

(8) facilitating access to available public or private programs and services, including the development of proposals to provide access to additional resources to assist workers affected by plant closings and substantial layoffs.

Sec. 35. Minnesota Statutes 1992, section 268.978, subdivision 1, is amended to read:

Subdivision 1. [PREFEASIBILITY STUDY GRANTS.] (a) The commissioner may make grants for up to \$10,000 \$15,000 to eligible organizations to provide an initial assessment of the feasibility of alternatives to plant closings or substantial layoffs. The alternatives may include employee ownership, other new ownership, new products or production processes, or public financial or technical assistance to keep a plant open. Two or more eligible organizations may jointly apply for a grant under this section.

(b) Interested organizations shall apply to the commissioner for the grants. As part of the application process, applicants must provide a statement of need for a grant, information relating to the work force at the plant, the area's unemployment rate, the community's and surrounding area's labor market characteristics, information of efforts to coordinate the community's response to the plant closing or substantial layoff, a timetable of the prefeasibility study, a description of the organization applying for the grant, a description of the qualifications of persons conducting the study, and other information required by the commissioner.

(c) The commissioner shall respond to the applicant within five working days of receiving the organization's application. The commissioner shall inform each organization that applied for but did not receive a grant the reasons for the grant not being awarded. The commissioner may request further information from those organizations that did not receive a grant, and the organization may reapply for the grant.

Sec. 36. [268.9781] [WORKER ADJUSTMENT SERVICES PLANS.]

Subdivision 1. [WORKER ADJUSTMENT SERVICES PLANS.] The commissioner shall establish and fund worker adjustment services plans that are designed to assist dislocated workers in their transition to new employment. Authorized grantees shall submit a worker adjustment services plan biennially, with an annual update, in a form and manner prescribed by the commissioner. The worker adjustment services plan shall include information required in substate plans established under the federal Job Training Partnership Act, United States Code, title 29, section 1501, et seq. and a detailed description of expeditious response activities to be implemented under the plan.

Subd. 2. [GRANTEES.] Entities authorized to submit a worker adjustment services plan include substate grantees and up to six additional eligible organizations. Criteria for selecting the six authorized nonsubstate grantee eligible organizations shall be established by the commissioner, in consultation with the governor's job training council. The criteria include, but are not limited to:

(1) the capacity to deliver worker adjustment services;

(2) an identifiable constituency from which eligible dislocated workers may be drawn;

(3) a demonstration of a good faith effort to establish coordination agreements with substate grantees in whose geographic area the organization would be operating;

(4) the capability to coordinate delivery of worker adjustment services with other appropriate programs and agencies, including educational institutions, employment service, human service agencies, and economic development agencies; and

(5) sufficient administrative controls to ensure fiscal accountability.

Subd. 3. [COVERAGE.] (a) Persons eligible to receive worker adjustment services under this section include dislocated workers as defined in section 268.975, subdivision 3.

(b) Worker adjustment services available under this section shall also be available to additional dislocated workers as defined in section 268.975, subdivision 3a, when they can be provided without adversely affecting delivery of services to all dislocated workers.

Subd. 4. [SUBSTATE GRANTEE FUNDING.] (a) Funds allocated to substate grantees under section 268.022 for expeditious response activities and worker adjustment services under this section shall be allocated as follows:

(1) one-half of available funds shall be allocated to substate grantees based on an allocation formula prescribed by the commissioner, in consultation with the governor's job training council; and

(2) one-half of available funds shall be allocated based on need as demonstrated to the commissioner in consultation with the governor's job training council.

(b) The formula for allocating substate grantee funds must utilize the most appropriate information available to the commissioner to distribute funds in order to address the state's worker adjustment assistance needs. Information for the formula allocation may include, but is not limited to:

(1) insured unemployment data;

(2) unemployment concentrations;

(3) plant closing and mass layoff data;

(4) declining industries data;

(5) farmer-rancher economic hardship data; and

(6) long-term unemployment data.

(c) The commissioner shall establish a uniform procedure for reallocating substate grantee funds. The criteria for reallocating funds from substate grantees not expending their allocations consistent with their worker adjustment services plans to other substate grantees shall be developed by the commissioner in consultation with the governor's job training council.

Sec. 37. [268.9782] [DISLOCATION EVENT SERVICES GRANTS.]

Subdivision 1. [DISLOCATION EVENT SERVICES GRANTS.] The commissioner shall establish and fund dislocation event services grants designed to provide worker adjustment services to workers displaced as a result of larger plant closings and substantial layoffs. Grantees shall apply for a dislocation event services grant by submitting a proposal to the commissioner in a form and manner prescribed by the commissioner. The application must describe the demonstrated need for intervention, including the need for retraining, the workers to be served, the coordination of available local resources, the services to be provided, and the budget plan.

Subd. 2. [GRANTEES.] (a) Entities authorized to submit dislocation event services grants include substate grantees and other eligible organizations. Nonsubstate grantees shall demonstrate they meet criteria established by the commissioner, in consultation with the governor's job training council. The criteria include, but are not limited to:

(1) the capacity to deliver worker adjustment services;

(2) an ability to coordinate its activities with substate grantees in whose geographic area the organization will be operating;

(3) the capability to coordinate delivery of worker adjustment services with other appropriate programs and agencies, including educational institutions, employment service, human service agencies, and economic development agencies; and

(4) sufficient administrative controls to ensure fiscal accountability.

(b) For purposes of this section, the state job service may apply directly to the commissioner for a dislocation event services grant only if the effect of a plant closing or substantial layoff is statewide or results in the termination from employment of employees of the state of Minnesota.

Subd. 3. [COVERAGE.] Persons who may receive worker adjustment services under this section are limited to dislocated workers affected by plant closings and substantial layoffs involving at least 50 workers from a single employer.

Subd. 4. [FUNDING.] The commissioner, in consultation with the governor's job training council, may establish an emergency funding process for dislocation event services grants. No more than 20 percent of the estimated budget of the proposed grant may be awarded through this procedure. The grantee shall submit a formal dislocation event services grant application within 90 days of the initial award of emergency funding.

Sec. 38. [268.9786] [PROJECTS WITH INDUSTRY.]

The commissioner shall provide services to eligible individuals as described in the federal Rehabilitation Act amendments of 1992, United States Code, title 29, sections 711(c) and 795(g).

Sec. 39. Minnesota Statutes 1992, section 268.98, is amended to read:

268.98 [PERFORMANCE STANDARDS, REPORTING, COST LIMITATIONS.]

(a) Subdivision 1. [PERFORMANCE STANDARDS.] The commissioner shall establish performance standards for the programs and activities administered or funded through the rapid response program under section 268.977 sections 268.975 to 268.98. The commissioner may use, when appropriate, existing federal performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program dislocated worker program are effectively administered.

(b) Not less than 20 percent of the funds expended under this section must be used to provide needs-related payments and other supportive services as those terms are used in subchapter III of the Job Training Partnership Act, United States Code, title 29, section 1661d(b). This requirement does not apply to the extent that a program proposal requests less than 20 percent of such funds. At the end of the fiscal year, each substate grantee and each grant recipient shall report to the commissioner on the types of services funded under this paragraph and the amounts expended for such services. By January 15 of each year, the commissioner shall provide a summary report to the legislature.

Subd. 2. [REPORTS.] (a) Grantees receiving funds under sections 268.9771, 268.978, 268.9781, and 268.9782 shall report to the commissioner information on program participants, activities funded, and utilization of funds in a form and manner prescribed by the commissioner.

(b) The commissioner shall report quarterly to the governor's job training council information on prefeasibility study grants awarded, rapid response and expeditious response activities, worker adjustment services plans, and dislocation event services grants. Specific information to be reported shall be by agreement between the commissioner and the governor's job training council.

(c) The commissioner shall provide an annual report to the governor, legislature, and the governor's job training council on the administration of the programs funded under sections 268.9771, 268.978, 268.9781, and 268.9782.

Subd. 3. [COST LIMITATIONS.] (a) For purposes of sections 268.9781 and 268.9782, funds allocated to a grantee are subject to the following limitations:

(1) a maximum of 15 percent for administration in a worker adjustment services plan and ten percent in a dislocation event services grant;

(2) a minimum of 50 percent for provision of training assistance;

(3) a minimum of ten percent and maximum of 30 percent for provision of support services; and

(4) the balance used for provision of basic readjustment assistance.

(b) A waiver of the cost limitation on providing training assistance may be requested. The waiver may not permit less than 30 percent of the funds be spent on training assistance.

(c) The commissioner shall prescribe the form and manner for submission of an application for a waiver under paragraph (b). Criteria for granting a waiver shall be established by the commissioner in consultation with the governor's job training council.

Sec. 40. Minnesota Statutes 1992, section 462A.057, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSE.] ~~There is established~~ The agency may establish the Minnesota rural and urban homesteading program ~~to be administered by the agency for the purpose of making grants or loans to eligible applicants to acquire, rehabilitate, and sell eligible property. The program is directed at single family residential properties in need of rehabilitation that are sold to "at risk" home buyers committed to strengthening the neighborhood and following a good neighbor policy.~~

Sec. 41. [462A.204] [FAMILY HOMELESS PREVENTION AND ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The agency may establish a family homeless prevention and assistance program and make grants to develop and implement family homeless prevention and assistance projects.

Subd. 2. [DISTRIBUTION.] The agency shall distribute 16.25 percent of the funds appropriated for purposes of this section to the commissioner of jobs and training for operating costs of transitional housing programs under Minnesota Statutes, section 268.38. The agency shall award two percent of the funds appropriated for purposes of this section as a grant to the housing partnership to distribute as grants to the regional housing networks that provide housing and homeless prevention information and assistance in greater Minnesota. The regional housing network organizations must use any grant funds received under this section to match private sources of money. The remaining funds appropriated for purposes of this section shall be awarded as grants under subdivisions 3 to 8 of this section.

Subd. 3. [SELECTION CRITERIA.] The agency shall award grants to counties with a significant number or significant growth in the number of homeless families and that agree to focus their emergency response systems on homeless prevention and the securing of permanent or transitional housing for homeless families. The agency shall take into consideration the extent to which the proposed project activities demonstrate ways in which existing resources in an area may be more effectively coordinated to meet the program objectives specified under this section in awarding grants.

Subd. 4. [SET ASIDE.] At least one grant must be awarded in an area located outside of the metropolitan area as defined in section 473.121, subdivision 2. A county, a group of contiguous counties jointly acting together, or a community-based nonprofit organization with a sponsoring resolution from each of the county boards of the counties located within its operating jurisdiction may apply for and receive grants for areas located outside the metropolitan area.

Subd. 5. [PROJECT REQUIREMENTS.] Each project must be designed to stabilize families in their existing homes, shorten the amount of time that families stay in emergency shelters, and assist families with securing transitional or permanent affordable housing throughout the grantee's area of operation. Each project must include plans for the following:

- (1) use of existing housing stock;
- (2) leveraging of private and public money to maximize the project impact;
- (3) coordination and use of existing public and private providers of emergency shelters, transitional housing, and affordable permanent housing;
- (4) targeting of support services, where appropriate, to prevent homelessness and repeated episodes of homelessness;
- (5) efforts to address the needs of specific homeless populations; and
- (6) identification of outcomes expected from the use of the grant award.

Subd. 6. [AUTHORIZED USES OF GRANT.] A grant may be used to prevent or decrease the period of homelessness of families and to decrease the time period that families stay in emergency shelters. Grants may not be used to acquire, rehabilitate, or construct emergency shelters or transitional or permanent housing.

Subd. 7. [ADVISORY COMMITTEE.] Each grantee shall establish an advisory committee consisting of a homeless advocate, a representative of homeless persons, a member of the state interagency task force on homelessness, local representatives, if any, of public and private providers of emergency shelter, transitional housing, and permanent affordable housing, and other members the grantee considers appropriate. The grantee shall consult on a regular basis with the advisory committee in the design, implementation, and evaluation of the project. The advisory committee shall assist the grantee as follows:

- (1) designing or refocusing the grantee's emergency response system;
- (2) developing project outcome measurements; and
- (3) assessing the short- and long-term effectiveness of the project in meeting the needs of families who are homeless, preventing homelessness, identifying and developing innovative solutions to the problem of homeless families, and identifying problems and barriers to providing services to homeless families.

Subd. 8. [REPORTING REQUIREMENTS.] Each grantee shall submit an annual project report to the state interagency task force on homelessness. The state interagency task force shall report on program activities to all state agencies that provide assistance or services to homeless persons.

Sec. 42. [462A.206] [MORTGAGE FORECLOSURE PREVENTION AND EMERGENCY RENTAL ASSISTANCE PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The agency may establish a mortgage foreclosure prevention and emergency rental assistance program to provide assistance to persons who are facing the loss of their housing due to circumstances beyond their control and have incomes at or below 60 percent of area median income adjusted for family size, as determined by the department of housing and urban development. Income eligibility is based on annualized gross income from three months preceding the application for assistance.

Subd. 2. [ADMINISTRATION.] The agency may contract with community-based, nonprofit organizations that meet the requirements specified in this section to administer the program. Preference must be given to nonprofit organizations that demonstrate the greatest ability to leverage program money with other sources of funding.

Subd. 3. [ORGANIZATION ELIGIBILITY.] A nonprofit organization must be able to demonstrate that it is qualified to deliver program services, has relevant expertise in mortgage foreclosure prevention and landlord and tenant procedures, and is able to perform the duties required under the program. An organization must provide the agency with a detailed description of how the proposed program would be administered, including the qualifications of staff. An organization may not be part of, or affiliated with, a mortgage lender, a rental property management company, or a rental property owner.

Subd. 4. [SELECTION CRITERIA.] The agency shall take the following criteria into consideration when determining whether an organization is qualified to administer the program:

- (1) the prior experience of the nonprofit organization in establishing, administering, and maintaining a mortgage foreclosure prevention or a rental assistance program;
- (2) the documented familiarity of the organization regarding mortgage foreclosure prevention procedures, landlord and tenant procedures, and other services available to assist with preventing the loss of housing;
- (3) the reasonableness of the proposed budget in meeting the program objectives; and
- (4) the documented ability of the organization to provide mortgage foreclosure prevention and other financial counseling.

Subd. 5. [DESIGNATED AREAS.] A program administrator must designate specific communities or neighborhoods within which the program is proposed to be operated for the purpose of focusing resources.

Subd. 6. [ASSISTANCE.] (a) Program assistance includes general information, screening, assessment, referral services, case management, advocacy, and financial assistance to borrowers who are delinquent on mortgage, contract for deed, or rent payments.

(b) Not more than one-half of program funding may be used for mortgage or financial counseling services.

(c) Financial assistance in the form of a loan consists of:

(1) payments for delinquent mortgage or contract for deed payments, future mortgage or contract for deed payments for a period of up to six months, property taxes, assessments, utilities, insurance, home improvement repairs, or other costs necessary to prevent foreclosure; or

(2) delinquent rent payments, utility bills, any fees or costs necessary to redeem the property, future rent payments for a period of up to six months, and relocation costs if necessary.

(d) An individual or family may receive the lesser of six months or \$4,500 of financial assistance.

Subd. 7. [REPAYMENT.] The recipient of financial assistance must enter into an agreement with the agency for repayment. The repayment agreement for mortgages or contract for deed buyers must provide that in the event the property is sold, transferred, or otherwise conveyed, or ceases to be the recipient's principal place of residence, the recipient shall repay all or a portion of the financial assistance based on their financial ability to pay. The repayment agreement may be secured by a lien on the property for the benefit of the agency. Persons may be required to repay rental assistance based on their financial ability to pay. The agency shall evaluate a recipient's ability to repay assistance. Any money repaid under this subdivision shall be deposited in the housing development fund for the purposes of this section.

Subd. 8. [REPORT.] By January 10 of every year, each nonprofit organization that delivers services under this section must submit a report to the agency that summarizes the number of people served, the number of applicants who were not served, sources and amounts of nonstate money used to fund the services, and the number and type of referrals to other service providers. The agency shall annually submit a report to the legislature by February 15 that summarizes the service provider reports.

Sec. 43. [462A.207] [MENTAL ILLNESS CRISIS HOUSING ASSISTANCE ACCOUNT.]

Subdivision 1. [CREATION.] The mental illness crisis housing assistance account is established as a separate account in the housing development fund. The assistance account consists of money appropriated to it.

Subd. 2. [RENTAL ASSISTANCE.] The account shall pay up to 90 days of rental assistance for persons with a diagnosed mental illness who require short-term inpatient care for stabilization.

Subd. 3. [ELIGIBILITY.] Rental assistance under this section is available only to persons of low and moderate income as determined by the department of housing and urban development.

Subd. 4. [ADMINISTRATION.] The agency may contract with organizations or government units experienced in rental assistance to operate the program under this section.

Sec. 44. Minnesota Statutes 1992, section 462A.21, is amended by adding a subdivision to read:

Subd. 17. [MORTGAGE FORECLOSURE PREVENTION AND EMERGENCY RENTAL ASSISTANCE.] The agency may spend money for the purposes of section 462A.206 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 45. Minnesota Statutes 1992, section 462A.21, is amended by adding a subdivision to read:

Subd. 18. [FAMILY HOMELESS PREVENTION AND ASSISTANCE.] The agency may spend money for the purposes of section 462A.204 and may pay the costs and expenses necessary and incidental to the development and operation of the program.

Sec. 46. Minnesota Statutes 1992, section 462A.21, is amended by adding a subdivision to read:

Subd. 19. [MENTAL ILLNESS CRISIS HOUSING ASSISTANCE.] The agency may spend money for the purpose of section 462A.207 and may pay the costs and expenses necessary and incidental to the development and operation of the program authorized in section 462A.206.

Sec. 47. Minnesota Statutes 1992, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid up to \$55 for attending each regular and special meeting of the authority. Commissioners who are ~~elected officials~~ or full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are elected officials may receive the daily payment for a particular day only if they do not receive any other daily payment for public service on that day. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source.

Sec. 48. [UNIFORM BUSINESS IDENTIFIER.]

The department of jobs and training shall establish a uniform business identifier process for all firms doing business with and within the state of Minnesota. The current registration process requires each business to deal with multiple agencies, provide redundant information to each and, in general, creates an undue administrative burden on Minnesota businesses.

Each agency also produces data that are not easily transferred among state agencies, which in turn results in businesses being asked for the same information from a number of different agencies. The establishment of a uniform process would reduce the burden on businesses and promote the sharing of information among the state agencies, thereby eliminating the costs and burdens of duplicative information gathering and storage.

The commissioner of jobs and training shall establish a plan that:

(1) identifies and documents the various requirements with which businesses currently must comply in order to legally conduct business within the state;

(2) establishes a uniform process of business registration;

(3) details the operational impact of installing the process or system;

(4) estimates the costs and benefits, both for the state and for Minnesota businesses, of installing the process;

(5) establishes an implementation timetable;

(6) recommends the structure and composition of the project needed for implementation; and

(7) recommends and analyzes the information system technology alternatives, if any, that will be needed to implement the recommended process.

The commissioner of the department of jobs and training, or a designee, shall coordinate creating the plan and shall provide staff to assist in the effort. Those state offices, departments, and agencies that interact with Minnesota businesses including, but not limited to, department of jobs and training, secretary of state, department of revenue, department of labor and industry, department of commerce, and the information policy office of the department of administration shall cooperate in creating the plan.

The commissioner of the department of jobs and training shall present the plan to the chair of the health and housing finance division of the health and human services committee by January 1, 1994. The commissioner shall implement a uniform process of business registration by July 31, 1994.

Sec. 49. [REPEALER.]

Subdivision 1. [HEAD START.] Minnesota Statutes 1992, section 268.914, subdivision 2, is repealed.

Subd. 2. [TARGETED YOUTH.] Minnesota Statutes 1992, section 268.365, subdivision 1, is repealed.

Subd. 3. [DISLOCATED WORKER.] Minnesota Statutes 1992, sections 268.977 and 268.978, subdivision 3, are repealed.

Subd. 4. [LAWS.] Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; and Laws 1991, chapter 208, section 2, is repealed effective June 30, 1993.

ARTICLE 11

DEPARTMENT OF VETERANS AFFAIRS;
DEPARTMENT OF HUMAN RIGHTS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this 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. 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.

Sec. 2. [UNCODIFIED LANGUAGE.]

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

Sec. 3. [FUNDING SOURCE.]

All language in this article designating an appropriation refers to a general fund appropriation unless a different fund is specifically referenced.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$6,325,000	\$6,226,000	\$12,551,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Sec. 4. VETERANS AFFAIRS

2,898,000 2,914,000

Of this appropriation, \$400,000 is for grants to county veterans offices for training of county veterans service officers.

For the appropriation for emergency financial and medical needs of veterans for the biennium ending June 30, 1995, the commissioner shall limit financial assistance to veterans and dependents to six months, unless recipients have been certified as ineligible for other benefit programs. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

With the approval of the commissioner of finance, the commissioner of veterans affairs may transfer the unencumbered balance from the veterans relief program to other department programs during the fiscal year. The commissioner of veterans affairs shall provide background information explaining why the unencumbered balance exists. The amounts transferred must be identified to the chairs of the senate finance committee division on state government and the house governmental operations and gaming committee division on state government finance.

Sec. 5. COMMISSIONER OF HUMAN RIGHTS

3,427,000

3,312,000

\$150,000 is appropriated from the general fund to the department of human rights for fiscal year ending June 30, 1993, for workers' compensation costs.

Of this appropriation, \$225,000 is for enhancement of information systems. Before purchasing hardware and software, the department shall develop an agency wide strategic information plan and submit the plan to the information policy office for review and approval. The department shall use the plan to determine future system management needs, including administration, software project management, support staffing, and information asset security. The department shall develop a project information system life cycle analysis to identify costs, benefits, and risks, and a comprehensive records retention schedule for paper and electronic records. With the approval of the information policy office, the balance of the \$175,000 appropriation not needed for analysis of information management functions, can be used by the department to purchase hardware and software.

Sec. 6. Minnesota Statutes 1992, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

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.

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.

Sec. 7. [197.608] [VETERANS SERVICE OFFICE GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] A veterans service office grant program is established to be administered by the commissioner of veterans affairs consisting of grants to counties to enable them to enhance the effectiveness of their veterans service offices.

Subd. 2. [RULE DEVELOPMENT.] The commissioner of veterans affairs shall consult with the Minnesota association of county veterans service officers in formulating rules to implement the grant program.

Subd. 3. [ELIGIBILITY.] To be eligible for a grant under this program, a county must:

(1) employ a county veterans service officer as authorized by sections 197.60 and 197.606, who is certified to serve in this position by the commissioner of veterans affairs;

(2) submit a written plan for the proposed expenditures to enhance the functioning of the county veterans service office in accordance with the program rules; and

(3) apply for the grant according to procedures to be established for this program by the commissioner and receive written approval from the commissioner for the grant in advance of making the proposed expenditures.

Subd. 4. [GRANT APPLICATION.] (a) A grant application must be submitted to the department of veterans affairs according to procedures to be established by the commissioner. The grant application must include a specific description of the plan for enhancing the operation of the county veterans service office.

(b) The commissioner shall approve a grant application only if it meets the criteria for eligibility as established and announced by the commissioner and there are sufficient funds remaining in the grant program to cover the amount of the grant. The commissioner may request modification of a plan. If the commissioner rejects a grant application, written reasons for the rejection must be provided to the applicant county and the county may modify the application and resubmit it.

Subd. 5. [QUALIFYING USES.] The commissioner of veterans affairs shall determine whether the plan specified in the grant application will enable the applicant county to enhance the effectiveness of its county veterans office.

Notwithstanding subdivision 3, clause (1), a county may apply for and use a grant for the training and education required by the commissioner for a newly employed county veterans service officer's certificate, or for the continuing education of other staff.

Subd. 6. [GRANT AMOUNT.] The amount of each grant must be determined by the commissioner of veterans affairs, and may not exceed the lesser of:

(1) the amount specified in the grant application to be expended on the plan for enhancing the effectiveness of the county veterans service office; or

(2) the county's share of the total funds available under the program, determined in the following manner:

(i) if the county's veteran population is less than 1,000, the county's grant share shall be \$2,000;

(ii) if the county's veteran population is 1,000 or more but less than 3,000, the county's grant share shall be \$4,000;

(iii) if the county's veteran population is 3,000 or more but less than 10,000, the county's grant share shall be \$6,000;

or

(iv) if the county's veteran population is 10,000 or more, the county's grant share shall be \$8,000.

In any year, only one-half of the counties in each of the four veteran population categories (i) to (iv) shall be awarded grants. Grants shall be awarded on a first-come first-served basis to counties submitting applications which meet the commissioner's criteria as established in the rules. Any county not receiving a grant in any given year shall receive priority consideration for a grant the following year.

In any year, after a period of time to be determined by the commissioner, any amounts remaining from undistributed county grant shares may be reallocated to the other counties which have submitted qualifying application.

The veteran population of each county shall be determined by the figure supplied by the United States Department of Veterans Affairs, as adopted by the commissioner.

Sec. 8. [197.609] [EDUCATION PROGRAM.]

Subdivision 1. [ESTABLISHMENT AND ADMINISTRATION.] An education program for county veterans service officers is established to be administered by the commissioner of veterans affairs.

Subd. 2. [ELIGIBILITY.] To be eligible for the program in this section, a person must currently be employed as a county veterans service officer as authorized by sections 197.60 to 197.606, and be certified to serve in that position by the commissioner of veterans affairs or be serving a probationary period as authorized by section 197.60, subdivision 2.

Subd. 3. [PROGRAM CONTENT.] The program in this section must include but is not limited to informing county veteran service officers of the federal, state, and private benefits and services available to veterans, training them in procedures for applying for these benefits, updating them on the changes in these benefits and the eligibility criteria and application procedures, informing them of judicial and regulatory decisions involving veterans programs, training them in the legal procedures for appealing decisions disallowing benefits to veterans, and providing education, information, and training for any other aspects of the veteran service officer position.

Subd. 4. [AGENCY COMPLEMENT.] The approved full-time equivalent of the department of veterans affairs is increased for fiscal year 1994 by ... positions for purposes of conducting this program. These positions are in addition to any other approved complement for the department. Part-time employment of persons is authorized.

Sec. 9. [EFFECTIVE DATE.]

Sections 7 and 8 are effective July 1, 1993."

Delete the title and insert:

"A bill for an act relating to human services; organization and operation of state government; appropriating money for human services, the department of health, health-related boards, jobs and training, housing finance, veterans affairs and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 8.15; 16A.45, by adding a subdivision; 16B.06, subdivision 2a; 116.76, subdivision 14; 116.78, subdivisions 4 and 7; 116.79, subdivisions 1 and 4; 116.80, subdivisions 1 and 2; 116.81, subdivision 1; 116.82, subdivision 3; 116.83, subdivisions 1 and 3; 116L.03, subdivision 7; 144.122; 144.123, subdivision 1; 144.215, subdivision 3, and by adding a subdivision; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.8091, subdivision 1; 144.871, subdivisions 2, 6, 7a, 7b, 9, and by adding subdivisions; 144.872, subdivisions 2, 3, 4, and by adding a subdivision; 144.873; 144.874, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 144.876, by adding a subdivision; 144.878, subdivisions 2, 2a, and 5; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 145.883, subdivision 5; 145.925, by adding a subdivision; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.01, subdivision 2; 214.04, subdivision 1; 214.06, subdivision 1; 245.462, subdivisions 4 and 20; 245.484; 245.4871, subdivision 4; 245.4873, subdivision 2; 245.4882, subdivision 5; 245.73, subdivisions 2, 3, and by adding a subdivision; 245.765, subdivision 1; 245A.14, by adding a subdivision; 246.0135; 246.18, subdivision 4; 252.275, subdivisions 1 and 8; 252.40; 252.41, subdivisions 1 and 3; 252.43; 252.46; 252A.101, subdivision 7; 252A.111, subdivision 4; 254A.17, subdivisions 1 and 3; 254B.03, subdivision 1; 254B.06, subdivision 3; 256.015, subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 1a, 2, 3, 7, and by adding subdivisions; 256.969, subdivisions 1, 8, and by adding a subdivision; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.03, by adding a subdivision; 256B.04, subdivision 16; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, 4, and by adding a subdivision; 256B.0625, subdivisions 3, 6a, 7, 11, 13, 13a, 14, 15, 17, 19a, 20, 28, 29, and by adding subdivisions; 256B.0627, subdivisions 1, 4, and 5; 256B.0628, subdivision 2; 256B.0911, subdivisions 2, 3, 4, 6, 7, and by adding a subdivision; 256B.0913, subdivisions 4, 5, 9, 12, 13, and 14; 256B.0915, subdivisions 1, 3, and by adding subdivisions; 256B.0917, subdivisions 1, 2, 3, 4, 5, 11, and 12; 256B.093, subdivisions 1 and 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b; 256B.37, subdivisions 3, 5, and by adding a subdivision; 256B.431, subdivisions 2b, 13, 14, 15, 21, and by adding subdivisions; 256B.47, subdivision 3; 256B.48, subdivisions 1 and 2; 256B.49, by adding a subdivision; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 3g, 3i, 12, and by adding a subdivision; 256D.01, subdivision 1a; 256D.02, subdivision 5; 256D.03,

subdivisions 3, 4, and 8; 256D.04; 256D.05, by adding a subdivision; 256D.051, subdivision 1; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256H.03, subdivision 4; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.59, subdivision 3; 257.73, subdivision 1; 257.74, subdivision 1; 257.803, subdivision 1; 259.40, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9; 259.431, subdivision 5; 268.022, subdivisions 1 and 2; 268.361, subdivisions 6 and 7; 268.362; 268.363; 268.364, subdivisions 1, 3, and by adding a subdivision; 268.365, subdivision 2; 268.55; 268.914, subdivision 1; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 349.2125, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 462A.03, subdivision 15; 462A.057, subdivision 1; 462A.21, by adding subdivisions; 469.011, subdivision 4; 518.156, subdivision 1; 518.551, subdivision 5; 518.611, subdivisions 1, 2, 6, and by adding a subdivision; 518.613, subdivisions 2, 3, and 4; 518.64, subdivision 2; 525.539, subdivision 2; 525.551, subdivision 7; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 54, subdivision 1; and section 57, subdivisions 1 and 3; Laws 1992, chapter 513, article 7, section 131; and article 9, section 41; Laws 1993, chapter 20, sections 2, 5, 7, and by adding a section; proposing coding for new law in Minnesota Statutes, chapter 115C; 116; 144; 145; 197; 198; 214; 245; 252; 252B; 254A; 256; 256B; 256E; 256F; 257; 268; 462A; 514; proposing coding for new law as Minnesota Statutes, chapter 144C; repealing Minnesota Statutes 1992, sections 116.76, subdivision 7; 116.79, subdivision 3; 116.81, subdivision 2; 116.83, subdivision 2; 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; 148B.72; 214.141; 245.711; 245.712; 252.46, subdivisions 12, 13, and 14; 252.47; 252.478, subdivisions 1, 2, and 3; 256.969, subdivision 20; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 268.365, subdivision 1; 268.914, subdivision 2; 268.977; 268.978, subdivision 3; 273.1398, subdivisions 5a and 5c; Laws 1986, chapter 398, article 1, section 18, as amended; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; and Laws 1991, chapter 208, section 2; Minnesota Rules, parts 4622.0100; 4622.0300; 4622.0400; 4622.0600; 4622.0700, subparts 10 and 12; 4622.0900; 4622.1000; 4622.1050; 4622.1100; 4622.1150; and 4622.1200."

The motion prevailed and the amendment was adopted.

The Speaker called Bauerly to the Chair.

Welle moved to amend S. F. No. 1496, as amended, as follows:

Page 373, after line 10, insert:

"Sec. 29. [CONVEYANCE OF STATE LAND TO KANDIYOHI COUNTY.]

(a) Notwithstanding the provisions of Minnesota Statutes, sections 94.09 to 94.13, 94.16, chapter 103F, or any other law to the contrary, the commissioner of administration, in the name of the state, may convey the land described in paragraph (f) to Kandiyohi county for county human service facilities.

(b) The conveyance must be in a form approved by the attorney general, and must be conditioned on the following:

(1) The county will be limited to building county government facilities for human services, law enforcement, county corrections, and other county or state government offices on the land; and

(2) Land, buildings, and other improvements constructed by the county on the land shall revert to the state if the property ceases to be used by Kandiyohi county for a public purpose.

(c) As consideration for the conveyance, Kandiyohi county shall pay the state the appraised value of the property and shall pay for the cost of any survey, appraisal, and other transfer costs attributed to the conveyance of the land to the county.

(d) Proceeds from the sale of this property shall be deposited in the general fund, credited to appropriate accounts of the department of human services, and appropriated to the commissioner of human services for expenditure for repairs and betterments at regional treatment centers.

(e) All construction plans and specifications for constructing county facilities, including property access, traffic control, parking arrangements, and landscaping on land conveyed under this act must be submitted to the commissioner of administration for review and approval before construction.

(f) The land that may be conveyed is a parcel of approximately 25 acres located on the campus of the Willmar regional treatment center in Kandiyohi county, and is described as follows:

That part of the SE 1/4 of the NW 1/4 and Government Lot 1 of Section 1, Township 119, Range 35, lying Southwesterly of the Southwesterly right-of-way line of U.S.T.H. No. 71 and S.T.H. No. 23 and East of the East right-of-way line of former U.S.T.H. No. 71 and S.T.H. No. 23, now known as North Business 71 and 23, and Northeasterly of Northeasterly right-of-way line of S.T.H. No. 294."

Renumber the sections in article 7 in sequence

The motion prevailed and the amendment was adopted.

Goodno moved to amend S. F. No. 1496, as amended, as follows:

Page 309, after line 12, insert:

"Sec. 29. Minnesota Statutes 1992, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(f)(1) Beginning October 1, 1993, an undocumented alien or a nonimmigrant is ineligible for general assistance medical care other than emergency services. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual who resides in the United States without the approval or acquiescence of the Immigration and Naturalization Service.

(2) This subdivision does not apply to a child under age 18, to a Cuban or Haitian entrant as defined in Public Law Number 96-422, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1).

(3) For purposes of paragraph (f), "emergency services" has the meaning given in Code of Federal Regulations, title 42, section 440.255(b)(1).

Page 312, line 4, delete "July 1, 1994" and insert "October 1, 1993"

Adjust totals in article 1 accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Mariani raised a point of order pursuant to rule 3.10 that the Goodno amendment was not in order. Speaker pro tempore Bauerly ruled the point of order not well taken and the amendment in order.

The question recurred on the Goodno amendment and the roll was called. There were 83 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Holsten	Leppik	Nelson	Pertl	Tompkins
Anderson, R.	Dauids	Hugoson	Lieder	Ness	Peterson	Tunheim
Asch	Dehler	Jacobs	Limmer	Olson, E.	Rhodes	Van Dellen
Bergson	Dempsey	Johnson, R.	Lindner	Olson, M.	Rodosovich	Vickerman
Bertram	Dorn	Johnson, V.	Luther	Onnen	Seagren	Waltman
Bettermann	Erhardt	Kalis	Lynch	Opatz	Skoglund	Weaver
Bishop	Frerichs	Kinkel	Macklin	Osthoff	Smith	Welle
Blatz	Girard	Knickerbocker	Mahon	Ostrom	Sparby	Winter
Brown, C.	Goodno	Koppendrayner	McCollum	Ozment	Stanius	Wolf
Carruthers	Gruenes	Krinkie	Molnau	Pauly	Steensma	Worke
Commers	Gutknecht	Krueger	Morrison	Pawlenty	Sviggum	Workman
Cooper	Haukoos	Lasley	Mosel	Pelowski	Swenson	

Those who voted in the negative were:

Anderson, I.	Dawkins	Hausman	Kelso	Murphy	Rest	Wagenius
Battaglia	Delmont	Huntley	Klinzing	Neary	Rukavina	Wejcman
Bauerly	Evans	Jaros	Lourey	Olson, K.	Sekhon	Wenzel
Beard	Farrell	Jefferson	Mariani	Orenstein	Simoneau	Spk. Long
Brown, K.	Garcia	Johnson, A.	McGuire	Orfield	Tomassoni	
Carlson	Greenfield	Kahn	Milbert	Pugh	Trimble	
Clark	Greiling	Kelley	Munger	Reding	Vellenga	

The motion prevailed and the amendment was adopted.

Gutknecht moved to amend S. F. No. 1496, as amended, as follows:

Page 284, lines 17 to 19, delete the new language

A roll call was requested and properly seconded.

The question was taken on the Gutknecht amendment and the roll was called. There were 45 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Haukoos	Limmer	Onnen	Sviggum	Wolf
Bettermann	Erhardt	Holsten	Lindner	Pauly	Swenson	Worke
Bishop	Frerichs	Hugoson	Lynch	Pawlenty	Tompkins	Workman
Blatz	Girard	Johnson, V.	Macklin	Rhodes	Van Dellen	
Commers	Goodno	Koppendrayner	Molnau	Seagren	Vickerman	
Dauids	Gruenes	Krinkie	Ness	Smith	Waltman	
Dehler	Gutknecht	Leppik	Olson, M.	Stanisus	Weaver	

Those who voted in the negative were:

Anderson, I.	Cooper	Jacobs	Lasley	Neary	Pugh	Vellenga
Anderson, R.	Dauner	Jaros	Lieder	Nelson	Reding	Wagenius
Asch	Dawkins	Jefferson	Lourey	Olson, E.	Rest	Wejcman
Battaglia	Delmont	Johnson, A.	Luther	Olson, K.	Rodosovich	Welle
Bauerly	Dorn	Johnson, R.	Mahon	Opatz	Rukavina	Wenzel
Beard	Evans	Kahn	Mariani	Orenstein	Sekhon	Winter
Bergson	Farrell	Kalis	McCollum	Orfield	Simoneau	Spk. Long
Bertram	Garcia	Kelley	McGuire	Osthoff	Skoglund	
Brown, C.	Greenfield	Kelso	Milbert	Ostrom	Soilberg	
Brown, K.	Greiling	Kinkel	Morrison	Ozment	Sparby	
Carlson	Hasskamp	Klinzing	Mosel	Pelowski	Tomassoni	
Carruthers	Hausman	Knickerbocker	Munger	Perit	Trimble	
Clark	Huntley	Krueger	Murphy	Peterson	Tunheim	

The motion did not prevail and the amendment was not adopted.

Workman moved to amend S. F. No. 1496, as amended, as follows:

Page 8, delete lines 28 to 61, and insert:

"For the biennium ending June 30, 1995, an additional \$50,000 is appropriated to the commissioner from the general fund for the purposes of the foster grandparent program."

A roll call was requested and properly seconded.

The question was taken on the Workman amendment and the roll was called. There were 46 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Holsten	Leppik	Olson, M.	Stanius	Weaver
Bettermann	Frerichs	Hugoson	Lindner	Ornen	Sviggum	Wolf
Blatz	Girard	Johnson, V.	Lynch	Pauly	Swenson	Worke
Commers	Goodno	Knickerbocker	Macklin	Pawlienty	Tompkins	Workman
Dauids	Gruenes	Koppendrayner	Molnau	Rhodes	Van Dellen	
Dehler	Gutknecht	Krinkie	Morrison	Seagren	Vickerman	
Dempsey	Haukoos	Lasley	Ness	Smith	Waltman	

Those who voted in the negative were:

Anderson, I.	Carruthers	Hausman	Klinzing	Murphy	Peterson	Trimble
Anderson, R.	Clark	Huntley	Krueger	Neary	Pugh	Tunheim
Asch	Cooper	Jacobs	Lieder	Nelson	Reding	Vellenga
Battaglia	Dauner	Jaros	Lourey	Olson, E.	Rest	Wagenius
Bauerly	Dawkins	Jefferson	Luther	Olson, K.	Rodosovich	Wejzman
Beard	Delmont	Johnson, A.	Mahon	Opatz	Rukavina	Welle
Bergson	Dorn	Johnson, R.	Mariani	Orenstein	Sekhon	Wenzel
Bertram	Evans	Kahn	McCollum	Orfield	Simoneau	Winter
Bishop	Farrell	Kalis	McGuire	Ostrom	Skoglund	Spk. Long
Brown, C.	Garcia	Kelley	Milbert	Ozment	Sparby	
Brown, K.	Greenfield	Kelso	Mosel	Pelowski	Steensma	
Carlson	Greiling	Kinkel	Munger	Perlt	Tomassoni	

The motion did not prevail and the amendment was not adopted.

Gutknecht moved to amend S. F. No. 1496, as amended, as follows:

Page 7, line 17, delete "plan" and insert "study on options"

Page 7, line 20, delete "plan and its" and insert "study"

Page 7, line 21, delete "implementation" and after "to" insert "examine methods to"

The motion did not prevail and the amendment was not adopted.

Hasskamp moved to amend S. F. No. 1496, as amended, as follows:

Page 394, after line 40, insert:

"The health department shall report to the appropriate committees of the house and senate by February 15, 1994, on the expenditures of family planning funds appropriated by the 1992-1993 legislature. The report shall contain a detailed analyses on organizations and groups which received funds, criteria for selecting recipients, and adherence to legislative directives regarding diversity of approaches and conscience clause adherence."

A roll call was requested and properly seconded.

The question was taken on the Hasskamp amendment and the roll was called. There were 76 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Davids	Hugoson	Krueger	Nelson	Pugh	Tompkins
Anderson, R.	Dehler	Jacobs	Lasley	Ness	Rest	Van Dellen
Battaglia	Dempsey	Jefferson	Lieder	Olson, E.	Rodosovich	Vickerman
Bauerly	Dorn	Johnson, R.	Limmer	Olson, M.	Seagren	Waltman
Bertram	Girard	Johnson, V.	Lindner	Onnen	Smith	Weaver
Bettermann	Goodno	Kalis	Lynch	Opatz	Solberg	Wenzel
Blatz	Greenfield	Kelso	Macklin	Ozment	Sparby	Winter
Brown, C.	Gruenes	Kinkel	Mahon	Pauly	Stanius	Wolf
Commers	Gutknecht	Klinzing	Molnau	Pawlenty	Steensma	Worke
Cooper	Hasskamp	Koppendraye	Mosel	Pelowski	Sviggum	Workman
Dauner	Haukoos	Krinkie	Murphy	Peterson	Swenson	

Those who voted in the negative were:

Abrams	Clark	Greiling	Knickerbocker	Morrison	Perlt	Trimble
Asch	Dawkins	Hausman	Leppik	Munger	Reding	Tunheim
Beard	Delmont	Holsten	Lourey	Neary	Rhodes	Vellenga
Bergson	Erhardt	Huntley	Luther	Olson, K.	Rukavina	Wagenius
Bishop	Evans	Jaros	Mariani	Orenstein	Sekhon	Wejcmán
Brown, K.	Farrell	Johnson, A.	McCollum	Orfield	Simoneau	Welle
Carlson	Frerichs	Kahn	McGuire	Osthoff	Skoglund	Spk. Long
Carruthers	Garcia	Kelley	Milbert	Ostrom	Tomassoni	

The motion prevailed and the amendment was adopted.

Leppik moved to amend S. F. No. 1496, as amended, as follows:

Page 269, line 24, delete "20" and insert "38"

Adjust the numbers in section 2, subdivision 4, accordingly

The question was taken on the Leppik amendment and the roll was called. There were 62 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Holsten	Limmer	Ness	Rest	Van Dellen
Bergson	Erhardt	Hugoson	Lindner	Olson, M.	Rhodes	Vickerman
Bettermann	Farrell	Johnson, R.	Lynch	Onnen	Seagren	Waltman
Bishop	Girard	Johnson, V.	Macklin	Orenstein	Smith	Weaver
Blatz	Goodno	Kalis	McCollum	Ozment	Sparby	Wenzel
Brown, C.	Gruenes	Knickerbocker	Milbert	Pauly	Stanius	Wolf
Cooper	Gutknecht	Koppendraye	Molnau	Pawlenty	Sviggum	Worke
Davids	Hasskamp	Krinkie	Morrison	Peterson	Swenson	Workman
Dehler	Haukoos	Leppik	Mosel	Pugh	Tompkins	

Those who voted in the negative were:

Anderson, I.	Beard	Clark	Evans	Huntley	Kahn	Krueger
Anderson, R.	Bertram	Dauner	Garcia	Jacobs	Kelley	Lasley
Asch	Brown, K.	Dawkins	Greenfield	Jaros	Kelso	Lieder
Battaglia	Carlson	Delmont	Greiling	Jefferson	Kinkel	Luther
Bauerly	Carruthers	Dorn	Hausman	Johnson, A.	Klinzing	Mahon

Mariani	Nelson	Orfield	Perlt	Sekhon	Tomassoni	Wejcman
McGuire	Olson, E.	Osthoff	Reding	Simoneau	Trimble	Welle
Murphy	Olson, K.	Ostrom	Rodosovich	Skoglund	Tunheim	Winter
Neary	Opatz	Pelowski	Rukavina	Steensma	Vellenga	Spk. Long

The motion did not prevail and the amendment was not adopted.

Gutknecht moved to amend S. F. No. 1496, as amended, as follows:

Page 498, after line 14, insert:

"Sec. 48. [504.36] [PETS IN SUBSIDIZED HANDICAPPED ACCESSIBLE RENTAL HOUSING UNITS.]

In a multiunit residential building, a tenant of a handicapped accessible unit, in which the tenant or the unit, receives a subsidy that directly reduces or eliminates the tenant's rent responsibility must be allowed to have two birds or one spayed or neutered dog or one spayed or neutered cat. A renter under this section may not keep or have visits from an animal that constitutes a threat to the health or safety of other individuals, or causes a noise nuisance or noise disturbance to other renters. The landlord may require the renter to pay an additional damage deposit in an amount reasonable to cover damage likely to be caused by the animal. The deposit is refundable at any time the renter leaves the unit of housing to the extent it exceeds the amount of damage actually caused by the animal."

Renumber remaining sections

The motion prevailed and the amendment was adopted.

Frerichs moved to amend S. F. No. 1496, as amended, as follows:

Page 6, delete lines 25 to 42 and insert:

"The commissioners of agriculture and health shall conduct a study to evaluate the roles and responsibilities of agencies conducting inspections of grocery stores and food and beverage and lodging facilities to promote efficient uniformity in enforcement."

The motion prevailed and the amendment was adopted.

Bertram was excused for the remainder of today's session.

Frerichs moved to amend S. F. No. 1496, as amended, as follows:

Page 20, delete lines 14 to 22

Page 20, delete lines 44 to 65

Page 21, delete lines 1 to 4

Page 22, line 56, delete "and that at"

Page 22, delete lines 57 and 58

Page 22, line 59, delete "services"

Page 362, line 2, strike everything after "home"

Page 362, line 3, strike everything before the comma

Adjust the numbers accordingly

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called. There were 39 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Lindner	Olson, M.	Smith	Wolf
Bettermann	Girard	Johnson, V.	Lynch	Onnen	Sviggum	Worke
Commers	Gruenes	Koppendrayer	Macklin	Osthoff	Swenson	Workman
Davids	Gutknecht	Krinkie	Molnau	Pauly	Van Dellen	
Dehler	Haukoos	Leppik	Morrison	Pawlenty	Vickerman	
Erhardt	Holsten	Limmer	Ness	Rhodes	Waltman	

Those who voted in the negative were:

Anderson, I.	Cooper	Hausman	Krueger	Neary	Reding	Vellenga
Anderson, R.	Dauner	Huntley	Lasley	Nelson	Rest	Wagenius
Asch	Dawkins	Jacobs	Lieder	Olson, E.	Rodosovich	Weaver
Battaglia	Delmont	Jaros	Lourey	Olson, K.	Rukavina	Wejcman
Bauerly	Dempsey	Jefferson	Luther	Opatz	Seagren	Welle
Beard	Dorn	Johnson, A.	Mahon	Orenstein	Sekhon	Wenzel
Bergson	Evans	Johnson, R.	Mariani	Orfield	Simoneau	Winter
Bishop	Farrell	Kahn	McCollum	Ostrom	Sparby	Spk. Long
Brown, C.	Garcia	Kalis	McGuire	Ozment	Stanius	
Brown, K.	Goodno	Kelley	Milbert	Pelowski	Steenasma	
Carlson	Greenfield	Kelso	Mosel	Perlt	Tomassoni	
Carruthers	Greiling	Kinkel	Munger	Peterson	Trimble	
Clark	Hasskamp	Klinzing	Murphy	Pugh	Tunheim	

The motion did not prevail and the amendment was not adopted.

Stanius offered an amendment to S. F. No. 1496, as amended.

Greenfield requested a division of the Stanius amendment to S. F. No. 1496, as amended.

The first portion of the Stanius amendment to S. F. No. 1496, as amended, reads as follows:

Page 18, delete lines 54 to 65

Page 19, delete line 1

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Stanius amendment and the roll was called. There were 45 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Asch	Dempsey	Haukoos	Lynch	Onnen	Stanius	Wolf
Bettermann	Farrell	Holsten	McCollum	Orfield	Sviggum	Worke
Blatz	Frerichs	Johnson, V.	Molnau	Osthoff	Swenson	Workman
Carruthers	Girard	Koppendrayner	Morrison	Ozment	Tompkins	
Commers	Goodno	Krinkie	Ness	Rhodes	Van Dellen	
Davids	Gruenes	Limmer	Olson, E.	Seagren	Waltman	
Dehler	Gutknecht	Lindner	Olson, M.	Smith	Weaver	

Those who voted in the negative were:

Abrams	Cooper	Jacobs	Krueger	Munger	Peterson	Tomassoni
Anderson, I.	Dauner	Jaros	Lasley	Murphy	Pugh	Trimble
Anderson, R.	Dawkins	Jefferson	Leppik	Neary	Reding	Tunheim
Battaglia	Delmont	Johnson, A.	Lieder	Nelson	Rest	Vellenga
Bauerly	Dorn	Johnson, R.	Lourey	Olson, K.	Rodosovich	Vickerman
Beard	Erhardt	Kahn	Luther	Opatz	Rukavina	Wagenius
Bergson	Evans	Kalis	Macklin	Orenstein	Sekhon	Wejzman
Bishop	Garcia	Kelley	Mahon	Ostrom	Simoneau	Welle
Brown, C.	Greenfield	Kelso	Mariani	Pauly	Skoglund	Wenzel
Brown, K.	Greiling	Kinkel	McGuire	Pawlenty	Solberg	Winter
Carlson	Hugoson	Klinzing	Milbert	Pelowski	Sparby	Spk. Long
Clark	Huntley	Knickerbocker	Mosel	Perlt	Steensma	

The motion did not prevail and the first portion of the Stanius amendment was not adopted.

Osthoff requested a division of the second portion of the Stanius amendment to S. F. No. 1496, as amended.

The first portion of the second portion of the Stanius amendment to S. F. No. 1496, as amended, reads as follows:

Page 336, after line 15, insert:

"Sec. 55. [APPROPRIATIONS.]

Subdivision 1. [FOOD SHELVES.] \$250,000 in additional funds, over and above the funds appropriated in article 10, section 4, is appropriated from the general fund to the commissioner of jobs and training for the biennium ending June 30, 1995, for the purposes of providing funding for the food shelves program authorized by section 268.55.

Subd. 2. [MATERNAL AND CHILD NUTRITION.] \$500,000 in additional funds, over and above the funds appropriated in article 9, section 4, is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1995, for the purposes of providing additional funding for nutritional supplements for women, infants and children (WIC) under sections 145.891 to 145.897.

Subd. 3. [CONGREGATE AND HOME DELIVERED MEALS FOR THE ELDERLY.] \$250,000 in additional funds, over and above the funds appropriated in article 1, section 2, is appropriated from the general fund to the commissioner of human services for aging area service grants for congregate and home delivered meals, for the biennium ending June 30, 1995.

Subd. 4. [FARMER LENDER MEDIATION PROGRAM.] \$200,000 in additional funds, over and above the funds appropriated in article 10, section 4, is appropriated from the general fund to the commissioner of the Minnesota housing finance agency for the biennium ending June 30, 1995, for the purposes of providing funding for the farmer-lender mediation program authorized by sections 583.20 to 583.32.

Subd. 5. [CHILD IMMUNIZATION.] \$100,000 in additional funds, over and above the funds appropriated in article 9, section 4, is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1995, for the purposes of providing funding to implement the department's immunization action plan.

Subd. 6. [CHILD CARE: BASIC SLIDING FEE PROGRAM.] \$1,000,000 in additional funds, over and above the funds appropriated in article 1, section 2, is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1995, for the purposes of providing funding for the child care basic sliding fee program operated under section 256H.03.

Subd. 7. [ADOPTION ASSISTANCE.] \$100,000 in additional funds, over and above the funds appropriated in article 1, section 2, is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1995, for the purposes of providing additional funds for the adoption assistance program operated under the authority of section 259.40."

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the second portion of the Stanius amendment and the roll was called. There were 112 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Krueger	Mosel	Pauly	Steensma
Anderson, R.	Dehler	Holsten	Lasley	Munger	Pawlenty	Sviggum
Asch	Delmont	Hugoson	Leppik	Murphy	Pelowski	Swenson
Battaglia	Dempsey	Jacobs	Lieder	Neary	Perlt	Tomassoni
Beard	Dorn	Jefferson	Limmer	Nelson	Peterson	Tompkins
Bergson	Erhardt	Johnson, A.	Lindner	Ness	Pugh	Tunheim
Bettermann	Evans	Johnson, R.	Luther	Olson, E.	Rest	Van Dellen
Bishop	Farrell	Johnson, V.	Lynch	Olson, K.	Rhodes	Vellenga
Blatz	Frerichs	Kalis	Macklin	Olson, M.	Rodosovich	Wagenius
Brown, K.	Girard	Kelley	Mahon	Onnen	Rukavina	Waltman
Carruthers	Goodno	Kelso	Mariani	Opatz	Seagren	Weaver
Clark	Greiling	Kinkel	McCollum	Orenstein	Sekhon	Wenzel
Commers	Gruenes	Klinzing	McGuire	Orfield	Smith	Winter
Cooper	Gutknecht	Knickerbocker	Milbert	Osthoff	Solberg	Wolf
Dauner	Hasskamp	Koppendrayer	Molnau	Ostrom	Sparby	Worke
Dauids	Haukoos	Krinkie	Morrison	Ozment	Stanius	Workman

Those who voted in the negative were:

Anderson, I.	Carlson	Huntley	Lourey	Skoglund	Wejcmán
Bauerly	Garcia	Jaros	Reding	Trimble	Welle
Brown, C.	Greenfield	Kahn	Simoneau	Vickerman	Spk. Long

The motion prevailed and the first portion of the second portion of the Stanius amendment was adopted.

Leppik requested a division of the remaining portion of the Stanius amendment to S. F. No. 1496, as amended.

The first portion of the remaining portion of the Stanius amendment to S. F. No. 1496, as amended, reads as follows:

Page 336, after line 15, insert:

"Subd. 8. [FOSTER GRANDPARENT PROGRAM.] \$150,000 in additional funds, over and above the funds appropriated in article 1, section 2, is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1995, for the purposes of providing funding for the foster grandparent program established under section 256.976.

Subd. 9. [FORECLOSURE ASSISTANCE.] \$200,000 in additional funds, over and above the funds appropriated in article 10, section 5, is appropriated from the general fund to the commissioner of the Minnesota housing finance agency for the biennium ending June 30, 1995, for the purposes of providing funding for the foreclosure assistance program authorized by section 462A.206."

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the remaining portion of the Stanius amendment and the roll was called. There were 104 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Hasskamp	Krinkie	Mosel	Pauly	Steensma
Anderson, R.	Davids	Haukoos	Krueger	Munger	Pawlenty	Sviggum
Asch	Dehler	Holsten	Lasley	Murphy	Pelowski	Swenson
Battaglia	Delmont	Hugoson	Leppik	Neary	Peterson	Tomassoni
Beard	Dempsey	Jacobs	Lieder	Nelson	Pugh	Tompkins
Bergson	Dorn	Jefferson	Limmer	Ness	Rest	Tunheim
Bettermann	Erhardt	Johnson, A.	Lindner	Olson, E.	Rhodes	Van Dellen
Bishop	Evans	Johnson, R.	Luther	Olson, K.	Rodosovich	Waltman
Blatz	Farrell	Johnson, V.	Lynch	Olson, M.	Rukavina	Weaver
Brown, K.	Frerichs	Kalis	Macklin	Onnen	Seagren	Wenzel
Carlson	Girard	Kelley	Mahon	Opatz	Sekhon	Winter
Carruthers	Goodno	Kelso	McCollum	Orenstein	Smith	Wolf
Clark	Greiling	Klinzing	Milbert	Orfield	Solberg	Worke
Commers	Gruenes	Knickerbocker	Molnau	Ostrom	Sparby	Workman
Cooper	Gutknecht	Koppendrayer	Morrison	Ozment	Stanius	

Those who voted in the negative were:

Anderson, I.	Garcia	Kahn	McGuire	Simoneau	Wagenius
Bauerly	Greenfield	Kinkel	Osthoff	Skoglund	Wejzman
Brown, C.	Huntley	Lourey	Perit	Vellenga	Welle
Dawkins	Jaros	Mariani	Reding	Vickerman	Spk. Long

The motion prevailed and the first portion of the remaining portion of the Stanius amendment was adopted.

The second portion of the remaining portion of the Stanius amendment to S. F. No. 1496, as amended, was reported to the House.

POINT OF ORDER

Osthoff raised a point of order pursuant to section 160, paragraph 5, of "Mason's Manual of Legislative Procedure" relating to procedural motions which may be renewed, that the second portion of the remaining portion of the Stanius amendment was not in order. Speaker pro tempore Bauerly ruled the point of order well taken and the second portion of the remaining portion of the Stanius amendment out of order.

S. F. No. 1496, A bill for an act relating to health care and family services; the organization and operation of state government; appropriating money for human services, health, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 62A.045; 144.122; 144.123, subdivision 1; 144.215, subdivision 3; 144.226, subdivision 2; 144.3831, subdivision 2; 144.802, subdivision 1; 144.98, subdivision 5; 144A.071; 144A.073, subdivisions 2, 3, and by adding a subdivision; 147.01, subdivision 6; 147.02, subdivision 1; 148C.01, subdivisions 3 and 6; 148C.02; 148C.03, subdivisions 1, 2, and 3; 148C.04, subdivisions 2, 3, and 4; 148C.05, subdivision 2; 148C.06; 148C.11, subdivision 3, and by adding a subdivision; 149.04; 157.045; 198.34; 214.04, subdivision 1; 214.06, subdivision 1, and by adding a subdivision; 245.464, subdivision 1; 245.466, subdivision 1; 245.474; 245.4873, subdivision 2; 245.652, subdivisions 1 and 4; 246.02, subdivision 2; 246.151, subdivision 1; 246.18, subdivision 4; 252.025, subdivision 4, and by adding subdivisions; 252.275, subdivision 8; 252.50, by adding a subdivision; 253.015, subdivision 1, and by adding subdivisions; 253.202; 254.04; 254.05; 254A.17, subdivision 3; 256.015; subdivision 4; 256.025, subdivisions 1, 2, 3, and 4; 256.73, subdivisions 2, 3a, 5, and 8; 256.736, subdivisions 10, 10a, 14, 16, and by adding a subdivision; 256.737, subdivisions 1, 1a, 2, and by adding subdivisions; 256.74, subdivision 1; 256.78; 256.9657, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 256.9685, subdivision 1; 256.969, subdivisions 1, 8, 9, as amended, and 22, as amended; 256.9695, subdivision 3; 256.983, subdivision 3; 256B.042, subdivision 4; 256B.055, subdivision 1; 256B.056, subdivisions 1a and 2; 256B.0575; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 13a, 15, 17, 25, 28, 29, and by adding subdivisions; 256B.0913, subdivision 5; 256B.0915, subdivision 3; 256B.15, subdivisions 1 and 2; 256B.19, subdivision 1b, and by adding subdivisions; 256B.37; subdivisions 3, 5, and by adding a subdivision; 256B.421, subdivision 14; 256B.431, subdivisions 2b, 2c, 13, 14, 15, 21, and by adding subdivisions; 256B.432, by adding a subdivision; 256B.48, subdivision 1; 256B.50, subdivision 1b, and by adding subdivisions; 256B.501, subdivisions 1, 3g, 3i, and by adding a subdivision; 256D.03, subdivisions 3, 4, and 8; 256D.05, by adding a subdivision; 256D.051, subdivisions 1, 1a, 2, 3, and 6; 256D.35, subdivision 3a; 256D.44, subdivisions 2 and 3; 256F.06, subdivision 2; 256I.01; 256I.02; 256I.03, subdivisions 2, 3, and by adding subdivisions; 256I.04, subdivisions 1, 2, 3, and by adding subdivisions; 256I.05, subdivisions 1, 1a, 8, and by adding a subdivision; 256I.06; 257.3573, by adding a subdivision; 257.54; 257.541; 257.55, subdivision 1; 257.57, subdivision 2; 257.73, subdivision 1; 257.74, subdivision 1; 259.431, subdivision 5; 273.1392; 273.1398, subdivision 5b; 275.07, subdivision 3; 326.44; 326.75, subdivision 4; 388.23, subdivision 1; 393.07, subdivisions 3 and 10; 518.156, subdivision 1; 518.551, subdivision 5; 518.64, subdivision 2; 609.821, subdivisions 1 and 2; 626.559, by adding a subdivision; Laws 1991, chapter 292, article 6, section 57, subdivisions 1 and 3; and Laws 1992, chapter 513, article 7, section 131; proposing coding for new law in Minnesota Statutes, chapters 136A; 245; 246; 256; 256B; 256E; 256F; 257; and 514; proposing coding for new law as Minnesota Statutes, chapters 246B; and 252B; repealing Minnesota Statutes 1992, sections 144A.071, subdivisions 4 and 5; 148B.72; 256.985; 256I.03, subdivision 4; 256I.05, subdivisions 4, 9, and 10; 256I.051; 273.1398, subdivisions 5a and 5c.

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 111 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Anderson, I.	Bettermann	Clark	Dorn	Greiling	Jefferson	Kelso
Anderson, R.	Bishop	Cooper	Erhardt	Gruenes	Johnson, A.	Kinkel
Asch	Blatz	Dauner	Evans	Hasskamp	Johnson, R.	Klinzing
Battaglia	Brown, C.	Dawkins	Farrell	Hausman	Johnson, V.	Knickerbocker
Bauerly	Brown, K.	Dehler	Garcia	Huntley	Kahn	Koppendrayner
Beard	Carlson	Delmont	Goodno	Jacobs	Kalis	Krueger
Bergson	Carruthers	Dempsey	Greenfield	Jaros	Kelley	Lasley

Leppik	McGuire	Olson, E.	Pauly	Rukavina	Swenson	Weaver
Lieder	Milbert	Olson, K.	Pawlenty	Seagren	Tomassoni	Wejzman
Lourey	Morrison	Olson, M.	Pelowski	Sekhon	Tompkins	Welle
Luther	Mosel	Onnen	Peterson	Simoneau	Trimble	Wenzel
Lynch	Munger	Opatz	Pugh	Skoglund	Tunheim	Winter
Macklin	Murphy	Orenstein	Reding	Smith	Vellenga	Wolf
Mahon	Neary	Orfield	Rest	Solberg	Vickerman	Worke
Mariani	Nelson	Osthoff	Rhodes	Sparby	Wagenius	Spk. Long
McCollum	Ness	Ostrom	Rodosovich	Steensma	Waltman	

Those who voted in the negative were:

Abrams	Frerichs	Haukoos	Krinkie	Molnau	Stanius	Workman
Commers	Girard	Holsten	Limmer	Ozment	Sviggum	
Davids	Gutknecht	Hugoson	Lindner	Perlt	Van Dellen	

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Waltman introduced:

H. F. No. 1756, A bill for an act relating to Douglas trail; providing for land acquisition; providing for a bond issue; appropriating money.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

McGuire; Hasskamp; Anderson, I., and Holsten introduced:

H. F. No. 1757, A bill for an act relating to private lands and waters; providing for recreational use, liability, and easements or other rights; amending Minnesota Statutes 1992, sections 87.025; 87.026; and 87.03; proposing coding for new law in Minnesota Statutes, chapter 87.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Simoneau introduced:

H. F. No. 1758, A bill for an act relating to health; providing a woman considering abortion the right to certain information before giving consent; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services.

HOUSE ADVISORIES

The following House Advisory was introduced:

McGuire, Skoglund, Delmont and Perlt introduced:

H. A. No. 14, A proposal to study the handling of cases brought before the family court system and the degree of accountability within the system.

The advisory was referred to the Committee on Judiciary.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 801, A bill for an act relating to traffic regulations; requiring operating procedures for hand-held traffic radar; amending Minnesota Statutes 1992, section 169.14, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 806, A bill for an act relating to commerce; prohibiting smoking in designated nonsmoking hotel rooms; allowing reimbursement to innkeepers for actual costs resulting from violation; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 327.

H. F. No. 1423, A bill for an act relating to unemployment compensation; modifying definitions; changing provisions relating to eligibility for and administration of unemployment compensation; amending Minnesota Statutes 1992, sections 268.04, subdivisions 4 and 12; 268.08, subdivisions 3 and 6; 268.09, subdivisions 1, 2, and 8; 268.10, subdivisions 2 and 6; 268.12, subdivision 12; 268.16, subdivision 4; and 268.161, subdivision 9.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1735, A bill for an act relating to the financing and operation of government in Minnesota; revising the operation of the local government trust fund; modifying the administration, computation, collection, and enforcement of taxes; imposing taxes; changing tax rates, bases, credits, exemptions, withholding, and payments; modifying proposed tax notice and hearing requirements; modifying aids to local governments; modifying provisions relating to property tax valuations, classifications, and levies; changing tax increment financing provisions; changing the amount in the budget and cash flow reserve account; authorizing imposition of local taxes; updating references to the Internal Revenue Code; changing certain bonding and local government finance provisions; changing definitions; making technical corrections and clarifications; providing for grants and loans in certain cases; enacting provisions relating to certain cities, counties, and special taxing districts; prescribing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16A.15, subdivision 6; 16A.1541; 17A.03, subdivision 5; 31.51, subdivision 9; 31A.02, subdivisions 4 and 10; 31B.02, subdivision 4; 35.821, subdivision 4; 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 97A.061, subdivisions 2 and 3; 103B.635, subdivision 2, as amended; 115B.22, subdivision 7; 124.2131, subdivision 1; 134.001, by adding a subdivision; 134.351, subdivision 4; 239.785; 256E.06, subdivision 12; 270.06; 270.07, subdivision 3; 270.41; 270.70, subdivision 1; 270A.10; 270B.01, subdivision 8; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 272.02, subdivisions 1 and 4; 272.115, subdivisions 1 and 4; 273.061, subdivisions 1 and 8; 273.11, subdivisions 1, 6a, 13, and by adding subdivisions; 273.112, by adding a subdivision; 273.121; 273.124, subdivisions 1, 9, 13, and by adding subdivisions; 273.13, subdivisions 23, 24, 25, and 33; 273.135, subdivision 2; 273.1398, subdivisions 1, 2, and by adding subdivisions; 273.33, subdivision 2; 275.065, subdivisions 1, 3, 5a, 6, and by adding a subdivision; 275.07, subdivision 1, and by adding a subdivision; 275.08, subdivision 1d; 276.02; 276.04, subdivision 2; 279.37, subdivision 1a; 289A.09, by adding a subdivision; 289A.18, subdivision 4; 289A.20, subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivision 3; 289A.50, subdivision 5; 289A.56, subdivision 3; 289A.60; subdivisions 1, 2, 15, and by adding

subdivisions; 290.01, subdivisions 7, 19, 19a, and 19c; 290.06, subdivisions 2c and 2d; 290.0671, subdivision 1; 290.091, subdivisions 1, 2, and 6; 290.0921, subdivision 3; 290A.03, subdivisions 3, 7, and 8; 290A.04, subdivision 2h, and by adding a subdivision; 290A.23; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.01, by adding a subdivision; 296.02, subdivision 8; 296.03; 296.14, subdivision 1; 296.18, subdivision 1; 297.03, subdivision 6; 297.07, subdivisions 1 and 4; 297.35, subdivisions 1 and 5; 297.43, subdivisions 1, 2, and by adding a subdivision; 297A.01, subdivisions 6, 13, and 15; 297A.136; 297A.14, subdivision 1; 297A.25, subdivisions 3, 7, 11, 16, 34, 41; and by adding a subdivision; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 298.75, subdivisions 4 and 5; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 319A.11, subdivision 1; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; 375.192, subdivision 2; 429.061, subdivision 1; 469.012, subdivision 1; 469.174, subdivisions 19 and 20; 469.175, by adding a subdivision; 469.176, subdivisions 1 and 4e; 469.1763, by adding a subdivision; 469.177, subdivisions 1 and 8; 469.1831, subdivision 4; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 4; 473.249, subdivision 2; 473.843, subdivision 3; 477A.011, subdivisions 1a, 20, and by adding subdivisions; 477A.013, by adding subdivisions; 477A.03, subdivision 1; and 477A.14; Laws 1953, chapter 387, section 1; Laws 1969, chapter 561, section 1; Laws 1971, chapters 373, sections 1 and 2; 455, section 1; Laws 1985, chapter 302, sections 1, subdivision 3; 2, subdivision 1; and 4; proposing coding for new law in Minnesota Statutes, chapters 17; 116; 134; 270; 272; 273; 295; 297A; 383A; and 469; repealing Minnesota Statutes 1992, sections 115B.24, subdivision 10; 272.115, subdivision 1a; 273.1398, subdivision 5; 275.07, subdivision 3; 297A.01, subdivision 16; 297A.25, subdivision 42; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 3a, 15, 16, 17, 18, 22, 23, 25, and 26; and 477A.013, subdivisions 2, 3, and 5; Laws 1953, chapter 387, section 2; Laws 1963, chapter 603, section 1; and Laws 1969, chapter 592, sections 1 to 3.

The Senate has appointed as such committee:

Mr. Johnson, D. J.; Mses. Reichgott; Flynn; Messrs. Hottinger and Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

H. F. No. 1709, A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting accounts and fees; amending Minnesota Statutes 1992, sections 11A.21, subdivision 1; 161.081; 161.39, by adding a subdivision; 169.121, subdivision 7; 169.123, subdivision 5a; 171.02, subdivision 1; 171.06, subdivisions 2 and 4; 171.07, by adding a subdivision; 171.11; 171.22, subdivision 1; 174.02, by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; Laws 1992, chapter 513, article 3, section 77; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 1992, sections 171.20, subdivision 1; 296.01, subdivision 4; and 296.026.

PATRICK E. FLAHAVEN, Secretary of the Senate

Solberg moved that the House refuse to concur in the Senate amendments to H. F. No. 1709, that the Speaker appoint a Conference Committee of 5 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.

Madam Speaker:

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

H. F. No. 350, A bill for an act relating to education; prekindergarten through grade 12; providing for general education; transportation; special programs; early childhood, community, and adult education; facilities; organization and cooperation; access to excellence; other education programs; miscellaneous provisions; choice programs; libraries; state agencies; and realignment of responsibilities; making conforming changes; appropriating money; amending

Minnesota Statutes 1992, sections 3.873, subdivisions 4, 5, 6, 7, and 9; 120.06, subdivision 3; 120.062, subdivision 5, and by adding a subdivision; 120.0621; 120.064, subdivisions 3, 4, and 16; 120.0751, subdivisions 1, 2, 3, and 4; 120.101, subdivisions 5 and 5b; 120.102, subdivision 1; 120.17, subdivision 7a; 120.73, subdivision 1; 120.75; 121.15, subdivision 4; 121.16, subdivision 1; 121.201, subdivision 1; 121.585, subdivision 8; 121.612, subdivisions 2 and 4; 121.831; 121.88, subdivision 8; 121.882, subdivision 2b; 121.901, subdivisions 1 and 2; 121.902; 121.904, subdivisions 4a, 4e, and 14; 121.912, subdivision 6, and by adding a subdivision; 121.9121; 121.914, subdivision 3; 121.934, subdivision 1; 121.935, subdivisions 2 and 5; 121.936; 122.22, by adding a subdivision; 122.242, subdivision 9; 122.531, subdivision 4a; 122.895, subdivision 2, and by adding subdivisions; 123.34, subdivision 9; 123.35, subdivision 17; 123.351, subdivisions 6, 8, and 9; 123.3513; 123.3514, subdivisions 5, 6, 6b, 6c, and 8; 123.36, by adding a subdivision; 123.39, by adding a subdivision; 123.58, subdivisions 6, 7, 8, and 9; 123.702, subdivisions 1, 1a, 1b, 3, and 4; 123.7045; 123.71, subdivision 1; 123.932, subdivision 7; 123.935, subdivision 7; 123.947; 124.09; 124.10, subdivision 1; 124.14, subdivisions 1 and 4; 124.17, subdivisions 1, 2c, and by adding a subdivision; 124.19, subdivisions 1 and 4; 124.195, subdivisions 8 and 9; 124.223, subdivision 3; 124.225, subdivisions 1, 3a, 7b, 7d, and 7e; 124.226, subdivisions 1, 3, 9, and by adding a subdivision; 124.243, subdivisions 1, 2, 2a, 6, and 8; 124.248, subdivision 4; 124.26, subdivision 2; 124.2601, subdivisions 4 and 6; 124.261, subdivision 1; 124.2615, subdivisions 2 and 3; 124.2711, subdivision 1; 124.2714; 124.2721, subdivisions 1 and 3; 124.2725, subdivisions 2, 4, 5, 6, 10, and 13; 124.273, by adding a subdivision; 124.276, subdivision 3; 124.32, subdivision 1d; 124.322, subdivisions 2, 3, 4, and by adding a subdivision; 124.332, subdivision 2; 124.37; 124.38, by adding a subdivision; 124.431, subdivisions 1, 1a, 2, and 14; 124.48, subdivisions 1 and 3; 124.494, subdivisions 1, 2, and by adding a subdivision; 124.573, subdivision 3; 124.574, by adding a subdivision; 124.625; 124.64; 124.645, subdivisions 1 and 2; 124.69, subdivision 1; 124.73, subdivision 1; 124.79; 124.83, subdivisions 1, 2, 4, 6, and by adding a subdivision; 124.84, subdivision 3; 124.91, subdivision 3; 124.912, subdivisions 2 and 3; 124.95, subdivisions 1, 2, 2a, and 3; 124.961; 124A.03, subdivision 1c, and by adding a subdivision; 124A.22, subdivisions 2, 4, 5, 6, 8, and 9; 124A.23, subdivision 1; 124A.26, subdivision 1, and by adding a subdivision; 124A.27, subdivision 2; 124A.29, subdivision 1; 124A.70; 124A.72; 124C.08, subdivision 1; 125.05, subdivision 1a; 125.185, subdivisions 4 and 6; 125.1885, subdivision 3; 125.189; 126.151, subdivision 2; 126.22, subdivisions 2, 3, 3a, and 4; 126.239, subdivision 3; 126.267; 126.268, subdivision 2; 126.52, subdivisions 8 and 9; 126.54, subdivision 1; 126.56, subdivisions 4a and 7; 126.665; 126.67, subdivision 8; 126.70, subdivision 2a; 126A.07, subdivision 1; 127.15; 127.455; 127.46; 128A.024, subdivision 2; 128A.03, subdivision 2; 128C.02, by adding a subdivision; 129C.10, subdivision 1, and by adding a subdivision; 134.31, subdivisions 1, 2, and 5; 134.32, subdivision 8; 145A.10, subdivision 5; 256E.03, by adding subdivisions; 256E.08, subdivision 1; 256E.09, subdivision 2, and by adding a subdivision; 275.48; 473F.02, by adding a subdivision; and 475.61, subdivision 3; Laws 1991, chapters 256, article 8, section 14, as amended; 265, articles 1, section 30; and 2, section 19, subdivision 2; and Laws 1992, chapters 499, article 8, section 33; 571, article 10, section 29; proposing coding for new law in Minnesota Statutes, chapters 4; 121; 124; 124A; 124C; 125; 126; 128A; repealing Minnesota Statutes 1992, sections 120.0621, subdivision 5; 121.87; 124.197; 124.2721, subdivisions 2 and 4; 124.32, subdivision 5; 124.615; 124.62; 125.703; 126.22, subdivision 2a; 145.926; and Laws 1988, chapter 486, section 59.

PATRICK E. FLAHAVEN, Secretary of the Senate

Vellenga moved that the House refuse to concur in the Senate amendments to H. F. No. 350, that the Speaker appoint a Conference Committee of 5 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.

Madam Speaker:

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

S. F. No. 1503, A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections, and related purposes; 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; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.216, by adding a subdivision; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2; and 611.20, subdivision 3.

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

Messrs. Beckman, Spear, Kelly, Neuville and Ms. Ranum.

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

Murphy moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 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. 1503. The motion prevailed.

Madam Speaker:

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

S. F. Nos. 948, 1602, 1613, 397, 918 and 1276.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

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

S. F. Nos. 739, 818, 827, 886 and 1620.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 948, A bill for an act relating to insurance; property; regulating the FAIR plan; modifying its provisions; making various technical changes; amending Minnesota Statutes 1992, sections 65A.31; 65A.32; 65A.33, subdivisions 4, 5, and 6; 65A.34; 65A.35; 65A.36; 65A.37; 65A.375; 65A.38; 65A.39; 65A.40; 65A.41; and 65A.42; repealing Minnesota Statutes 1992, sections 65A.33, subdivision 8; and 65A.43.

The bill was read for the first time.

Huntley moved that S. F. No. 948 and H. F. No. 640, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1602, A bill for an act relating to cemeteries; providing for burials in the winter season; prohibiting relocation of cemeteries without the trustees' or owners' consent; clarifying the eligibility for burial in a soldiers rest plot; amending Minnesota Statutes 1992, section 375.37; proposing coding for new law in Minnesota Statutes, chapters 306; and 307.

The bill was read for the first time.

Ozment moved that S. F. No. 1602 and H. F. No. 695, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1613, A bill for an act relating to the organization and operation of state government; appropriating money for the departments of labor and industry, public service, jobs and training, housing finance, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 16B.06, subdivision 2a; 116J.617; 116J.982; 179.02, by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 268.022, subdivision 2; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116J; 116M; 239; 268; and 462A; repealing Minnesota Statutes 1992, sections 116J.982, subdivisions 6a, 8, and 9; 239.05, subdivision 2c; 239.52; 239.78; 268.977; and 268.978, subdivision 3.

The bill was read for the first time.

Rice moved that S. F. No. 1613 and H. F. No. 1741, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 397, A bill for an act relating to highways; allowing county state-aid highway money to be used for certain equipment for emergency responders; amending Minnesota Statutes 1992, section 162.08, subdivision 4.

The bill was read for the first time.

Jefferson moved that S. F. No. 397 and H. F. No. 1272, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 918, A bill for an act relating to civil actions; providing that the statute of limitations in section 541.051 governs materials incorporated into an improvement to real property; amending Minnesota Statutes 1992, section 336.2-725.

The bill was read for the first time.

Pugh moved that S. F. No. 918 and H. F. No. 1514, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1276, A bill for an act relating to crime victims; restitution; requiring the deduction from a prison inmate's wages of unpaid restitution obligations from previous convictions; waiving fees for the docketing of a restitution order as a civil judgment; amending Minnesota Statutes 1992, sections 243.23, subdivision 3; and 611A.04, subdivision 3.

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

S. F. No. 739, A bill for an act relating to health; regulating ionization radiation; exempting practitioners of veterinary medicine from certain quality assurance tests; amending Minnesota Statutes 1992, section 144.121, by adding subdivisions.

The bill was read for the first time.

Cooper moved that S. F. No. 739 and H. F. No. 867, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 818, A bill for an act relating to education; post-secondary; prescribing changes in eligibility and in duties and responsibilities regarding certain financial assistance programs; amending Minnesota Statutes 1992, sections 136A.101, subdivision 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; and 136A.233, subdivisions 2 and 3; repealing Minnesota Statutes 1992, section 136A.121, subdivision 17.

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

S. F. No. 827, A bill for an act relating to racketeering; expanding the RICO law to include gambling crimes; authorizing the division of gambling enforcement to seize and forfeit property under the criminal forfeiture law; expanding the definition of criminal racketeering acts; amending Minnesota Statutes 1992, sections 609.531, subdivision 1; 609.76; and 609.902, subdivision 4.

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

S. F. No. 886, A bill for an act relating to natural resources; regulating timber sales; increasing the value of sales requiring executive council approval and maximum lot value on auction sales; permitting the modification of timber permits damaged by natural cause; amending Minnesota Statutes 1992, section 90.031, subdivision 4; 90.041, by adding a subdivision; 90.101, subdivision 1; 90.121; and 90.201, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources Finance.

S. F. No. 1620, 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; amending Minnesota Statutes 1992, sections 8.15; 15.38, by adding a subdivision, 15.50, by adding a subdivision; 15A.083, by adding a subdivision; 196.051, subdivision 3; 196.054, subdivision 2; 198.16; 270.063; 303.13, subdivision 1; 303.21, subdivision 3; 322A.16; 333.20, subdivision 4; 333.22, subdivision 1; 336.9-403; 336.9-404; 336.9-405; 336.9-406; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; 349A.10, subdivision 5; 357.021, subdivisions 1a and 2; 357.022; 357.08; 357.18, subdivision 3; 386.61, by adding a subdivision; 386.65; 386.66; 386.67; 386.68; 386.69; 508.82; 508A.82; and 593.48; Laws 1989, chapter 335, article 3, section 44, as amended; proposing coding for new law in Minnesota Statutes, chapters 129D; 386; and 609; repealing Minnesota Statutes 1992, sections 386.61, subdivision 3; 386.63; 386.64; and 386.70.

The bill was read for the first time.

Krueger moved that S. F. No. 1620 and H. F. No. 1750, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Sparby was excused for the remainder of today's session.

CONSENT CALENDAR

Anderson, I., moved that the bills on the Consent Calendar for today be continued. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. No. 994.

H. F. No. 994 was reported to the House.

Brown, K., and Evans moved to amend H. F. No. 994, the second engrossment, as follows:

Page 7, after line 23, insert:

"(d) Before placing a child for adoption with a family of a different racial or ethnic heritage from the child, the authorized child placing agency shall require the proposed adoptive parents to complete a course of training in cultural sensitivity to the child's racial or ethnic heritage."

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

H. F. No. 994, A bill for an act relating to children; foster care and adoption placement; specifying time limits for compliance with placement preferences; setting standards for changing out-of-home placement; requiring notice of certain adoptions; clarifying certain language; requiring compliance with certain law; amending Minnesota Statutes 1992, sections 257.071, subdivisions 1 and 1a; 257.072, subdivision 7; 259.255; 259.28, subdivision 2, and by adding a subdivision; 259.455; 260.012; 260.181, subdivision 3; and 260.191, subdivisions 1a, 1d, and 1e; proposing coding for new law in Minnesota Statutes, chapters 257; and 259.

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 102 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Holsten	Limmer	Nelson	Pugh	Van Dellen
Anderson, R.	Dehler	Hugoson	Lindner	Ness	Reding	Vickerman
Asch	Delmont	Huntley	Lourey	Olson, E.	Rhodes	Wagenius
Battaglia	Dempsey	Jacobs	Luther	Olson, K.	Seagren	Waltman
Bauerly	Dorn	Johnson, V.	Lynch	Olson, M.	Simoneau	Weaver
Beard	Erhardt	Kahn	Macklin	Onnen	Skoglund	Welle
Bettermann	Frerichs	Kalis	Mahon	Opatz	Smith	Wenzel
Bishop	Girard	Kelso	McCollum	Orenstein	Solberg	Winter
Blatz	Goodno	Knickerbocker	McGuire	Ostrom	Stanius	Wolf
Brown, C.	Greiling	Koppendrayer	Molnau	Ozment	Steensma	Worke
Carlson	Gruenes	Krinkie	Morrison	Pauly	Sviggum	Workman
Carruthers	Gutknecht	Krueger	Mosel	Pawlenty	Swenson	Spk. Long
Commers	Hasskamp	Lasley	Munger	Pelowski	Tomassoni	
Cooper	Haukoos	Leppik	Murphy	Perlt	Tompkins	
Dauner	Hausman	Lieder	Neary	Peterson	Tunheim	

Those who voted in the negative were:

Anderson, I.	Dawkins	Jaros	Kinkel	Osthoff	Sekhon
Bergson	Evans	Johnson, A.	Klinzing	Rest	Trimble
Brown, K.	Garcia	Johnson, R.	Mariani	Rodosovich	Vellenga
Clark	Greenfield	Kelley	Milbert	Rukavina	Wejzman

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

SPECIAL ORDERS

Anderson, I., moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Anderson, I., moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Farrell moved that his name be stricken as an author on H. F. No. 555. The motion prevailed.

Jefferson moved that the name of Osthoff be added as an author on H. F. No. 1720. The motion prevailed.

Davids moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Wednesday, April 21, 1993, when the vote was taken on the Osthoff and McCollum amendment to H. F. No. 1709, the first engrossment, as amended." The motion prevailed.

Frerichs moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Wednesday, April 21, 1993, when the vote was taken on the Osthoff and McCollum amendment to H. F. No. 1709, the first engrossment, as amended." The motion prevailed.

Worke moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Friday, April 23, 1993, when the vote was taken on H. F. No. 79, as amended by the Senate." The motion prevailed.

Simoneau moved that S. F. No. 692 be recalled from the Committee on Labor-Management Relations and together with H. F. No. 826, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Asch moved that H. F. No. 1263 be returned to its author. The motion prevailed.

Opatz moved that H. F. No. 1567 be returned to its author. The motion prevailed.

Bergson moved that H. F. No. 1571 be returned to its author. The motion prevailed.

Opatz moved that H. F. No. 1572 be returned to its author. The motion prevailed.

Delmont moved that H. F. No. 1606 be returned to its author. The motion prevailed.

Bergson moved that H. F. No. 1622 be returned to its author. The motion prevailed.

Delmont moved that H. F. No. 1652 be returned to its author. The motion prevailed.

Perlt moved that H. F. No. 1660 be returned to its author. The motion prevailed.

Battaglia moved that H. F. No. 1737 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. 350:

Vellenga, Kelso, Bauerly, Carlson and Koppendrayer.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1407:

Rodosovich, Dorn, Pelowski, Kinkel and Morrison.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1503:

Murphy, Pugh, Orenstein, Swenson and McGuire.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the following changes in committee assignments:

Labor-Management Relations: Remove the name of Anderson, I.

Local Government and Metropolitan Affairs: Remove the name of Anderson, I.

ADJOURNMENT

Anderson, I., moved that when the House adjourns today it adjourn until 1:00 p.m., Tuesday, April 27, 1993. The motion prevailed.

Anderson, I., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Tuesday, April 27, 1993.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

