TWENTY-EIGHTH DAY

St. Paul, Minnesota, Wednesday, March 31, 1993

The Senate met at 11:45 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Paul Ofstedal.

The roll was called, and the following Senators answered to their names:

Adkins	Finn	Kroening	Morse	Robertson
Beckman	Flynn	Laidig	Murphy	Runbeck
Belanger	Frederickson	Langseth	Neuville	Sams
Benson, D.D.	Hanson	Larson	Oliver	Samuelson
Benson, J.E.	Hottinger	Lesewski	Olson	Solon
Berg	Janezich	Lessard	Pappas	Spear
Berglin	Johnson, D.E.	Luther	Pariseau	Stevens
Betzold	Johnson, D.J.	Marty	Piper	Stumpf
Chandler	Johnston	McGowan	Pogemiller	Terwilliger
Chmielewski	Kelly	Merriam	Price	Vickerman
Cohen	Kiscaden	Metzen	Ranum	Wiener
Day	Knutson	Moe, R.D.	Reichgott	
Dille	Krentz	Mondale	Riveness	

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 25, 1993

The Honorable Allan H. Spear
President of the Senate

Dear President Spear:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 12.

Warmest regards,
Arne H. Carlson, Governor

March 26, 1993

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
12		Res. No. 1	3:35 p.m. March 25	March 25
	442	8	3:28 p.m. March 25	March 25
	227	10	3:30 p.m. March 25	March 25

Sincerely,
Joan Anderson Growe
Secretary of State

March 29, 1993

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
	174	9	2:15 p.m. March 26	March 26

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 282.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 29, 1993

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 134, 882, 836, 1100 and 1325.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 29, 1993

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H.F. No. 134: A bill for an act relating to occupations and professions; requiring licensed optometrists to be certified by the board of optometry to prescribe topical legend drugs; authorizing the prescription of topical legend drugs by licensed optometrists who are board certified; requiring reports; modifying the definition of practice of medicine; amending Minnesota Statutes 1992, sections 147.081, subdivision 3; 148.572; 148.574; 151.01, subdivision 23; and 151.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health Care.

H.F. No. 882: A bill for an act relating to outdoor recreation; creating the Lake Superior water trail; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 712, now on General Orders.

H.F. No. 836: A bill for an act relating to game and fish; sale of licenses through subagents; amending Minnesota Statutes 1992, section 97A.485, subdivision 4.

Referred to the Committee on Environment and Natural Resources.

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.

Referred to the Committee on Commerce and Consumer Protection.

H.F. No. 1325: A bill for an act relating to housing; modifying the definition of dwelling for smoke detection devices; amending Minnesota Statutes 1992, section 299F.362, subdivision 1.

Referred to the Committee on Jobs, Energy and Community Development.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now

adopted, with the exception of the reports on S.F. Nos. 834, 154, 1142 and 1007. The motion prevailed.

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 834: 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.

Reports the same back with the recommendation that the bill be amended as follows:

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. That plan may include parking preferences for alternative fuel vehicles at public buildings and transportation facilities, high occupancy vehicle lane exceptions for alternative fuel vehicles, and public education programs to promote the use of alternative fuel vehicles and other proposals set forth in section 409 of the National Energy Policy Act of 1992. Nothing in this section limits the scope of a state plan to only those policies implemented by the department. The policies shall be adopted by the department of public service by rule. The department shall adopt the rules as soon as possible and shall publish a notice of hearing on the rules no later than August 1, 1993. The governor shall submit a timely plan to the Secretary of the United States Department of Energy under section 409 of the National Energy Policy Act of 1992 that includes the policies adopted by the department.*

Subd. 3. [ACTIONS.] *The department shall evaluate, support, and, to the extent consistent with its statutory authority, implement regulatory policies to promote the development of equipment and infrastructure needed to facilitate the use of alternative fuel vehicles.*

Subd. 4. [RULES.] *The department's rules shall:*

(1) determine what actions in support of developing alternative fuel vehicles would be in the best interests of the general public of the state; and

(2) weigh both the direct costs and the overall costs and benefits to be realized by the state through the entire development cycle of alternative fuel vehicles and their supporting infrastructure.

Subd. 5. [REPORTS 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 agriculture, and the department of trade and economic development, submit a report to the legislature by January 1 of each*

even-numbered year after the enactment of this section, 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. 6. [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. 7. [REPEALER.] *This section expires July 1, 2003.*

Sec. 7. [ASSESSMENT.]

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.

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; amending Minnesota Statutes 1992, section 216C.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C."

And when so amended the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 510: A bill for an act relating to taxation; updating references to the Internal Revenue Code; providing for authorization to make taxable sales; changing and providing sales and use tax exemptions; changing certain payment dates; providing for tax compliance, collection, and enforcement; changing or adding powers and duties of the commissioner of revenue; providing for taxation of liquefied petroleum gas sales; providing for income and franchise tax treatment of certain Indian tribal obligations; providing for reimbursement of certain costs; changing definitions; providing for exchange or disclosure of data; providing for interest; changing or imposing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivisions 2a, 9a, and by adding a subdivision; 60A.198, subdivision 3; 60A.199, subdivision 4, and by adding a subdivision; 115B.22, subdivision 7; 239.785; 270.06; 270.07, subdivision 3; 270.70, subdivision 1; 270B.01, subdivision 8; 270B.08, subdivisions 1 and 2; 270B.12, by adding a subdivision; 270B.14, subdivision 8; 289A.11, subdivision 1; 289A.18, subdivision 4; 289A.20,

subdivisions 2 and 4; 289A.26, subdivision 7; 289A.36, subdivisions 3 and 7; 289A.56, subdivision 3; 289A.60, subdivisions 1, 2, 15, and by adding subdivisions; 289A.63, subdivision 3, and by adding a subdivision; 290.01, subdivisions 7, 19, 19a, and 19c; 290.0921, subdivision 3; 290.92, subdivision 23; 290A.03, subdivisions 3, 7, and 8; 294.03, subdivisions 1, 2, and by adding a subdivision; 296.14, 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 and 16; 297A.04; 297A.041; 297A.06; 297A.065; 297A.07, subdivisions 1, 2, and 3; 297A.10; 297A.11; 297A.14, subdivision 1; 297A.15, subdivisions 1 and 4; 297A.21, subdivisions 3, 4, 5, and 6; 297A.25, subdivision 41, and by adding a subdivision; 297A.255, subdivisions 2 and 3; 297B.10; 297C.03, subdivision 1; 297C.04; 297C.05, subdivision 2; 297C.14, subdivisions 1, 2, and by adding a subdivision; 299F.21, subdivision 2; 299F.23, subdivision 2, and by adding a subdivision; 349.212, subdivision 4; 349.217, subdivisions 1, 2, and by adding a subdivision; and 473.843, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 270; repealing Minnesota Statutes 1992, section 115B.24, subdivision 10.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 5 and 6, delete section 9

Page 15, after line 24, insert:

"Sec. 25. Minnesota Statutes 1992, section 297A.25, subdivision 3, is amended to read:

Subd. 3. [MEDICINES; MEDICAL DEVICES.] The gross receipts from the sale of prescribed drugs, prescribed medicine and insulin, intended for use, internal or external, in the cure, mitigation, treatment or prevention of illness or disease in human beings are exempt, together with prescription glasses, *fever thermometers, and* therapeutic~~,~~ and prosthetic devices. "Prescribed drugs" or "prescribed medicine" includes over-the-counter drugs or medicine prescribed by a licensed physician. "Therapeutic devices" includes reusable finger pricking devices for the extraction of blood ~~and~~, blood glucose monitoring machines, *and other diagnostic agents,* used in the *monitoring, diagnosing, or* treatment of diabetes. Nonprescription analgesics consisting principally (determined by the weight of all ingredients) of acetaminophen, acetylsalicylic acid, ibuprofen, or a combination thereof are exempt.

Sec. 26. Minnesota Statutes 1992, section 297A.25, subdivision 34, is amended to read:

Subd. 34. [MOTOR VEHICLES.] The gross receipts from the sale or use of any motor vehicle taxable under the provisions of the motor vehicle excise tax laws of Minnesota shall be exempt from taxation under this chapter. Notwithstanding subdivision 11, the exemption provided under this subdivision remains in effect for motor vehicles purchased *or leased* by political subdivisions of the state if the vehicles are not subject to taxation under chapter 297B."

Page 16, line 35, delete "*10 to 18, and 20 to 30*" and insert "*9 to 17, and 19 to 31*"

Page 17, line 3, delete "*and 19*" and insert ", *18, 25, and 26*"

Page 17, delete lines 5 to 7

Renumber the sections of article 1 in sequence

Page 22, line 30, delete "*and*"

Page 22, line 31, after "*291,*" insert "*and 297,*" and after "*19*" insert "*and for the words "Internal Revenue Code of 1986, as amended through December 31, 1988," where the phrase occurs in chapter 298. In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1992," for references to the Internal Revenue Code of 1954 or the Internal Revenue Code of 1986, as amended through dates set in sections 61A.276, 82A.02, 136.58, 181B.02, 181B.07, 246A.23, 246A.26, subdivisions 1, 2, 3, and 4, 272.02, subdivision 1, 273.11, subdivision 8, 297A.01, subdivision 3, 297A.25, subdivision 25, 352.01, subdivision 2b, 354A.021, subdivision 5, 355.01, subdivision 9, 356.62*"

Page 23, delete section 1

Page 27, delete line 33

Page 27, line 34, delete "*2*" and insert "*1*"

Page 27, line 36, delete "*3 and 4*" and insert "*2 and 3*"

Renumber the sections of article 3 in sequence

Page 36, after line 30, insert:

"*(c) If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than $500 per month in any quarter of a calendar year, and has substantially complied with the tax laws during the preceding four calendar quarters, the retailer may request authorization to file and pay the taxes quarterly in subsequent calendar quarters. The authorization remains in effect during the period in which the retailer's quarterly returns reflect sales and use tax liabilities of less than $1,500 and there is continued compliance with state tax laws.*

(d) If a retailer has an average sales and use tax liability, including local sales and use taxes administered by the commissioner, equal to or less than $100 per month during a calendar year, and has substantially complied with the tax laws during that period, the retailer may request authorization to file and pay the taxes annually in subsequent years. The authorization remains in effect during the period in which the retailer's annual returns reflect sales and use tax liabilities of less than $1,200 and there is continued compliance with state tax laws.

(e) The commissioner may also grant quarterly or annual filing and payment authorizations to retailers if the commissioner concludes that the retailers' future tax liabilities will be less than the monthly totals identified in paragraphs (c) and (d). An authorization granted under this paragraph is subject to the same conditions as an authorization granted under paragraphs (c) and (d)."

Pages 43 to 46, delete section 20

Page 62, line 23, delete everything after "*17,*" and insert "*20 to 22, 29 to 31, 35 to 40,*"

Page 62, line 24, delete "*43 to 45*" and insert "*42 to 44*"

Page 62, line 27, delete "*23, 32, 38, 41, and 45,*" and insert "*22, 31, 37, 40, and 44,*"

Page 62, line 30, delete "*14, and 20*" and insert "*and 14*"

Page 62, line 34, delete everything after "*18,*" and insert " *23 to 28, 32 to 34, 41, and 45 are*"

Page 63, line 1, after "*thereafter*" insert "*; provided that section 10, as it relates to quarterly and annual sales and use tax returns, is effective for returns due for calendar quarters beginning with the first quarter of 1994, and for calendar years beginning with 1994*"

Renumber the sections of article 4 in sequence

Page 64, line 8, delete "*and*" and insert a comma and after " *298.015*" insert ", *and 298.24*"

Page 64, delete sections 3 and 4

Pages 70 and 71, delete section 9

Page 71, delete lines 12 and 13

Page 71, line 14, delete "*5 to 7*" and insert "*3 to 5*"

Page 71, line 16, delete "*8*" and insert "*6*"

Renumber the sections of article 5 in sequence

Amend the title as follows:

Page 1, line 12, delete "providing for exchange or"

Page 1, line 13, delete "disclosure of data;"

Page 1, line 20, delete "270B.12, by adding a"

Page 1, delete line 21 and insert "289A.11,"

Page 1, line 26, delete ", and by adding a subdivision"

Page 1, line 28, delete "290.92, subdivision 23;"

Page 1, line 33, delete "subdivisions" and insert "subdivision"

Page 1, line 34, delete "and 16"

Page 1, line 38, delete the first "subdivision" and insert "subdivisions 3, 34, and"

Page 1, line 39, delete "297B.10;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Crime Prevention, to which was referred

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; repealing Laws 1992, chapter 513, article 4, section 48.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. 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, *unless the fine is set at a lower amount on a uniform fine schedule established by the conference of chief judges in consultation with affected state and local agencies. This schedule shall be promulgated and reported to the legislature not later than January 1 of each year and shall become effective on August 1 of that year unless the legislature, by law, provides otherwise.*

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. 2. [REPEALER.]

Minnesota Statutes 1992, section 609.131, subdivision 1a, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 to 3 are effective June 1, 1993, and apply to crimes committed on or after that date."

Amend the title as follows:

Page 1, delete lines 5 and 6 and insert "amending Minnesota Statutes 1992, section 609.101, subdivision 4; repealing Minnesota Statutes 1992, section 609.131, subdivision 1a."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Crime Prevention, to which was referred

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.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 585: 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, subdivision 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; 282.018; 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, subdivision 2h; 296.14, subdivision 2; 297A.01, subdivision 3; 297B.01, subdivision 5; 297B.03; 347.10; 348.04; 469.175, subdivisions 5 and 6a; 469.177, subdivision 8; 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; 276; 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.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 12, delete "*snowmobile is*" and insert "*applicant provides a receipt, invoice, or other document that shows the snowmobile was*"

Page 2, line 28, delete "*watercraft is*" and insert "*applicant provides a receipt, invoice, or other document that shows the watercraft was*"

Page 6, lines 22 and 23, delete the new language

Page 19, lines 11 and 12, delete the new language

Page 19, lines 14 and 15, reinstate the stricken language and delete the new language

Page 19, line 18, strike "A copy of"

Page 19, line 20, strike "copy of the"

Page 19, line 23, after the period, insert "*The commissioner may by notice and demand require the regulated investment company to file a copy of the return with the commissioner.*"

Page 21, line 19, delete "*or*"

Page 21, line 20, delete the new language

Page 26, after line 30, insert:

"Sec. 32. Minnesota Statutes 1992, section 290A.04, subdivision 1, is amended to read:

Subdivision 1. A refund shall be allowed each claimant in the amount that property taxes payable or rent constituting property taxes exceed the percentage of the household income of the claimant specified in subdivision 2 *or 2a* in the year for which the taxes were levied or in the year in which the rent was paid as specified in subdivision 2 *or 2a*. If the amount of property taxes payable or rent constituting property taxes is equal to or less than the percentage of the household income of the claimant specified in subdivision 2 *or 2a* in the year for which the taxes were levied or in the year in which the rent was paid, the claimant shall not be eligible for a state refund pursuant to this section."

Page 29, line 3, delete "*cause*" and insert "*pay the refund out of the state treasury. The refunds are apportioned to the same accounts and funds in the state treasury to which the tax payments were deposited, except no refunds may be apportioned to the general obligation special tax bond debt service account.*

An amount sufficient to pay the refunds authorized under this section is appropriated from the respective funds and accounts of the state treasury."

Page 29, delete lines 4 to 6

Page 29, line 19, delete "*33, and 35*" and insert "*32, 34, and 36*"

Page 29, line 27, delete "*32*" and insert "*33*"

Page 29, line 29, delete "*34*" and insert "*35*"

Renumber the sections of article 2 in sequence

Page 30, after line 36, insert:

"Sec. 4. Minnesota Statutes 1992, section 270.41, is amended to read:

270.41 [BOARD OF ASSESSORS.]

~~(a)~~ *Subdivision 1.* [CREATION; PURPOSE; POWERS.] A board of assessors is ~~hereby~~ created. The board shall ~~be for the purpose of establishing, conducting, reviewing, supervising, coordinating or approving~~ *establish, conduct, review, supervise, coordinate, and approve* courses in assessment practices, and ~~establishing~~ *establish* criteria for determining assessor's qualifications. The board shall also ~~have authority and responsibility to~~ consider other matters relating to assessment administration brought before it by the commissioner of revenue. The board may grant, renew, suspend, or revoke an assessor's license.

Subd. 2. [MEMBERS.] The board shall consist of nine members, who shall be appointed by the commissioner of revenue, in the manner provided herein. *The members shall include:*

~~1. Two~~ *(1) two* from the department of revenue~~;~~*;*

~~2. Two~~ *(2) two* county assessors~~;~~*;*

~~3. Two~~ *(3) two* assessors who are not county assessors, one of whom shall be a township assessor~~; and~~*;*

~~4.~~ ~~One~~ *(4) one* from the private appraisal field holding a professional appraisal designation~~,~~*; and*

~~5.~~ ~~Two~~ *(5) two* public members as defined by section 214.02.

The appointment provided in ~~2~~ ~~and~~ ~~3~~ *clauses (2) and (3)* may be made from two lists of not less than three names each, one submitted to the commissioner of revenue by the Minnesota association of assessing officers or its successor organization containing recommendations for the appointment of appointees described in ~~2~~ *clause (2)*, and one by the Minnesota association of assessors, inc. or its successor organization containing recommendations for the appointees described in ~~3~~ *clause (3)*. The lists must be submitted 30 days before the commencement of the term. In the case of a vacancy, a new list shall be furnished to the commissioner by the respective organization immediately. A member of the board who ~~shall~~ *is* no longer ~~be~~ engaged in the capacity listed above ~~shall~~ ~~automatically~~ ~~be~~ *is* disqualified from membership in the board.

The board shall annually elect a chair and a secretary of the board.

~~(b)~~ *Subd. 3.* [LICENSES; REFUSAL OR REVOCATION.] The board may refuse to grant or renew, or may suspend or revoke, a license of an applicant or licensee for any of the following causes or acts:

(1) failure to complete required training;

(2) inefficiency or neglect of duty;

(3) "unprofessional conduct" which means knowingly neglecting to perform a duty required by law, or violation of the laws of this state relating to the assessment of property or unlawfully exempting property or knowingly and intentionally listing property on the tax list at substantially less than its market value or the level required by law in order to gain favor or benefit, or knowingly and intentionally misclassifying property in order to gain favor or benefit; ~~or~~

(4) conviction of a crime involving moral turpitude; or

(5) any other cause or act that in the board's opinion warrants a refusal to issue or suspension or revocation of a license.

~~(c)~~ *Subd. 4.* [RULES.] The board of assessors may adopt rules under chapter 14, defining or interpreting grounds for refusing to grant or renew, and for suspending or revoking a license under this section. An action of the board of assessors in refusing to grant or renew a license or in suspending or revoking a license is subject to review in accordance with chapter 14.

Subd. 5. [PROHIBITED ACTIVITY.] *An assessor, deputy assessor, assistant assessor, appraiser, or other person employed by an assessment jurisdiction or contracting with an assessment jurisdiction for the purpose of valuing or classifying property for property tax purposes is prohibited from making appraisals or analyses, accepting an appraisal assignment, or preparing an appraisal report as defined in section 82B.02, subdivisions 2 to 5, on any property within the assessment jurisdiction where the individual is employed or performing the duties of the assessor under contract. Violation of this prohibition shall result in immediate revocation of the individual's license to assess property for property tax purposes. This prohibition must not be construed to prohibit an individual from carrying out any duties required for the proper assessment of property for property tax purposes.*"

Page 46, line 13, strike "of" and insert "*who occupy*" and after "property" insert "*or by the qualifying relative*"

Page 46, strike lines 26 to 35

Page 47, line 2, strike "person" and insert "*occupant*" and strike the second "listed"

Page 47, line 3, after "application" insert "*, and the name and address of each owner who does not occupy the property*"

Page 47, line 15, after "owner" insert "*who is related to an occupant*"

Page 47, line 22, delete "*nevertheless*"

Page 47, line 33, strike "county" and insert "*assessor*"

Page 74, after line 10, insert:

"Sec. 25. Minnesota Statutes 1992, section 275.07, subdivision 1, is amended to read:

Subdivision 1. The taxes voted by cities, counties, school districts, and special districts shall be certified by the proper authorities to the county auditor on or before five working days after December 20 in each year. A town must certify the levy adopted by the town board to the county auditor by September ~~1~~ *15* each year. If the town board modifies the levy at a special town meeting after September ~~1~~ *15*, the town board must recertify its levy to the county auditor on or before five working days after December 20. The taxes certified shall not be adjusted by the aid received under sections 273.1398, subdivisions 2 and 3, and 477A.013, subdivision 5. If a city, town, county, school district, or special district fails to certify its levy by that date, its levy shall be the amount levied by it for the preceding year."

Page 75, line 13, strike "in equal"

Page 75, line 14, strike everything before the period and insert "*at the time distributions are made under section 473H.10*"

Page 75, delete section 26 and insert:

"Sec. 28. Minnesota Statutes 1992, section 276.02, is amended to read:

276.02 [TREASURER TO BE COLLECTOR.]

The county treasurer shall collect all taxes extended on the tax lists of the county and the fines, forfeitures, or penalties received by any person or officer for the use of the county. The treasurer shall collect the taxes according to law and credit them to the proper funds. This section does not apply to fines and penalties accruing to municipal corporations for the violation of their ordinances that are recoverable before a city justice. *Taxes, fines, interest, and penalties must be paid with United States currency or by check or money order drawn on a bank or other financial institution in the United States.* The county board may by resolution authorize the treasurer to impose a charge for any dishonored checks."

Page 76, line 15, delete "*subdivision 1a,*"

Page 77, line 28, delete "*next*"

Page 81, line 15, delete "*July 1*" and insert "*May 16*"

Page 81, line 22, delete "*prior to the first day of July*" and insert "*before May 16*"

Page 83, after line 7, insert:

"Sec. 38. Minnesota Statutes 1992, section 279.025, is amended to read:

279.025 [PAYMENT OF DELINQUENT PROPERTY TAXES, SPECIAL ASSESSMENTS.]

Payment of delinquent property tax and related interest and penalties and special assessments shall be paid ~~to the county auditor~~ with United States currency or by check or money order drawn on a bank or other financial institution in the United States."

Pages 88 to 91, delete sections 42 and 43

Pages 93 and 94, delete section 45 and insert:

"Sec. 46. Minnesota Statutes 1992, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] In calendar year 1990, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to 106 percent of the amount received in 1989 under this subdivision. In calendar years 1991 and 1992, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to the amount it received in the previous year under this subdivision less any permanent reductions made under section 477A.0132. In 1993 and thereafter, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to the amount it received in 1992 *under this subdivision* before any nonpermanent reductions made under section 477A.0132 plus $1 per capita based on the town's population."

Page 95, line 32, after "*(c)*" insert "*Minnesota Statutes 1992, section 275.03, is repealed.*

(d)"

Page 95, line 33, delete "*(d)*" and insert "*(e)*"

Page 96, line 13, delete "*9, 10, 36 to 41, 47, paragraph (d), and 48*" and insert "*10, 11, 39 to 44, 48, paragraph (e), and 49*"

Page 96, line 14, delete "*46*" and insert "*47*"

Page 96, line 16, delete "*11, 21, 23, 26, 29, and 47*" and insert "*12, 22, 24, 31, and 48*"

Page 96, line 17, delete "*4, 5, 6, 8, 12*" and insert "*5, 6, 7, 9, 13*"

Page 96, delete line 18 and insert "*to 16, 26, 27, 29, 32 to 37, and 48, paragraph (d), are*"

Page 96, line 19, delete "*22*" and insert "*23*"

Page 96, line 20, delete everything after the period

Page 96, delete line 21

Page 96, line 22, delete "*executed on or after July 1, 1993. Section 28*" and insert "*Section 30*"

Page 96, lines 23 and 24, delete "*16, 19, and 44*" and insert "*17, 20, and 45*"

Page 96, line 25, delete "*17 and 18*" and insert "*18 and 19*"

Page 96, line 26, delete "*20*" and insert "*21*"

Page 96, line 27, delete "*7*" and insert "*8*"

Page 96, line 29, delete everything after the period

Page 96, delete line 30

Page 96, line 31, delete "*enactment of Laws 1992, chapter 511. Section 47*" and insert "*Section 48*"

Renumber the sections of article 3 in sequence

Amend the title as follows:

Page 1, line 9, after the second semicolon, insert "270.41;"

Page 1, line 16, delete the second "subdivision" and insert "subdivisions 1 and"

Page 1, line 17, after "275.295;" insert "276.02;"

Page 1, line 19, after "278.09;" insert "279.025;"

Page 1, line 26, delete the first "subdivision" and insert "subdivisions 1 and"

Page 1, line 28, delete "subdivisions 5 and 6a" and insert "subdivision 5"

Page 1, line 29, delete "469.177, subdivision 8; and" and after "3;" insert "and 477A.013, subdivision 1;"

Page 1, delete line 30

Page 1, line 31, delete "amended;"

Page 1, line 33, delete "276;"

Page 1, line 35, after "274.20;" insert "275.03;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 852: A bill for an act relating to consumer protection; providing for a review list; providing for independent medical examinations requested by third-party payors; requiring rulemaking; proposing coding for new law in Minnesota Statutes, chapter 146.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Report adopted.

Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 1108: A bill for an act relating to insurance; clarifying the application of a certain notice requirement regarding guaranty association protection to policies or contracts issued by fraternal benefit societies; amending Minnesota Statutes 1992, section 60C.22.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 697: A bill for an act relating to water; requiring criteria for water deficiency declarations; prohibiting the use of groundwater for surface water level maintenance; requiring review of water appropriation permits; requiring contingency planning for water shortages; changing water appropriation permit requirements; requiring changes to the metropolitan area water supply plan; requiring reports to the legislature; amending Minnesota Statutes 1992, sections 103G.261; 103G.265, subdivision 3; 103G.271, subdivisions 1, 7, and by adding a subdivision; 103G.291, by adding a subdivision; 103G.301, subdivision 1; 115.03, subdivision 1; 473.156, subdivision 1; 473.175, subdivision 1; 473.851; and 473.859, subdivisions 3, 4, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 10, delete everything after "*uses*"

Page 2, lines 11 to 16, delete the new language

Page 3, line 17, after "construction" insert "*and mineland*"

Page 3, delete section 3

Page 4, line 2, delete "*1a*" and insert "*5a*"

Page 4, line 3, delete "*(b)*" and insert "*(c)*" and after "*shall*" insert ", *by January 31, 1994,*"

Page 4, line 4, delete "*and shall issue no new permits*" and insert ", *and may not issue new permits,*"

Page 4, after line 12, insert:

"Sec. 4. Minnesota Statutes 1992, section 103G.271, is amended by adding a subdivision to read:

Subd. 6a. [PAYMENT OF FEES FOR PAST UNPERMITTED APPROPRIATIONS.] *An entity that appropriates water without a required permit under subdivision 1 must pay the applicable water use permit processing fee specified in subdivision 6 for the period during which the unpermitted appropriation occurred. This fee is in addition to any other fee or penalty assessed.*"

Page 4, line 23, delete "CONTINGENCY" and insert "EMERGENCY"

Page 4, line 24, after "*supplier*" insert "*serving more than 1,000 people*" and delete "*a contingency*" and insert "*an emergency*"

Page 4, line 26, delete "*include*" and insert "*address*" and delete the comma and insert "*and*"

Page 4, line 27, delete the comma and after "*and*" insert "*must*"

Page 4, line 31, after "*suppliers*" insert "*serving more than 1,000 people*"

Page 4, line 36, delete everything after "*include*" and insert "*evaluation of conservation rate structures and a public*"

Page 5, line 3, after "*suppliers*" insert "*serving more than 1,000 people*"

Page 5, after line 7, insert:

"*(d) For the purposes of this subdivision, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.*"

Page 9, line 22, delete "*water, including reuse as potable water*" and insert "*wastewater*"

Page 11, line 23, delete "*continually*"

Page 11, line 30, delete "*and*"

Page 13, line 34, delete the second comma

Page 13, line 35, after "*locations*" insert a comma

Page 14, line 17, delete "*to share*" and insert "*for sharing*"

Page 14, line 22, delete the comma

Page 14, line 25, delete "*for those communities served by groundwater,*"

Page 14, line 27, after "*adopted*" insert "*by the commissioner of health*" and before the period, insert "*, subdivision 5, clause (9)*"

Page 15, line 7, strike the period and insert a semicolon

Page 15, line 9, strike the period and insert "*; and*"

Page 15, line 17, after "*shall*" insert "*, by January 1, 1994,*"

Page 15, line 18, delete everything after "*of*" and insert "*the water supply plans required in subdivision 3, clause (4).*"

Page 15, line 36, delete "*effectiveness*" and insert "*status of implementation*"

Page 16, line 1, delete "*shall*" and insert "*may*"

Page 16, line 5, delete "*water(s)*" and insert "*waters*"

Page 16, line 7, delete "*, subdivision 1*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, delete "subdivisions 1," and insert "subdivision"

Page 1, line 12, delete "a subdivision" and insert "subdivisions"

And when so amended the bill do pass and be re-referred to the Committee on Metropolitan and Local Government. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 607: A bill for an act relating to taxation; abolishing certain local government levy limitations; amending Minnesota Statutes 1992, sections 12.26, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 88.04, subdivision 3; 103B.245, subdivision 3; 103B.251, subdivision 8; 103G.625, subdivision 3; 103B.635, subdivision 2; 103B.691, subdivision 2; 138.053; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 268A.06, subdivision 2; 373.40, subdivision 6; 375.167, subdivision 1; 375A.13, subdivision 2; 383A.03, subdivision 4; 383A.411, subdivision 5; 383B.218; 383B.245; 383C.42, subdivision 1; 398.16; 410.06; 412.251; 412.531, subdivision 1; 449.06; 449.08; 449.09; 450.19; 459.06, subdivision 1; 459.14, subdivision 2; 465.54; 469.053, subdivisions 6 and 7; 469.107, subdivision 1; 469.188; 471.191, subdivision 2; 471.1921; 471.24; 471.57, subdivision 1; 471.571, subdivision 2; 471.61, subdivisions 1 and 2a; 473.711, subdivision 2; 641.23; and Laws 1915, chapter 316, section 1, as amended; Laws 1933, chapter 423, section 2; Laws 1939, chapter 219, section 1; Laws 1941, chapter 451, section 1; Laws 1943, chapter 196, section 6, as amended; chapter 367, section 1, as amended; chapter 510, section 1; Laws 1947, chapter 224, section 1; chapter 340, section 4; Laws 1949, chapter 215, section 2; chapter 252, section 1; chapter 668, section 1; Laws 1953, chapter 154, section 3; chapter 545, section 2; Laws 1957, chapter 213, section 1; chapter 629, section 1; Laws 1959, chapter 298, section 2; chapter 520, section 1; chapter 556, section 1, as amended; Laws 1961, chapter 30, section 1; chapter 80, section 1; chapter 81, section 1; chapter 82, section 1; chapter 119, section 1; chapter 151, section 1; chapter 209, section 4; chapter 276, section 1; chapter 317, section 1; chapter 352, section 1, as amended; chapter 439, section 1; chapter 616, section 1, subdivision 1; chapter 643, section 1; Laws 1961, Extra Session chapter 33, section 3; Laws 1963, chapter 29, section 1; chapter 56, section 1; chapter 103, section 1; chapter 228, section 1; chapter 603, section 1; Laws 1965, chapter 6, section 2, as amended; chapter 442, section 1; chapter 451, section 2; chapter 512, section 1, subdivision 1; chapter 527, section 1; chapter 617, section 1; Laws 1967, chapter 501, section 1; chapter 526, section 1, subdivision 3; chapter 542, section 1, subdivision 3; chapter 611, section 1; chapter 660, section 2, subdivision 2; chapter 758, section 1; Laws 1967, extra session chapter 47, sections 1, as amended, and 3, as amended; Laws 1969, chapter 192, section 1, as amended; chapter 534, section 2; chapter 538, section 6, as amended; chapter 602, section 1, subdivision 2; chapter 652, section 1; chapter 659, section 3; chapter 730, section 1; Laws 1971, chapter 168, section 1; chapter 326, section 17, subdivisions 1 and 2; chapter 356, section 2; chapter 404, section 1; chapter 424, section 1; chapter 443, section 4; chapter 515, section 1; chapter 573, sections 1, and 2, as amended; chapter 876, section 3; Laws 1973, chapter 81, section 1; chapter 445, section 1; Laws 1977, chapter 61, section 8; chapter 246, section 1, subdivision 1; Laws 1979, chapter 1, section 3; chapter 253, section 3; chapter 303, article 10, section 15, subdivision 2, as amended; Laws 1981, chapter 281, section 1; Laws 1984, chapter 380, section 1; chapter 502, article 13, section 8; Laws 1985, chapter 181, section

1; chapter 289, sections 1; 3; 5, subdivision 1; and 6; Laws 1986, chapter 392, section 1; chapter 399, article 1, section 1, as amended; Laws 1988, chapter 517, section 1; chapter 640, section 3; Laws 1989, chapter 245, section 1, as amended; Laws 1990, chapter 604, article 3, sections 59, subdivision 1; and 60; repealing Minnesota Statutes 1992, sections 373.40, subdivision 4; 469.053, subdivision 4; 471.63, subdivision 2; and Laws 1971, chapter 168, section 2; and chapter 770; Laws 1974, chapter 209; Laws 1977, chapter 246, section 1, subdivision 2; Laws 1982, chapter 523, article XII, section 8; Laws 1984, chapter 502, article 13, section 10, as amended; Laws 1986, chapter 399, article 1, section 4; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended; Laws 1990, chapter 604, article 3, sections 50 and 55; Laws 1991, chapter 3, section 2, subdivision 3; chapter 291, article 4, section 21.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PURPOSE

Section 1. [STATEMENT OF PURPOSE.]

The purpose of this act is to eliminate obsolete and redundant property tax levy limitations which affect numerous political subdivisions. The legislature intends only that the specific rate or amount limitation which is contained in these provisions be stricken or repealed. The legislature does not intend that a political subdivision's authority to levy property taxes for any of these purposes be repealed or eliminated. It is the intention of the legislature that each political subdivision which is affected by this act be able to levy property taxes for the purposes cited in the provisions amended or repealed by this act, either under the authorities of these provisions as amended, or under its general powers. However, it is also the intention of the legislature not to increase, decrease, eliminate, or change in any way, the amount of an appropriation or spending limit by the provisions of this act, even though the language of this act may change the wording or method of calculation for an appropriation or spending limit.

ARTICLE 2

COUNTY TAX LEVY LIMITATIONS OF GENERAL APPLICATION

Section 1. Minnesota Statutes 1992, section 18.022, subdivision 2, is amended to read:

Subd. 2. [COST.] ~~(a) To defray the cost of the activities under subdivision 1,~~ The governing body of the political subdivision may levy a tax ~~which, except when levied by a county, must not exceed 0.01596 percent of taxable market value in any year in excess of charter limitations, but not more than 50 cents per capita, except that the levy for the grasshopper control program under sections 18.0223 to 18.0227 is not subject to the 50 cents per capita limitation. The political subdivision may make the levy, where necessary, separate from the general levy.~~

~~(b) If, because of the prevalence of Dutch elm disease, the governing body of such a political subdivision is unable to defray the cost of control activities authorized by this section within the limits set by this subdivision, the limits set by this subdivision are increased to 0.03216 percent of taxable market value, but not more than one dollar per capita~~ *on the taxable property within the subdivision to defray the cost of the activities authorized under subdivision 1.*

Sec. 2. Minnesota Statutes 1992, section 18.111, subdivision 1, is amended to read:

Subdivision 1. [LEVY ~~LIMIT.~~] An annual ~~levy not to exceed 0.00798 percent of market value~~ *tax* may be levied for mosquito abatement purposes on all taxable property in any governmental unit undertaking mosquito abatement as provided in sections 18.041 to 18.161. The tax shall be certified, levied, and collected in the same manner as other taxes levied by the governmental unit.

Sec. 3. Minnesota Statutes 1992, section 174.27, is amended to read:

174.27 [PUBLIC EMPLOYER COMMUTER VAN PROGRAMS.]

Any statutory or home rule charter city, county, school district, independent board or agency may acquire or lease commuter vans, enter into contracts with another public or private employer to acquire or lease such vans, or purchase such a service for the use of its employees. The governing body of any such city, county, or school district may by resolution establish a commuter van revolving fund to be used to acquire or lease commuter vans for the use of its employees. Any payments out of the fund shall be repaid to the fund out of revenues derived from the use by the employees of the city, county, or school district, of the vans so purchased or leased. ~~For the purpose of establishing the fund any city, county, or school district is authorized to make a one time levy not to exceed 0.00242 percent of taxable market value in excess of all taxing limitations without affecting the amount or rate of taxes which may be levied by the city, county, or school district for other purposes or by any local governments in the area.~~ Any city, county, or school district which establishes a commuter van acquisition program or contracts for this service is authorized to levy a tax ~~not to exceed 0.00024 percent of taxable market value~~ *annually on all taxable property in the subdivision* for the purpose *of establishing a commuter van revolving fund and* of paying the administrative and promotional costs of the program which levy ~~shall~~ *may* be in excess of all *charter* taxing limitations. The governing body of any city, county, or school district may by resolution terminate the commuter van revolving fund and use the funds for other purposes authorized by law.

Sec. 4. Minnesota Statutes 1992, section 375.167, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATIONS.] Notwithstanding any contrary law, a county board may appropriate from the general revenue fund to any nonprofit corporation a sum not to exceed ~~an amount equal to a levy of~~ 0.00604 percent of taxable market value to provide legal assistance to persons who are unable to afford private legal counsel.

Sec. 5. Minnesota Statutes 1992, section 375A.13, subdivision 2, is amended to read:

Subd. 2. [COMPENSATION; EXPENSES.] The members of the commission shall serve without compensation but may be reimbursed their necessary expenses in carrying out the business of the commission. The commission may employ and determine the compensation of such staff as it deems necessary. The necessary expenses of the commission and the cost of printing the commission's report and recommendations shall be paid by the county if so ordered by the commission. The amount of reasonable and necessary commission expenses that shall be so paid by the county shall not exceed in any one year the sum of $5,000 but the county board may authorize additional commission expenses as it deems necessary. The county board may levy a tax ~~in excess of tax limitations~~ *annually on the taxable property in the county* to pay such expenses.

Sec. 6. Minnesota Statutes 1992, section 469.053, subdivision 7, is amended to read:

Subd. 7. [COUNTY LEVY.] The county board of a county having a port authority city may make an appropriation for the use of the port authority and may levy the amount of the appropriation in its general revenue levy. ~~The levy for this appropriation is subject to the county's levy limits.~~

Sec. 7. [REPEALER.]

Minnesota Statutes 1992, section 373.40, subdivision 6; and Laws 1991, chapter 291, article 4, section 21, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective for property taxes levied in 1993, payable in 1994, and thereafter.

ARTICLE 3

CITY TAX LEVY LIMITATIONS OF GENERAL APPLICATION

Section 1. Minnesota Statutes 1992, section 12.26, subdivision 2, is amended to read:

Subd. 2. To provide moneys for civil defense purposes authorized by this chapter, a political subdivision is empowered to levy *a tax* annually upon all taxable property in the political subdivision, except as provided in subdivision 4, ~~a tax~~ in excess of and over and above all *charter* taxing limitations in such amount as may be necessary to pay such expenditures. ~~The total amount of a tax levied under authority of this section, except when levied by a county, shall not exceed 40 cents per capita based on the last federal regular or special census, except in a political subdivision in which such tax will not produce a total amount of $1,000 in which event a tax sufficient to produce $1,000 or so much thereof as may be necessary may be levied.~~

Sec. 2. Minnesota Statutes 1992, section 88.04, subdivision 3, is amended to read:

Subd. 3. All towns and cities shall take necessary precautions to prevent the starting and spreading of forest or prairie fires and to extinguish them. They may levy a tax ~~not more than 0.08059 percent of taxable market value~~ annually *on all taxable property in the city or town.* ~~The tax in any municipality shall not exceed $3,000 in any year.~~ The tax when collected shall be known as the fire fund and kept separate from all other funds and used only

to pay all necessary and incidental expenses incurred in enforcing the provisions of sections 88.03 to 88.21. Up to $500 shall be expended in any one year from any such fire fund for the support of any municipal fire department. No municipality shall make any levy for its fire fund at any time when the fund contains $5,000 or more, including cash on hand and uncollected taxes that are not delinquent.

Sec. 3. Minnesota Statutes 1992, section 103G.625, subdivision 3, is amended to read:

Subd. 3. [FUNDING.] (a) The governing body of a municipality or town may use any available funds and may levy a tax ~~not to exceed the lesser of (1) 0.01596 percent of taxable market value, or (2) 50 cents per capita,~~ *on all taxable property in the municipality or town* to implement this section.

(b) To provide funds in advance of collection of the tax levies, the governing body may, at any time after the tax has been levied and certified to the county auditor for collection, issue certificates of indebtedness in anticipation of the collection and payment of the tax. The total amount of the certificates, including principal and interest, may not exceed 90 percent of the amount of the levy and must become payable from the proceeds of the levy not later than two years from the date of issuance. The certificates shall be issued on terms and conditions as the governing body may determine and sold as provided in section 475.60.

(c) If the governing body determines that an emergency exists, it may make appropriations from the proceeds of the certificates for authorized purposes without complying with statutory or charter provisions requiring that expenditures be based on a prior budget authorization or other budgeting requirement.

(d) The proceeds of a tax levied or an issue of certificates of indebtedness must be deposited in a separate fund and expended only for purposes authorized by this section. If a disbursement is not made from the fund for a period of five years, money remaining in the fund may be transferred to the general fund.

Sec. 4. Minnesota Statutes 1992, section 138.053, is amended to read:

138.053 [COUNTY HISTORICAL SOCIETY; TAX LEVY; CITIES OR TOWNS.]

The governing body of any home rule charter or statutory city or town excepting cities of the first class may *annually* appropriate ~~annually an amount~~ from its general fund ~~of~~ *an amount* not to exceed ~~the amount raised by a levy of~~ 0.02418 percent of taxable market value, *derived from ad valorem taxes on property or other revenues,* to be paid to the historical society of its respective county to be used for the promotion of historical work and to aid in defraying the expenses of carrying on the historical work in the county. No city or town may appropriate any funds for the benefit of any historical society unless the society is affiliated with and approved by the Minnesota historical society.

Sec. 5. Minnesota Statutes 1992, section 193.145, subdivision 2, is amended to read:

Subd. 2. [TAX LEVY, LIMITATION.] A county or municipality in which an armory has been constructed or is to be constructed hereunder may by resolution of its governing body irrevocably provide for levying and collecting

annually for a specified period, not exceeding 40 years, a tax ~~which, unless levied by a county, shall not exceed 0.00798 percent of taxable market value~~ *on the taxable property in the county or municipality.*

The proceeds of the levy shall be paid to the corporation for the purposes herein prescribed. The county or municipality may make the levies and payments and bind itself thereto by resolution of its governing body. The provisions of the resolution may be made conditional upon the giving of an agreement by the adjutant general as authorized in subdivision 4. The obligations of the county or municipality to levy, collect, and pay over the taxes shall not be deemed to constitute an indebtedness of the county or municipality within the meaning of any provision of law or of its charter limiting its total or net indebtedness, and such taxes may be levied and collected without regard to any ~~statutory or~~ charter provision limiting the amount or rate of taxes which such county or municipality is otherwise authorized to levy.

Sec. 6. Minnesota Statutes 1992, section 268A.06, subdivision 2, is amended to read:

Subd. 2. [FUNDING.] In order to provide the necessary funds for extended employment programs offered by a rehabilitation facility, the governing body of any city, town, or county may expend money which may be available for such purposes in the general fund, and may levy a tax ~~which, except when levied by a county, shall not exceed in any one year the following amounts per capita of the population, based upon the last federal census: Cities of the first class, not to exceed ten cents per capita; cities of other than the first class, and towns, not to exceed 30 cents per capita~~ *on the taxable property in the city, town, or county.* Any city, town, county, or nonprofit corporation may accept gifts or grants from any source for the rehabilitation facility. Any money appropriated, taxed, or received as a gift or grant may be used to match funds available on a matching basis.

Sec. 7. Minnesota Statutes 1992, section 398.16, is amended to read:

398.16 [TAX LEVY, BUDGET.]

The park district board, as soon after organization as practicable and on or before the first day of July of each year thereafter, shall prepare a detailed budget of its proposed expenditures during the next fiscal year, other than those to be met by bond issues or by revenues described in section 398.17 and section 398.09, paragraph (d), which budgets shall in no year exceed 18 cents per person in the district as determined by the last federal decennial census. But no such assessment shall be made upon the people or property of a city of the first class.

As soon after organization as practicable, and on the first day of July each year thereafter, the park district board shall certify to the governing body of each township, town or city included in the district, the budget adopted pursuant to this section, together with a statement of the proportion of the budget to be provided by such governmental subdivision. The budget shall be apportioned among such subdivisions within the district in the same proportion as their respective populations bear to the total population of the district, population figures to be based on the last federal decennial census.

For the purpose of this section the governing body of any city means that board, council, commission or officer authorized by law or charter to levy

taxes for park and recreation purposes and the governing body of each unorganized township means the county board. It shall be the duty of each such governing body in the district to provide the funds necessary to meet its proportionate share of such budget, such funds to be raised by tax levies or other means within the authority of said governing bodies, and to pay the same over to the treasurer of the district in such amounts and at such times as may fairly be required by the park district board.

Any such governing body is hereby authorized to levy annually upon all taxable property within its boundaries a tax at the rate necessary to raise, at 98 percent collection, its proportionate share of the park district's budget, which tax, except in the case of cities of the first class, may be levied in excess of and over and above all ~~other~~ *charter* tax limitations.

All moneys received from said levies shall be turned over by the county treasurer collecting the same to the treasurer of the park district. All moneys received by the park district shall be used to carry out the powers and duties imposed on the park district board by this chapter and shall not be subject to review or reduction by other boards, commissions or councils.

If the governing body of any subdivision fails before October 1 of any year to pay its proportionate share of the park district budget for the next fiscal year or to certify to the county auditor a tax levy specifically designated for said purpose, the park district board shall certify to the county auditor of each county in which such governmental subdivision is located such amount of taxes as is deemed necessary to raise such subdivision's proportionate share of the budget, for collection with and as a part of other taxes on taxable property within such subdivision, which tax, may be levied in excess of and over and above all other tax limitations.

The park district board may by resolution, submit to the electors of the park district at a general or primary state election the question of raising the limit on the park district's budget from 18 cents to not to exceed 35 cents per person in the district. Any resolution providing for an election on raising the budgetary limit shall specify the proposed additional amount per person in the district to be authorized and the number of consecutive years such increase in the limit shall be effective. The resolution shall be certified to the county auditor of each county wherein lies any part of the territory of the district, and the county auditor or auditors shall cause the same to be submitted to the electors residing within such territory at the next ensuing general or primary election on a ballot setting forth the proposed additional amount per person and the number of years such increase shall be effective as provided in the resolution, and shall forward the official returns of the judges of election in the precincts voting on such ballot to the park district board for canvass, and the increase shall be authorized if approved by a majority of the electors of the district voting on such ballot.

The board may borrow money in anticipation of the collection of all taxes levied in its behalf and issue the negotiable notes of the district in an amount not in excess of 90 percent of the amount so levied which has not been received by the district at the time of the borrowing. Such notes shall mature not later than March 1 of the year following the year in which the tax levies are to be collected and shall be payable primarily from the proceeds of the levies anticipated thereby, but the full faith and credit of the district shall be pledged to the payment of the notes, and if such levies are not sufficient to pay all principal due and interest accrued thereon the park district board shall levy

for the repayment of the principal and interest on such notes and ad valorem tax in the next ensuing year and for so long thereafter as may be necessary upon all of the taxable property within its corporate limits, which levy may be made without limitation as to rate or amount ~~and shall not be included in applying statutory limitations to other tax levies~~.

Sec. 8. Minnesota Statutes 1992, section 410.06, is amended to read:

410.06 [COMPENSATION; EXPENSES.]

The members of such commission shall receive no compensation, but the commission may employ an attorney and other personnel to assist in framing such charter, and any amendment or revision thereof, and the reasonable compensation and the cost of printing such charter, or any amendment or revision thereof, when so directed by the commission, shall be paid by such city. The amount of reasonable and necessary charter commission expenses that shall be so paid by the city shall not exceed in any one year the sum of $10,000 for a first class city and $1,500 for any other city; but the council may authorize such additional charter commission expenses as it deems necessary. Other statutory and charter provisions requiring budgeting of, or limiting, expenditures do not apply to charter commission expenses. The council may levy a tax in excess of ~~statutory or~~ charter tax limitations to pay such expenses.

Sec. 9. Minnesota Statutes 1992, section 449.09, is amended to read:

449.09 [BANDS, ORCHESTRAS OR CHORUSES, TAX LEVY.]

Cities of the second, third, or fourth class, statutory cities, or towns, however organized, may, when authorized as provided in section 449.10, levy each year a tax ~~not to exceed 0.02418 percent of taxable market value~~ *on all taxable property in the city or town* for the purpose of providing a fund for the maintenance, transportation, or employment of a band, orchestra, or chorus for municipal purposes. ~~No levy by any municipality shall exceed, in any one year, $10,000 except in cities of the second class, situated in a county having over 45,000 and less than 49,000 inhabitants according to the 1950 federal census, in which the levy shall not exceed $25,000 in any one year. No levy by any town shall exceed $1,500.~~ All sums shall be separately levied and when collected these sums shall be paid into a special fund and used for these purposes. When taxes are levied and collected for the maintenance or employment of a band, orchestra, or chorus for municipal purposes and the band, orchestra, or chorus is discontinued or the city or town by a vote of the people as now provided by law decide not to employ a band, orchestra, or chorus, the governing body may transfer the sums so levied and collected to the general fund. ~~No levy shall be made for any such fund when there is in the fund an unexpended balance equal to the maximum levy permitted by this section.~~

Sec. 10. Minnesota Statutes 1992, section 450.19, is amended to read:

450.19 [TOURIST CAMPING GROUNDS.]

A home rule charter or statutory city or town may establish and maintain public tourist camping grounds. The governing body thereof may acquire by lease, purchase, or gift, suitable lands located either within or without the corporate limits for use as public tourist camping grounds and provide for the equipment, operation, and maintenance of the same. The amount that may be expended for the maintenance, improvement, or operation of tourist camping

grounds shall not exceed, in any year, a sum equal to ~~the amount raised by a tax of~~ 0.00806 percent of taxable market value.

Sec. 11. Minnesota Statutes 1992, section 459.06, subdivision 1, is amended to read:

Subdivision 1. [ACCEPT DONATIONS.] Any county, city, or town may by resolution of its governing body accept donations of land that the governing body deems to be better adapted for the production of timber and wood than for any other purpose, for a forest, and may manage it on forestry principles. The donor of not less than 100 acres of any such land shall be entitled to have the land perpetually bear the donor's name. The governing body of any city or town, when funds are available or have been levied therefor, may, when authorized by a majority vote by ballot of the voters voting at any general or special city election or town meeting where the question is properly submitted, purchase or obtain by condemnation proceedings, and preferably at the sources of streams, any tract of land for a forest which is better adapted for the production of timber and wood than for any other purpose, and which is conveniently located for the purpose, and manage it on forestry principles. The selection of the lands and the plan of management must be approved by the director of lands and forestry. The city or town may *annually* levy a tax ~~not exceeding 0.04030 percent of~~ *on all* taxable ~~market value~~ *property within its boundaries* to procure and maintain such forests.

Sec. 12. Minnesota Statutes 1992, section 459.14, subdivision 2, is amended to read:

Subd. 2. [FINANCING.] The municipality may pay for any portion of the cost of providing automobile parking facilities by:

(1) appropriating money as authorized in subdivision 1;

(2) levying a tax~~, not exceeding 0.00403 percent of~~ *on the* taxable ~~market value~~ *property within the municipality*;

(3) levying special assessments against benefited property;

(4) appropriating any or all net revenues derived from the operation of its parking facilities;

(5) classifying the users of the facilities as a subject for taxation, and imposing taxes thereon computed according to the extent of use of the facilities;

(6) imposing reasonable rates, rents, fees, and charges for the use of any on-street or off-street parking privilege or facility, which may be in excess of actual cost of operation, maintenance, regulation, and supervision of parking at the particular location where the privilege is exercised;

(7) leasing any off-street facilities at specified or determinable rents to be paid to the municipality under a lease made as provided in subdivision 4;

(8) borrowing money and issuing bonds as authorized and limited by subdivision 3; or

(9) any combination of the foregoing.

Sec. 13. Minnesota Statutes 1992, section 471.191, subdivision 2, is amended to read:

Subd. 2. Any such city may issue bonds pursuant to chapter 475, for the acquisition and betterment of land, buildings, and facilities for the purpose of carrying out the powers granted by this section. Such bonds, unless authorized as general obligations of the issuer pursuant to approval of the electors or pursuant to another law or charter provision permitting such issuance without an election, shall be payable solely from the income of land, buildings, and facilities used or useful for the operation of the program, but may be secured by a pledge to the bondholders, or to a trustee, of all income and revenues of whatsoever nature derived from any such land, buildings, and facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of payments to become due in any fiscal year. In this event the governing body of the issuer may by resolution or trust indenture define the land, buildings, or facilities, the revenues of which are pledged, and establish covenants and agreements to be made by the issuer for the security of the bonds, including a covenant that the issuer will establish, maintain, revise when necessary, and collect charges for all services, products, use, and occupancy of the land, buildings, and facilities, in the amounts and at the times required to produce the revenues pledged, and also sufficient, with any other funds appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the land, buildings, and facilities. After the issuance of any bonds for which revenues are so pledged, the governing body of the issuer shall provide in its budget each year for any anticipated deficiency in the revenues available for such operation and maintenance. For this purpose any issuer ~~other than a city of the first class~~ may levy a tax ~~of not more than 0.01612 percent of~~ *on the* taxable ~~market value~~ *property within its boundaries*, in excess of taxes which may otherwise be levied within ~~legal and~~ charter limitations, provided the excess levy *for a city subject to a charter limitation* is approved by a majority of its electors voting on the question at a regular or special election. The authority to levy additional taxes granted herein shall not apply to cities or towns in which the net tax capacity consists in part of iron ore or lands containing taconite or semitaconite.

Sec. 14. Minnesota Statutes 1992, section 471.57, subdivision 1, is amended to read:

Subdivision 1. [TAX LEVY.] The council of any city, however organized, may establish by ordinance a public works reserve fund and may annually levy taxes within existing *charter* limits for the support of such fund. It may, by the ordinance establishing the fund, designate a specific capital improvement or a type of capital improvement for which the fund is to be used. The proceeds of taxes levied for its support shall be paid into the public works reserve fund. There may be paid into such fund any other revenue not required by statute or charter to be paid into some other fund or used for purposes other than those provided in this section for the use of the public works reserve fund.

Sec. 15. Minnesota Statutes 1992, section 471.61, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS, EMPLOYEES.] A county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, other than the state or any department of the state, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure

or protect its or their officers and employees, and their dependents, or any class or classes of officers, employees, or dependents, under a policy or policies or contract or contracts of group insurance or benefits covering life, health, and accident, in the case of employees, and medical and surgical benefits and hospitalization insurance or benefits for both employees and dependents or dependents of an employee whose death was due to causes arising out of and in the course of employment, or any one or more of those forms of insurance or protection. A governmental unit, including county extension committees and those paying their employees, may pay all or any part of the premiums or charges on the insurance or protection. A payment is deemed to be additional compensation paid to the officers or employees, but for purposes of determining contributions or benefits under a public pension or retirement system it is not deemed to be additional compensation. One or more governmental units may determine that a person is an officer or employee if the person receives income from the governmental subdivisions without regard to the manner of election or appointment, including but not limited to employees of county historical societies that receive funding from the county. The appropriate officer of the governmental unit, or those disbursing county extension funds, shall deduct from the salary or wages of each officer and employee who elects to become insured or so protected, on the officer's or employee's written order, all or part of the officer's or employee's share of premiums or charges and remit the share or portion to the insurer or company issuing the policy or contract.

A governmental unit, other than a school district, that pays all or part of the premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary money for the payment of the premiums or charges, and the sums levied and appropriated are not, in the event the sum exceeds the maximum sum allowed by ~~any law or~~ the charter of a municipal corporation, considered part of the cost of government of the governmental unit as defined in any ~~tax~~ levy or ~~per capita~~ expenditure limitation; provided at least 50 percent of the cost of benefits on dependents must be contributed by the employee or be paid by levies within existing ~~per capita~~ *charter* tax limitations.

The word "dependents" as used in this subdivision means spouse and minor unmarried children under the age of 18 years actually dependent upon the employee.

Sec. 16. Minnesota Statutes 1992, section 471.61, subdivision 2a, is amended to read:

Subd. 2a. [RETIRED OFFICERS, EMPLOYEES.] Any county, municipal corporation, town, school district, county extension committee, other political subdivision or other body corporate and politic of this state, including the state or any department thereof, through its governing body, and any two or more subdivisions acting jointly through their governing bodies, may insure or protect its or their retired officers and retired employees entitled to benefits under any public employees retirement act and their dependents, or any class or classes thereof, under a policy or policies, or contract or contracts of group insurance or benefits covering life, health, and accident, medical and surgical benefits, or hospitalization insurance or benefits, for retired officers and retired employees and their dependents, or any one or more of such forms of insurance or protection. Any such governmental unit, including county extension committees, may pay all or any part of the premiums or charges on such insurance or protection or may require the retired officer or employee to

pay all or part of the premiums or charges. Any one or more of such governmental units may determine that a person is a retired officer or a retired employee if such officer or employee, when employed, received income from such governmental subdivisions without regard to the manner of election or appointment. The appropriate officer of such governmental unit, or those disbursing county extension funds, shall collect from each such retired officer and retired employee who elects to become insured or so protected, on such officer's or employee's written order, all or part of the retired officer's or retired employee's share of such premiums or charges and remit the same to the insurer or company issuing such policy or contract. An insurer, health maintenance organization, or company issuing the policy or contract may not require a public employer to contribute any portion of the retired officer's or employee's share as a condition of eligibility for the insurance or protection. An insurer, health maintenance organization, or company issuing the policy or contract may require a retired officer or a retired employee to pay all or any part of the premiums or charges.

Any governmental unit, other than a school district, which pays all or any part of such premiums or charges is authorized to levy and collect a tax, if necessary, in the next annual tax levy for the purpose of providing the necessary funds for the payment of such premiums or charges, and such sums so levied and appropriated shall not, in the event such sum exceeds the maximum sum allowed by ~~any law or~~ the charter of a municipal corporation, be considered part of the cost of government of such governmental unit as defined in any tax ~~levy~~ or ~~per capita~~ expenditure limitation; provided at least 50 percent of the cost of benefits on dependents shall be contributed by the retired officer or retired employee or be paid by levies within existing ~~per capita~~ *charter* tax limitations.

The word "dependents" as used herein shall mean spouse and minor unmarried children under the age of 18 years actually dependent upon the retired officer or retired employee.

Sec. 17. [REPEALER.]

Minnesota Statutes 1992, sections 471.1921; and 471.63, subdivision 2, are repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 17 are effective for property taxes levied in 1993, payable in 1994, and thereafter.

ARTICLE 4

CHARTER CITY AND STATUTORY CITY TAX LEVY LIMITATIONS OF GENERAL APPLICATION

Section 1. Minnesota Statutes 1992, section 412.251, is amended to read:

412.251 [ANNUAL TAX LEVY.]

The council shall make its annual tax levy by resolution. The following taxes may be levied as authorized:

(1) a tax for the payment of principal and interest on outstanding obligations of the city as provided by sections 475.61, 475.73, and 475.74;

(2) a tax for the payment of judgments as authorized by section 465.14;

(3) a ~~maximum of 0.00805 percent of taxable market value but not to exceed $500~~ *tax* to provide musical entertainment to the public in public buildings or on public grounds;

(4) a tax for band purposes as authorized by section 449.09;

(5) a tax for the support of a municipal forest, as authorized by section 459.06;

(6) a tax for advertising purposes, as authorized by section 469.189;

(7) a tax for forest fire protection in any city in a forest area, as authorized by section 88.04;

(8) a ~~maximum of 0.04030 percent of taxable market value~~ *tax* for the utilities fund in any city whose utilities are under the jurisdiction of a public utilities commission. The tax shall be levied for the purpose of paying the cost of the utility service or other services supplied to the city;

(9) a tax for the support of a public library, as authorized by section 134.07;

(10) a tax for firefighters' relief association purposes as authorized by sections 69.772, subdivision 4, 69.773, subdivision 5, or other statutes; and

(11) other special taxes authorized by law.

~~Nothing in this section shall be construed to reduce levies of any municipality below the per capita levy spread in 1970.~~

Sec. 2. Minnesota Statutes 1992, section 449.06, is amended to read:

449.06 [ENTERTAINMENT TAX IN CITIES OF THE FOURTH CLASS.]

The governing body of any city of the fourth class operating under a home rule charter of commission form of government may levy a tax ~~not exceeding 0.01209 percent of taxable market value~~ for the purpose of providing musical entertainments to the public in public buildings or upon public grounds. The total sum that may be ~~levied or~~ expended in any year shall not exceed $3,500.

Sec. 3. Minnesota Statutes 1992, section 449.08, is amended to read:

449.08 [TAX LEVY FOR MUSICAL ENTERTAINMENTS IN CITIES OF THE THIRD CLASS.]

The council of any city of the third class may levy a tax ~~not exceeding 0.00806 percent of taxable market value~~ for the purpose of providing free musical entertainment for the general public. The proceeds of this tax shall be used only for the purpose of providing free musical entertainment for the public. The annual expenditure for this purpose is limited to $3,000.

Sec. 4. Minnesota Statutes 1992, section 465.54, is amended to read:

465.54 [MAY PAY EXPENSES FROM GENERAL FUND OF STATUTORY CITY.]

The council of any statutory city may pay from the general fund of the municipality, for the purposes of section 469.186, expenses incurred by the governing officers in the performance of their official duties. Trips for lobbying purposes or trips to meetings or conventions not in connection with

specific municipal projects pending before the officer making the trip are not authorized for payment under this section.

~~All expenditures for the purposes of this section shall be within the statutory limits upon tax levies in the statutory city.~~

Sec. 5. Minnesota Statutes 1992, section 469.188, is amended to read:

469.188 [TAX FOR ADVERTISING RESOURCES; CITIES OF SECOND OR THIRD CLASS.]

The governing body of any city of the second or third class in this state may levy a tax ~~not to exceed 0.00806 percent of taxable market value~~ for the purpose of advertising agricultural, industrial business, and all other resources of the community.

Sec. 6. Minnesota Statutes 1992, section 471.24, is amended to read:

471.24 [STATUTORY CITIES AND TOWNS MAY JOIN IN MAINTAINING CEMETERIES.]

Where a statutory city or town owns and maintains an established cemetery or burial ground, either within or without the municipal limits, the statutory city or town may, by mutual agreement with contiguous statutory cities and towns, each having a market value of not less than $2,000,000, join together in the maintenance of such public cemetery or burial ground for the use of the inhabitants of each of such municipalities; and each such municipality is hereby authorized, by action of its council or governing body, to levy a tax or make an appropriation for the *annual* support and maintenance of such cemetery or burial ground; provided, the amount thus ~~levied or~~ appropriated by each municipality shall not exceed a total of $10,000 in any one year.

Sec. 7. [REPEALER.]

Laws 1915, chapter 316, section 1, as amended by Laws 1917, chapter 426, section 1, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective for property taxes levied in 1993, payable in 1994, and thereafter.

ARTICLE 5

TOWN TAX LEVY LIMITATIONS OF GENERAL APPLICATION

Section 1. Minnesota Statutes 1992, section 164.04, subdivision 3, is amended to read:

Subd. 3. [EMERGENCIES.] In case of emergency after the town meeting, but not later than October 1 in the same year, the town board may levy a tax on the property in the town for road and bridge purposes, in addition to any tax voted at the annual town meeting for road and bridge purposes~~, in an amount not to exceed 0.04028 percent of taxable market value~~. Any tax so levied shall be certified to the county auditor for extension and collection. The town board may thereafter pledge the credit of the town by issuing town orders, not exceeding the amount of the additional tax so levied for road and bridge purposes, in payment for the emergency work done or material used on the roads within the town.

Sec. 2. Minnesota Statutes 1992, section 164.05, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] In any town in which the voters authorize the town board to do so as provided in this section, the town board may levy a ~~tax not to exceed 0.08051 percent of taxable market value. The tax shall be known as the~~ town road drainage tax.

Sec. 3. Minnesota Statutes 1992, section 237.35, is amended to read:

237.35 [TAX LEVY FOR CONSTRUCTION.]

When any town has authorized the construction, acquiring, operation, or maintenance of a telephone system, as set forth in sections 237.33 and 237.34, and determined the amount of money to be raised for that purpose, the town board of supervisors may levy a tax for the amount of money to be raised therefor. ~~The tax levy for that purpose shall not exceed 0.08051 percent of taxable market value.~~

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective for property taxes levied in 1993, payable in 1994, and thereafter.

ARTICLE 6

TAX LEVY LIMITATIONS FOR PARTICULAR COUNTIES

Section 1. Minnesota Statutes 1992, section 383A.03, subdivision 4, is amended to read:

Subd. 4. [ICE ARENAS AND GALL'S GOLF COURSE.] Ramsey county may levy, annually, a tax ~~not to exceed 0.02418 percent of~~ *on all* taxable ~~market value~~ *property in the county* for the acquisition and construction of nine artificial ice arenas and a golf course, to pay the interest on the bonds as it accrues and to pay the principal thereof in full at maturity, and ~~not to exceed 0.01209 percent of taxable market value~~ to provide for the operation of these facilities. The board of county commissioners shall levy a tax for this purpose.

Sec. 2. Minnesota Statutes 1992, section 383A.411, subdivision 5, is amended to read:

Subd. 5. In substitution of, but not in addition to, powers granted to Ramsey county in subdivision 4, Ramsey county may levy and collect a tax~~, not to exceed the lesser of $5,000,000 or 0.04835 percent of~~ *on all* taxable ~~market value~~ *property in the county* to finance the construction, installation, modification, or improvement of heating, cooling, and domestic hot water systems serving buildings owned in whole or part, operated, or maintained by the county or Ramsey county medical center commission.

Sec. 3. Minnesota Statutes 1992, section 383B.245, is amended to read:

383B.245 [LIBRARY LEVY.]

The county board may ~~also~~ levy a tax ~~of not more than 0.01612 percent of market value~~ on *the* taxable property within the county outside of any city in which is situated a free public library of the city to acquire, better, and construct county library buildings and branches and to pay principal and interest on bonds issued for that purpose. ~~The levy of the tax shall not cause~~

~~the amount of other taxes levied or to be levied by the county, which are subject to any limitation, to be reduced in any amount.~~

The county board may by resolution adopted by a five-sevenths vote issue and sell general obligation bonds of the county in the manner provided in sections 475.60 to 475.73. The bonds shall not be subject to the limitations of sections 475.51 to 475.59, but the maturity years and amounts and interest rates of each series of bonds shall be fixed so that the maximum amount of principal and interest to become due in any year, on the bonds of that series and of all outstanding series issued by or for the purposes of libraries, shall not exceed an amount equal to 0.01612 percent of market value of all taxable property in the county, which was not taxed in 1987 by any city for the support of any free public library, as last finally equalized before the issuance of the new series. When the tax levy authorized in this section is collected it shall be appropriated and credited to a debt service fund for the bonds in amounts required each year in lieu of a countywide tax levy for the debt service fund under section 475.61.

Sec. 4. Minnesota Statutes 1992, section 383C.42, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] To provide necessary funds to construct and maintain county or regional juvenile detention and/or treatment centers and to provide matching funds for any federal, state, or regional grant, the county boards of St. Louis, Carlton, Cook, Lake, Itasca, Koochiching, and Aitkin counties may levy, annually, *a tax* upon all taxable property in their respective counties ~~a tax that does not exceed 0.01209 percent of market value~~.

Sec. 5. Minnesota Statutes 1992, section 473.711, subdivision 2, is amended to read:

Subd. 2. The metropolitan mosquito control commission shall prepare an annual budget. The budget may provide for expenditures in an amount not exceeding the property tax levy limitation determined in this subdivision. The commission may levy a tax on all taxable property in the district as defined in section 473.702 to provide funds for the purposes of sections 473.701 to 473.716. The tax shall not exceed the property tax levy limitation determined in this subdivision. A participating county may agree to levy an additional tax to be used by the commission for the purposes of sections 473.701 to 473.716 ~~but the sum of the county's and commission's taxes may not exceed the county's proportionate share of the property tax levy limitation determined under this subdivision based on the ratio of its total net tax capacity to the total net tax capacity of the entire district as adjusted by section 270.12, subdivision 3~~. The auditor of each county in the district shall add the amount of the levy made by the district to other taxes of the county for collection by the county treasurer with other taxes. When collected, the county treasurer shall make settlement of the tax with the district in the same manner as other taxes are distributed to political subdivisions. No county shall levy any tax for mosquito, disease vectoring tick, and black gnat (Simuliidae) control except under sections 473.701 to 473.716. The levy shall be in addition to other taxes authorized by law.

The property tax levied by the metropolitan mosquito control commission shall not exceed ~~the following amount for the years specified:~~

~~(a) for taxes payable in 1988, the product of six-tenths on one mill multiplied by the total assessed valuation of all taxable property located within the district as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, the product of (1) the commission's property tax levy limitation for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the district divided by the assessment year 1987 total market valuation of all taxable property located within the district;~~

~~(c) for taxes payable in 1990, 1991, and 1992, the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year;~~

~~(d) for taxes payable in 1993, the product of (1) the commission's certified property tax levy for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year; and~~

~~(e) for taxes payable in 1994 and subsequent years,~~ the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year.

For the purpose of determining the commission's property tax levy limitation ~~for the taxes payable year 1988 and subsequent years~~ under this subdivision, "total market valuation" means the total market valuation of all taxable property within the district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 6. Laws 1943, chapter 367, section 1, as amended by Laws 1949, chapter 307, section 1; and Laws 1961, chapter 307, section 1, is amended to read:

Section 1. [Tax levies in Todd county.] The county board of Todd county may levy taxes ~~of not to exceed four mills~~ on ~~a dollar of~~ the taxable property of said county, ~~exclusive of moneys and credits,~~ in addition to all tax levies now authorized by law, to defray county expenses for snow removal from town roads, payable out of the road and bridge fund.

Sec. 7. Laws 1943, chapter 510, section 1, is amended to read:

Section 1. [Annual tax levy for county agricultural societies in certain counties.] In addition to all other powers now or hereafter by law conferred on county boards, authority is hereby given to county boards in counties having not less than 18 or more than 20 townships, full or fractional, and an area of

not less than 425,000 or more than 427,000 acres to annually levy a tax ~~of not to exceed one-half of a mill~~ upon all property subject to taxation, and from time to time to appropriate and pay over the proceeds of said tax, when collected, to any county agricultural society of its county and other organizations of said county holding local fairs therein, which in the opinion of the county commissioners will use such money for the best interests of such county in advertising, improving or developing the agricultural resources of such county; provided the county board may make such rules and regulations for the expenditure of such funds as it may deem proper and may require any such organization to agree in writing to expend such funds in accordance with such rules and regulations before receiving the same.

Sec. 8. Laws 1947, chapter 340, section 4, is amended to read:

Sec. 4. [Taxes, how levied.] Taxes shall be levied by said board for the support of the poor, including allowances to mothers for the support of dependent children and for said hospital as follows: On or before the first day of October in each year said board shall determine, by separate resolutions duly passed, the amount of taxes to be levied for the ensuing year for the support of the poor, including allowances to mothers for the support of dependent children in such county, the maintenance of the poor house and other buildings provided for the care of the poor, including the erection of any building or the making of any improvements for such purpose, and for the care, support, maintenance and operation of said hospital, including the construction or repair of any buildings therefor. The adoption of such resolution shall constitute a levy on the taxable property in ~~such county to the full amount named therein, provided, however, that the tax so levied for said hospital purposes shall not exceed one mill upon the said taxable property in~~ said county. On or before the fifth day of October in each year said board shall file a certified copy of each of said resolutions with the county auditor of such county, who shall thereupon enter the amount upon the tax list, and thereafter proceed to the assessing and collecting of such tax in the same manner as village or corporation taxes. Such taxes when collected shall be placed in, or credited to the hospital fund and to the poor fund, respectively. All allowances to mothers for the support of dependent children in such counties shall henceforth be paid from the poor fund of such counties. Provided further, that in each of such counties the Board of Poor and Hospital Commissioners is hereby authorized and directed to levy against the taxable property in its county, by resolution as above provided, in the year 1931, in addition to other authorized levies, an amount equal to the aggregate sum paid to mothers for the support of dependent children from the revenue fund of such county during the years 1928, 1929, 1930 and 1931, said levy to provide that the collection thereof shall be equally spread over a period of three years and that the proceeds thereof, when collected, shall be, by the auditor of such county, transferred to the revenue fund of such county.

Sec. 9. Laws 1949, chapter 252, section 1, is amended to read:

Section 1. [Certain counties; limited tax levy for bridge construction.] In addition to all other levies now provided by law, and regardless of any limitations as to county indebtedness, in any county having less than 10,000 inhabitants according to the 1940 federal census, and having less than 20 full and fractional congressional townships, and having a land area of less than 500 square miles, the county board may include in its annual levy ~~not to exceed five mills~~ *an amount* for a bridge construction fund.

Sec. 10. Laws 1949, chapter 668, section 1, is amended to read:

Section 1. [Certain counties may levy a ~~three mill~~ tax; proceeds credit to county building sinking fund.] The Board of County Commissioners in all counties of this state having a land area of more than 380 and less than 400 square miles, and having a population of more than 20,000, according to the last Federal census, may hereafter annually levy a tax ~~not to exceed three mills~~ for the purpose of providing funds for the present or future construction or repairing of buildings used or to be used for the administration of the affairs of the county, and for the grounds therefor, and the purchase of necessary equipment to be used in connection therewith. The proceeds from any tax so levied shall be credited to a special fund to be known as the County Building Sinking Fund. Any money credited to such fund shall be used solely for the purposes provided for in this act.

Sec. 11. Laws 1953, chapter 154, section 3, is amended to read:

Sec. 3. [Tax levy, hospital.] In addition to all other taxes which the county is authorized by law to levy and collect, the county board of any such county may levy a tax ~~of not more than one mill~~ on ~~the dollar of~~ the taxable valuation of the county for the purpose of maintaining, equipping, repairing, and operating the hospital. The proceeds of this tax shall be set aside in a special fund, to be known as the county hospital fund. The monies in this fund shall be used for no other purpose than that authorized.

Sec. 12. Laws 1957, chapter 213, section 1, is amended to read:

Section 1. [County health nurse program, tax levy.] In any county containing over 75 and less than 80 full and fractional congressional townships, having an assessed valuation of over $2,000,000 and less than $5,000,000 and over 19,000 and less than 21,000 inhabitants according to the 1950 federal census, the county board, may levy annually a tax ~~of not to exceed 2 mills~~ on all the taxable property in the county, for the county health nurse program.

Sec. 13. Laws 1959, chapter 556, section 1, as amended by Laws 1963, chapter 343, section 1, is amended to read:

Section 1. [Red River Valley; development.] The board of county commissioners of the counties of Kittson, Roseau, Marshall, Polk, Red Lake, Norman, Becker, Clay, Lake of the Woods, Mahnomen, Wilkin, and Clearwater may annually levy a tax ~~of not to exceed one fourth of one mill, in excess of existing limitations,~~ for the sole purpose of maintaining existing and new programs which develop and promote the natural resources of the counties of the Red River Basin of Minnesota. These tax moneys shall be provided to the "Minnesota Red River Valley Development Association" for allotment as appropriate.

Sec. 14. Laws 1961, chapter 151, section 1, is amended to read:

Section 1. [Otter Tail county, tax levy, state parks.] The county board of Otter Tail county may levy ~~not to exceed one mill~~ *a tax* on all the taxable property, real and personal, in Otter Tail county, and may appropriate and expend the proceeds thereof for the purpose of matching any appropriation made by the legislature for the acquisition of state park lands in Otter Tail county.

Sec. 15. Laws 1961, chapter 209, section 4, is amended to read:

Sec. 4. [Tax levy authorized.] The board of county commissioners of Anoka county are hereby authorized to levy a tax ~~not to exceed two mills on the dollar of the assessed valuation of~~ *on* all taxable property in the county to carry out the provisions of this act.

Sec. 16. Laws 1961, chapter 352, section 1, as amended by Laws 1963, chapter 287, section 1, is amended to read:

Section 1. [Library tax levy, Scott and Dakota counties.] The county boards of Dakota and Scott counties may levy, in addition to the library operating fund, a tax ~~of not more than one mill,~~ over the area in the respective counties served by the county library system for the acquisition and maintenance of library buildings, library operation, and library services.

~~The levy of such tax shall not cause the amount of other taxes levied, or to be levied by the respective counties, which are subject to any limitation, to be reduced in any amount whatsoever.~~

Sec. 17. Laws 1963, chapter 603, section 1, is amended to read:

Section 1. [Itasca county; garbage disposal.] The county board of Itasca county may provide for and regulate the disposal of garbage, and other refuse in unorganized townships, and do all things necessary to acquire dump sites and provide for their maintenance, either by contract or by such county agency as they may elect. The county board of Itasca county may levy taxes ~~not to exceed two mills~~ upon all the *taxable* property of the unorganized township or townships affected for the purposes of this section.

Sec. 18. Laws 1965, chapter 442, section 1, is amended to read:

Section 1. [Wadena county; courthouse.] The county board of Wadena county may levy annually a tax ~~of not to exceed eight mills~~ on ~~the dollar of~~ all taxable property in the county for a building fund for a new courthouse building. The levy of such tax shall be made at the same time as the levy for general purposes of the county are made. ~~The levy authorized herein is over and above and in excess of any per capita mill or other taxing limitation upon said county.~~

Sec. 19. Laws 1965, chapter 512, section 1, subdivision 1, is amended to read:

Subdivision 1. The board of county commissioners of Crow Wing county may levy a tax for town purposes ~~not exceeding 10 mills~~ on the ~~dollar of~~ taxable valuation of all the real and personal property in the unorganized townships of said county~~, exclusive of money and credits~~.

Sec. 20. Laws 1967, chapter 501, section 1, is amended to read:

Section 1. [St. Louis county; health department; tax levy.] Notwithstanding the provisions of Minnesota Statutes, Section 145.51, Subdivision 1, to the contrary, in St. Louis county there may be levied for the purposes of Minnesota Statutes, Sections 145.47 to 145.54, ~~an amount not to exceed 2.5 mills~~ *a tax* on ~~the dollar of~~ the taxable valuation of the county.

Sec. 21. Laws 1967, chapter 526, section 1, subdivision 3, is amended to read:

Subd. 3. The county board may annually levy upon all taxable property within the county a tax sufficient ~~to yield not more than $2,500~~ for the

purpose of implementing the provisions of this act. The taxing authority conferred by this subdivision is in addition to that conferred by any other law.

Sec. 22. Laws 1967, chapter 542, section 1, subdivision 3, is amended to read:

Subd. 3. Each year the board of commissioners may levy a tax on all taxable property in the county to provide funds for the purpose specified in subdivision 1. ~~Such tax shall not exceed one mill in any year.~~

Sec. 23. Laws 1967, chapter 611, section 1, is amended to read:

Section 1. [Aitkin county; advertising; tax levy.] The county board of Aitkin county may levy a tax ~~not to exceed one mill~~ on the ~~dollar of the~~ taxable valuation of the county to be expended for the purpose of advertising and promoting the county and its resources and advantages for tourist, agricultural, and industrial development. Such advertisements or promotions may include preparation of materials or employment of staff for this purpose. The county may accept gifts for such purpose and may contract with municipalities and towns within the county in joint advertising and promotional programs.

Sec. 24. Laws 1969, chapter 652, section 1, is amended to read:

Section 1. [Big Stone county; nurse; tax levy.] The county board of Big Stone county may levy a tax ~~not to exceed five mills~~ on the ~~dollar of the~~ taxable valuation of the county for county health nurse budget purposes.

Sec. 25. Laws 1971, chapter 404, section 1, is amended to read:

Section 1. [NORMAN COUNTY; NURSE; TAX LEVY.] The county board of Norman county may levy a tax ~~not to exceed two mills~~ on ~~the dollar of~~ the taxable valuation of the county for county health nurse budget purposes.

Sec. 26. Laws 1971, chapter 424, section 1, is amended to read:

Section 1. [COOK AND LAKE COUNTIES; HEALTH DEPARTMENT TAX LEVY.] Notwithstanding the provisions of Minnesota Statutes, Section 145.51, the board of commissioners of Cook and Lake counties shall have authority to levy a tax ~~in an amount not to exceed six mills against~~ *on* all of the taxable property of said counties for the purposes set forth in Minnesota Statutes, Sections 145.47 to 145.54.

Sec. 27. Laws 1979, chapter 253, section 3, is amended to read:

Sec. 3. The counties of Lac Qui Parle, Yellow Medicine, Redwood, Lincoln, Lyon, Pipestone, Murray, Cottonwood, Blue Earth and Brown which are members of the southern Minnesota river basin area II management board, established by a joint powers agreement in accordance with section 471.59, may levy an ad valorem tax ~~not to exceed one-fourth of one mill on each dollar of assessed valuation of~~ *on* all taxable property within the county. ~~This levy is not subject to levy limitations including those contained in sections 275.50 to 275.56, commencing with the levy made in 1979, payable in 1980.~~ The proceeds of this levy may be used to provide financial assistance to local governmental units for purposes of sections 104.42 to 104.50 for an amount not to exceed 12.5 percent of the total cost of the project which is of common benefit to area II in order to match grants made by the state soil and water conservation board. The proceeds of this levy may also be used to pay administrative, engineering and legal expenses of common benefit to area II.

Sec. 28. Laws 1983, chapter 326, section 17, subdivision 1, is amended to read:

Subdivision 1. The Washington county board may levy a tax of not more than three-fourths of a mill on taxable property within the county outside of any city in which is situated a free public city library, to acquire, better, and construct county library buildings and to pay principal and interest on bonds issued for that purpose. ~~The tax shall be disregarded in the calculation of levies or limits on levies provided by Minnesota Statutes, sections 475.50 to 275.56, or other law.~~

Sec. 29. Laws 1984, chapter 380, section 1, is amended to read:

Section 1. [TAX.]

The Anoka county board may levy a tax of not more than three-fourths of a mill on taxable property within the county outside of any city in which is situated a free public library, to acquire, better, and construct county library buildings and to pay principal and interest on bonds issued for that purpose. ~~The tax shall be disregarded in the calculation of levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56, or other law.~~

Sec. 30. Laws 1985, chapter 181, section 1, is amended to read:

Section 1. [GOODHUE COUNTY; HISTORICAL SOCIETY LEVY.]

Goodhue county may levy a tax ~~of one-third mill per year~~ on property in the county and use the proceeds of the levy for the county historical society. ~~The levy shall be disregarded in the calculation of any other levies or limits on levies provided by other law.~~

Sec. 31. Laws 1985, chapter 289, section 1, is amended to read:

Section 1. [SPECIAL LEVY AUTHORITY.]

Hubbard county may levy a property tax ~~in an amount not to exceed $45,000~~ annually to construct, maintain, or operate public park or other recreational facilities or programs. ~~The tax authorized by this section shall be disregarded in the calculation of any levy limitations under Minnesota Statutes, chapter 275.~~

Sec. 32. Laws 1985, chapter 289, section 3, is amended to read:

Sec. 3. [APPROPRIATION.]

Hubbard county may levy a property tax ~~not greater than $20,000~~ annually and disburse its proceeds to operate county agricultural fairs and maintain buildings and grounds used for county agricultural fairs. This section supersedes any inconsistent provision of Minnesota Statutes, sections 38.17, 375.18, subdivision 8, or other law. ~~The tax provided by this act shall be disregarded in the calculation of any other levy or limit on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law.~~ The authority allowed by this section is provided at the request of the board of county commissioners of Hubbard county.

Sec. 33. Laws 1985, chapter 289, section 5, subdivision 1, is amended to read:

Subdivision 1. Clearwater county may levy a property tax in an amount authorized by the county board~~, not to exceed a levy of three mills, in excess~~

~~of any limitation imposed by Minnesota Statutes, sections 275.50 to 275.56, or any other law,~~ for the purpose of funding the operation of the county hospital.

Sec. 34. Laws 1985, chapter 289, section 6, subdivision 1, is amended to read:

Subdivision 1. The Cass county board may annually levy a tax ~~of a total amount of not more than $70,000~~ on taxable property in the county and disburse the proceeds of the levy to promote tourism and agriculture in the county. ~~A levy under this section shall be disregarded in the calculation of any other levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law.~~

Sec. 35. Laws 1986, chapter 392, section 1, is amended to read:

Section 1. [TAX.]

The Dakota county board may levy a tax of not more than three-fourths of a mill on taxable property within the county outside of any city in which is situated a free public library, to acquire, better, and construct county library buildings and to pay principal and interest on bonds issued for that purpose. ~~The tax shall be disregarded in the calculation of levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56, or other law.~~

Sec. 36. Laws 1986, chapter 399, article 1, section 1, as amended by Laws 1989, First Special Session chapter 1, article 5, section 46, is amended to read:

Section 1. [AITKIN COUNTY; DEVELOPMENT LEVY.]

The Aitkin county board may annually levy a tax ~~of not more than 0.03224 percent of market value~~ on taxable property in the county, to provide funds to be used by the county for tourist, agricultural, industrial, and economic development.

~~For 1989 and 1990 only, the annual appropriation limitation in Minnesota Statutes, section 375.83 is increased to $100,000 for Aitkin county only.~~

Sec. 37. Laws 1988, chapter 517, section 1, is amended to read:

Section 1. [ITASCA COUNTY; DEVELOPMENT LEVY.]

The Itasca county board may annually levy a tax ~~of not more than one mill~~ on taxable property in the county, to provide funds to be used by the county for tourist, agricultural, industrial, and economic development. This tax may be levied only if, by October 1 of the levy year, the county board has a commitment from a foundation or similar organization to provide matching funds for this purpose in the amount equal to the levy to be paid during the following 15 months. No part of the proceeds of this levy may be used to provide a direct loan or grant to any individual or for-profit enterprise. ~~A levy under this section is in addition to any other permitted by law and shall be disregarded in the calculation of any other levies or limits on levies provided by Minnesota Statutes, sections 275.50 to 275.56 or other law.~~

Sec. 38. Laws 1988, chapter 640, section 3, is amended to read:

Sec. 3. [HISTORICAL SOCIETY LEVY.]

Each of the counties of Chisago, Kanabec, Pine, and Carlton may levy a tax ~~not greater than .75 mills per year~~ on *taxable* property in the county and use its proceeds for the county historical society. ~~The levy shall be disregarded in the calculation of any other levies or limits on levies provided by other law.~~

Sec. 39. [REPEALER.]

Laws 1982, chapter 523, article XII, section 8; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended by Laws 1991, chapter 291, article 4, section 11; Laws 1990, chapter 604, article 3, sections 50 and 55; and Laws 1991, chapter 3, section 2, subdivision 3, are repealed.

Sec. 40. [EFFECTIVE DATE.]

Sections 1 to 39 are effective for property taxes levied in 1993, payable in 1994, and thereafter.

ARTICLE 7

TAX LEVY LIMITATIONS FOR PARTICULAR CITIES

Section 1. Minnesota Statutes 1992, section 103B.635, subdivision 2, is amended to read:

Subd. 2. [MUNICIPAL FUNDING OF DISTRICT.] (a) The governing body or board of supervisors of each municipality in the district must provide the funds necessary to meet its proportion of the total cost determined by the board.

(b) A municipality may raise the funds by any means that the municipality has to raise funds. ~~The municipalities may each levy a tax not to exceed .00242 percent of taxable market value on the taxable property located in the district for funding the district. The levy must be within all other limitations provided by law.~~

(c) The funds must be deposited in the treasury of the district in amounts and at times as the treasurer of the district requires.

Sec. 2. Minnesota Statutes 1992, section 103B.691, subdivision 2, is amended to read:

Subd. 2. [MUNICIPAL FUNDING OF DISTRICT.] (a) The governing body or board of supervisors of each municipality in the district shall provide the funds necessary to meet its proportion of the total cost to be borne by the municipalities as finally certified by the board.

(b) The municipality's funds may be raised by any means within the authority of the municipality. ~~The municipalities may each levy a tax not to exceed .02418 percent of taxable market value on the taxable property located in the district to provide the funds. The levy shall be within all other limitations provided by law.~~

(c) The funds must be deposited into the treasury of the district in amounts and at times as the treasurer of the district requires.

Sec. 3. 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.

(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 the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy.* 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.

Sec. 4. Minnesota Statutes 1992, section 412.531, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT, TRANSFER; TAX LEVIES.] For the purpose of carrying out the powers of the park board there shall be established in the city treasury a special fund to be called a park fund. The council may transfer to the park fund the money it deems necessary for park purposes. No later than September 1 of each year the park board shall present to the council in the detail the council requires its estimate of the financial needs of the board for the ensuing fiscal year. In any county having a population of more than 200,000 the council of any city, whether having a park board or not, may annually levy a tax ~~not to exceed 0.01620 percent of~~ *on all* taxable ~~market value~~ *property in the city* for park purposes. The proceeds of this tax shall be placed in the park fund.

Sec. 5. Minnesota Statutes 1992, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy each year a tax upon all taxable property within that taxing district. The authority shall certify the tax to the auditor of the county in which the taxing district is located on or before five working days after December 20 in each year. The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including

any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended only for the purposes of sections 469.001 to 469.047. It shall be paid out upon vouchers signed by the chair of the authority or an authorized representative. The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0131 percent of taxable market value ~~except that in cities of the first class having a population of less than 200,000, the levy shall not exceed 0.0065 percent of taxable market value~~. The authority may levy an additional levy, not to exceed 0.0013 percent of taxable market value, to be used to defray costs of providing informational service and relocation assistance as set forth in section 469.012, subdivision 1. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget and shall be approved by the governing body.

Sec. 6. Minnesota Statutes 1992, section 469.053, is amended by adding a subdivision to read:

Subd. 12. [DULUTH; SEPARATE LEVY.] *The county auditor shall not include any tax levied by the city of Duluth pursuant to subdivision 4 as a part of the city of Duluth tax levy shown on any proposed or final tax statements.*

Once a tax has been levied by the city of Duluth after 1984 in the amount of .01813 percent of taxable market value pursuant to subdivisions 4 and 5, any subsequent change in the city's levy under subdivision 4 is not an increase in its levy subject to subdivision 5 if the levy, as changed, does not exceed .01813 percent of taxable market value.

Sec. 7. Laws 1933, chapter 423, section 2, is amended to read:

Sec. 2. [Tax levy for expenses.] The city council, city commission, or other governing body of such city may each year at the time tax levies are made for the general revenues of the city, for the purpose of defraying the expense incurred in the establishment and maintenance of such information and publicity bureau, levy within ~~the~~ *charter* limits ~~now prescribed by law~~ a tax on all the taxable property of such city~~, the amount of such tax not to exceed in the aggregate the sum of $5,000.00 per annum,~~ which levy shall be transmitted to the County Auditor of the County in which the city is situated, at the time the other tax levies are transmitted, and when received the monies derived from such tax shall be credited to a special fund for the purposes of this Act. ~~Such governing body may during the year 1933 appropriate from the general funds of the city not to exceed $5,000.00 for such purposes.~~

Sec. 8. Laws 1943, chapter 196, section 6, as amended by Laws 1947, chapter 77, section 1; Laws 1955, chapter 88, section 2; Laws 1959, chapter 358, section 2; and Laws 1969, chapter 569, section 1, is amended to read:

Sec. 6. [Nashwauk, ~~village~~ *city* of; police pensions.] For the support of the fund from which such pensions are paid the council or other governing body of the ~~village~~ *city* shall each year, at the time the tax levies are made for the general revenues of the ~~village~~ *city*, levy within the limits then permitted by law, a tax on all taxable property of the ~~village in the~~ *city an* amount of not

less than $2,500 ~~nor more than $5,000~~ per annum, which levy shall be transmitted to the auditor of the county in which the ~~village~~ *city* is located at the time the other tax levies are transmitted and shall be collected and the payment enforced in the same manner as other taxes of the ~~village~~ *city*. In addition thereto each member of the association shall contribute to the fund each month six percent of his monthly pay, to be deducted at the time of the payment of his salary or wages by the village and transferred to the fund, in addition thereto, such relief association may transfer to such fund moneys raised from other sources and under the control of the association.

Sec. 9. Laws 1947, chapter 224, section 1, is amended to read:

Section 1. [Tax levy by certain ~~villages~~ *cities* for maintenance of cemetery.] Where a ~~village~~ *city* containing more than 12,000 inhabitants owns and maintains an established cemetery either within or without its corporate limits, the ~~village~~ *city* is hereby authorized by action of its council or governing body to levy a tax or make an appropriation for the support and maintenance of such cemetery or burial ground, provided the ~~levy or~~ appropriation shall not exceed the sum of $15,000 in any one year, which sum of $15,000 shall include any balance left from any appropriation for a previous year.

Sec. 10. Laws 1949, chapter 215, section 2, is amended to read:

Sec. 2. [Levy.] The governing body of any such city may levy for said fund ~~within the limitations of Minnesota Statutes 1945, Section 275.11,~~ an annual tax ~~not exceeding five mills~~ *on all taxable property in the city*.

Sec. 11. Laws 1953, chapter 387, section 1, is amended to read:

Section 1. [Library Board, Minneapolis.] The library board of any city now or hereafter having more than 450,000 inhabitants may levy annually on all real and personal property within such city a tax ~~not exceeding four mills on each dollar of the assessed valuation of such city~~ for the establishment, maintenance and government of the libraries of such city, and for the payment of all other expenses proper and incidental to the establishment, maintenance and government of such libraries. The tax ~~herein authorized to be levied shall not at any time be in excess of the maximum rate of taxation fixed for the purposes herein mentioned by any board or department of any such city upon whom the duty of fixing the maximum rate of taxation for the various boards and departments thereof is placed by the charter of such city. For the purpose of determining such tax limitations the property classified s Class 3b or as Class 3c by Section 273.13, M.S. may be computed at 33 1/3 percent and 40 percent, respectively, of the full and true value of such real property~~ *is not subject to any limitations on levies in the city charter*.

Sec. 12. Laws 1953, chapter 545, section 2, is amended to read:

Sec. 2. [Bonds may be issued; tax levy.] For the purpose of paying the cost of building, constructing, reconstructing, repairing, enlarging and improving such water-pumps, water tank, sewer mains, water mains, storm sewers, curbs and gutters, streets, water wells, water plants, sewage disposal plants and other municipal projects, any such city is hereby authorized to issue and sell its negotiable promissory coupon bonds in an amount not to exceed $200,000. Such bonds shall be issued and sold pursuant to the provisions of Minnesota Statutes, Chapter 475, except that the bonds authorized herein may be issued by resolution of the city council without first obtaining the approval

of a vote of the electors. It may levy taxes, for the purpose of paying such bonds and interest thereon~~, not more than 50 percent of which may be levied in excess of all per capita limitations~~. It may transfer and use surplus funds of the city not specifically dedicated to any other purpose.

Sec. 13. Laws 1957, chapter 629, section 1, is amended to read:

Section 1. [Joint municipal airports, tax levies.] Whenever a city and village now having a combined population of more than 20,000 and a combined assessed valuation of more than $20,000,000 are engaged in the operation of a joint municipal airport through a joint airport commission pursuant to the laws of Minnesota, each of such municipalities may expend annually ~~for the purposes hereinafter set forth the sum of $8,000~~ *an amount* for the purposes of operating, maintaining, developing and improving such joint airport and the facilities thereof. The proceeds of such tax levies shall be made available to the joint airport commission and shall be expended only for the aforesaid purposes.

Sec. 14. Laws 1959, chapter 520, section 1, is amended to read:

Section 1. [Library tax levy.] The city council of the city of South St. Paul may levy an annual tax ~~of not more than 5 mills~~ on ~~the dollar of~~ all taxable property located in the city for library purposes.

Sec. 15. Laws 1961, chapter 80, section 1, is amended to read:

Section 1. [South St. Paul, tax levy, musical entertainment.] The council of South Saint Paul is hereby authorized and empowered to levy a tax ~~of not exceeding one mill~~ on all the taxable property within the city for the purpose of providing free musical entertainment for the general public. This tax shall be levied by the council in the same manner and at the same times as taxes for other purposes are levied, and shall be collected in the same manner. The proceeds of this tax shall be used only for the purpose of providing free musical entertainment for the public. The annual expenditure for this purpose is hereby limited to the sum of $3,000.

Sec. 16. Laws 1961, chapter 81, section 1, is amended to read:

Section 1. [South St. Paul, tax levy.] The council of the city of South Saint Paul may each year, by a majority vote of all of its members, levy ~~and expend not to exceed one eighth of one mill on the assessed valuation of such city, exclusive of money and credits~~ *a tax on all taxable property in the city*, for the following purposes:

(a) Furnishing music in parks and other public places.

(b) Preparing, publishing and circulating information and facts concerning the business and industrial advantages of such city as a location for other business enterprises; its desirability as a place for holding conventions and exhibitions such as Junior Live Stock Shows; Poultry shows and like exhibitions and advertising the same by posters, decorations, illumination or other means.

(c) Providing sleeping quarters for exhibitors and delegates.

Sec. 17. Laws 1961, chapter 82, section 1, is amended to read:

Section 1. [South St. Paul, public charity bureau.] The council of the city of South Saint Paul may each year, by a five sevenths vote of all of its

members, the mayor concurring, levy ~~and expend not to exceed three eighths of one mill on the assessed valuation of such city exclusive of money and credits~~ *a tax on all the taxable property in the city* for the following purposes:

For the emergency relief of the residents of said city who are in distress from lack of food, clothing, shelter, or warmth or from long continued illness.

Sec. 18. Laws 1961, chapter 616, section 1, subdivision 1, is amended to read:

Section 1. [Hibbing, ~~village~~ *city* of; utilities fund tax levies.] Subdivision 1. The ~~village~~ *city* council of the ~~village~~ *city* of Hibbing may levy, for the purpose of paying the cost of utility service supplied to the ~~village~~ *city*, an amount sufficient to provide an amount equal to the utility charges for the year preceding the levy, ~~which levy shall be in lieu of the five mill water and light levy~~. The levy of such taxes shall not cause the amount of other taxes levied or to be levied by the ~~village~~ *city*, which are subject to limitation, to be reduced in any amount whatsoever.

Sec. 19. Laws 1961, chapter 643, section 1, is amended to read:

Section 1. [St. Cloud, city of; tax for library purposes.] The governing body of the city of St. Cloud may levy a tax ~~of not to exceed eight mills~~ upon all taxable property for library purposes. The levy of such tax shall not cause the amount of other taxes levied or to be levied by the city which are subject to any limitation, to be reduced in any amount whatsoever.

Sec. 20. Laws 1961, extra session chapter 33, section 3, is amended to read:

Sec. 3. The ~~village~~ *city* council shall each year at the time the tax levies are made for the support of the ~~village~~ *city*, levy an amount equal to the payments made in the previous year to the pensioners under this act~~, one half of which amount shall be in excess of existing limitations and the remaining half to be levied within existing limitations~~. The tax so levied shall be transmitted to the auditor of St. Louis county at the time all other tax levies are transmitted and shall be collected and payment thereof enforced.

Sec. 21. Laws 1963, chapter 29, section 1, is amended to read:

Section 1. [Plymouth, ~~village~~ *city* of; drainage tax levies.] The ~~village~~ *city* council of the ~~village~~ *city* of Plymouth may levy, ~~in addition to any other millage limitation,~~ a tax ~~of five mills~~ on ~~the dollar of the assessed valuation of~~ all taxable property in the ~~village~~ *city* for storm sewers and storm drainage. ~~The levy of such tax shall not cause the amount of other taxes levied or to be levied by the village, which are subject to any limitation, to be reduced in any amount whatsoever.~~

Sec. 22. Laws 1963, chapter 56, section 1, is amended to read:

Section 1. [Winona, city of; library tax levy.] Notwithstanding any provisions in Minnesota Statutes, Section 134.07, or in any other law to the contrary, the city of Winona may ~~level~~ *levy* an annual tax ~~of not more than eight mills on the dollar~~ on all taxable property therein for the benefit of its library fund as established under Minnesota Statutes, Section 134.07.

Sec. 23. Laws 1963, chapter 103, section 1, is amended to read:

Section 1. [Two Harbors, city of; cemetery tax levy.] The city of Two Harbors may levy an annual tax ~~of not to exceed five mills~~ on the ~~dollar of all~~ taxable property *of the city* for the care and maintenance of a public cemetery.

Sec. 24. Laws 1965, chapter 6, section 2, as amended by Laws 1971, chapter 6, section 1, is amended to read:

Sec. 2. [MOORHEAD, CITY OF; DEPARTMENT OF BUSINESS DEVELOPMENT.] The city of Moorhead may provide for an annual allocation of funds up to the sum of $50,000 per year with which to establish and maintain the department subject to such conditions and limitations as the city council shall prescribe. The said sum of up to $50,000 per year may be made available from the transfer of funds from any city owned and operated utility upon approval by resolution of three fourths of the aldermen of the city council, or by a tax levy ~~not to exceed in any one year four mills on the dollar of the assessed valuation~~ on all the taxable property in the city, or combination of both. Authority to transfer such funds is in addition to the authorization in the city charter to transfer such funds into the general revenue fund. The authority herein contained shall not be limited by any charter limitation ~~or any other limitation~~.

Sec. 25. Laws 1965, chapter 451, section 2, is amended to read:

Sec. 2. Each of the participating municipalities may levy a tax ~~of an amount sufficient to produce not to exceed $500~~ per annum upon the taxable property of said municipality and ~~to~~ appropriate these or other funds, not to exceed $500 annually, to the commission for the purpose of acquiring lands and for the maintenance, operation, and management of the cemetery. The commission shall have the power to acquire by purchase, gift, or condemnation any property situated within the limits of any participating municipality to be used as a cemetery, and to make all reasonable regulations for the management and operation thereof.

Sec. 26. Laws 1965, chapter 527, section 1, is amended to read:

Section 1. [Rochester, city of; programs for the aged; appropriations tax levy, rules.] For the purpose of furthering the well-being of aged persons in the city of Rochester, the common council of Rochester may establish programs, not otherwise provided by law, which meet social and recreational needs of the aged. For these purposes the council may appropriate not to exceed $5,000 annually, and may levy a tax ~~not to exceed one tenth mill~~ on the ~~dollar of the assessed valuation of all~~ taxable property in the city. Money derived from this tax shall be deposited in a fund which shall be established and made available for the appropriation provided by this section. The council shall promulgate such rules and regulations as are necessary to carry out the purpose of this act and shall file a copy with the city clerk.

Sec. 27. Laws 1967, chapter 660, section 2, subdivision 2, is amended to read:

Subd. 2. Each year after the budget has become final, the city council of Breckenridge may by resolution and without a vote of the electors of the city levy a tax on all taxable property in the city sufficient to pay its share of the cost of acquisition, betterment, operation and maintenance of the joint airport. When collected the tax may be transferred to the joint airport board and expended by the board in accordance with the terms of agreement. ~~The tax shall not exceed 10 mills in any year.~~ The tax shall not be subject to any other

limitations imposed by ~~statute or~~ the city charter nor shall the levy of such tax cause other taxes levied by the council which are subject to any *charter* limitation to be reduced by any amount whatsoever.

Sec. 28. Laws 1967, chapter 758, section 1, is amended to read:

Section 1. [Rochester, city of; tax levy – band, orchestra, or chorus.] ~~Notwithstanding any provision or limitation to the contrary of Minnesota Statutes 1965, Section 449.09,~~ The city of Rochester may levy each year a tax ~~not to exceed three mills~~ for the purpose of providing a fund for the maintenance, transportation or employment of a band, orchestra, or chorus for municipal purposes.

Sec. 29. Laws 1969, chapter 192, section 1, as amended by Laws 1981, chapter 363, section 56, is amended to read:

Section 1. [MOORHEAD, CITY OF; BUS SERVICE.] The governing body of the city of Moorhead is authorized to provide and assist public transportation services through acquisition, construction or operation, directly or by lease or contract, within the Moorhead-Fargo urbanized area. The city's annual obligation, if any, under such contract shall not exceed ~~the~~ *an* amount ~~produced by applying two mills to the dollar value of all~~ *equal to 0.04835 percent of* taxable ~~property within the city~~ *market value*. ~~The limitation imposed under this section is expressed as an amount determined after the enactment of Minnesota Statutes, Sections 273.1101 to 273.1103.~~ The levy permitted by this section shall be disregarded in the calculation of any other levies or limitations on levies permitted or provided by ~~other law or~~ charter.

Sec. 30. Laws 1969, chapter 538, section 6, as amended by Laws 1974, chapter 202, section 2, is amended to read:

Sec. 6. [APPROPRIATIONS.] The governing body may appropriate annually from the revenues of the city a sum of money not exceeding ~~one fifth mill times the value of property subject to ad valorem tax~~ *0.00484 percent of taxable market value* for the purposes of section 2.

Sec. 31. Laws 1969, chapter 561, section 1, is amended to read:

Section 1. [Minneapolis, city of; park improvement fund; tax levy.] The board of park commissioners of the City of Minneapolis may create a park improvement fund to be maintained by an annual tax levy on the real and personal property of the city ~~not exceeding six tenths of a mill on each dollar of the assessed valuation of the city.~~ The amount of any such levy shall be subject to the supervision of any fiscal control agency which is now or hereafter provided in the charter of any such city, *but is not subject to any charter limitation on the amount of levies for this purpose*.

Sec. 32. Laws 1969, chapter 602, section 1, subdivision 2, is amended to read:

Subd. 2. Such bonds shall be secured by a pledge to the bond holders, or to a trustee, of all income and revenues of whatsoever nature derived from such facilities, as a first charge on the gross revenues thereof to the extent necessary to pay the bonds and interest thereon when due and to accumulate and maintain an additional reserve for that purpose in an amount equal to the total amount of such payments to become due in any fiscal year. In this event the governing body may by resolution or trust indenture define the land, buildings, or facilities the revenues of which are pledged, and establish

covenants and agreements for the security of the bonds including a covenant that it will establish, maintain, revise, when necessary, and collect charges for all services, products, use, and occupancy of the facilities in the amounts and at the times required to produce the revenues pledged, and also sufficient, with funds that may be appropriated by the governing body from time to time, to provide adequately for the operation and maintenance of the facilities. The governing body may, by a two-thirds vote of its members, without an election by its electors, levy a tax ~~of not more than two mills~~ on ~~the assessed valuation of~~ all taxable property within its corporate limits to pay the bonds and interest thereon in the event of any deficiency in the revenues and may make a pledge or trust indenture and establish covenants to levy such tax without reduction of the amount of taxes which may otherwise be levied within ~~statutory and~~ charter limitations. The governing body shall provide in its budget each year for any anticipated deficiency in the revenues available of operation and maintenance and may, for this purpose, without an election by its electors, levy a tax ~~of not more than two mills~~ on ~~the assessed valuation of~~ all taxable property within its corporate limits without reduction of the amount of taxes which may otherwise be levied within ~~statutory and~~ charter limitations.

Sec. 33. Laws 1969, chapter 659, section 3, is amended to read:

Sec. 3. For the purpose of making payments upon any lease agreement hereunder, the city may levy an annual tax ~~of not to exceed five mills on the dollar~~ *on the taxable property in the city* in addition to all other levies permitted to the city for library purposes.

Sec. 34. Laws 1969, chapter 730, section 1, is amended to read:

Section 1. [South St. Paul, city of; tax levy; airport bonds.] Notwithstanding the provisions of any law or the city charter to the contrary, the council of the city of South St. Paul may by resolution and without authorization by the electors, issue general obligation bonds of the city in the amount of $300,000, levy all taxes required by Minnesota Statutes, Section 475.61, for the payment of the bonds, and, in addition, each year levy a tax on all taxable property in the city ~~equal to one mill times the assessed valuation of such property, all~~ to provide funds for the acquisition and betterment of the city airport. Except as otherwise provided, the bonds shall be issued and sold in accordance with Minnesota Statutes, Chapter 475. The amount of such taxes shall not reduce the amounts of other taxes authorized to be levied by law or the city charter. "Acquisition" and "betterment" shall have the meanings given them in Minnesota Statutes, Section 475.51.

Sec. 35. Laws 1971, chapter 373, section 1, is amended to read:

Section 1. [MINNEAPOLIS, CITY OF; TAX LEVY FOR PARK AND RECREATION FACILITIES.] Subdivision 1. The park and recreation board of the city of Minneapolis may levy annually on the real and personal property of the city a tax ~~not exceeding 8.7 mills on each dollar of the assessed valuation of the city~~ for the purpose of acquiring, equipping, improving, maintaining, operating, and governing parks, parkways, playgrounds and other recreational facilities, and conducting recreational programs for the public use.

Sec. 36. Laws 1971, chapter 373, section 2, is amended to read:

Sec. 2. Any levy under this act shall ~~not~~ be in addition to any levy now authorized for any of such purposes by the charter of the city or by Laws 1969,

Chapter 592; the amount of such levy shall be subject to the supervision of any fiscal control agency which is now or hereafter provided in the charter of any such city. All taxes so levied shall be certified to the county auditor on or before ~~October 10~~ *September 1* each year, and shall be collected with, and the payment thereof enforced, in the same manner as the general tax and with like penalties and interest.

Sec. 37. Laws 1971, chapter 455, section 1, is amended to read:

Section 1. [MINNEAPOLIS, CITY OF; PARKS AND PARKWAYS; MAINTENANCE FUND; CREATION OF FUND, TAX LEVY.] The park and recreation board of the city of Minneapolis may create a park rehabilitation and parkway maintenance fund to be maintained by an annual tax levy on the real and personal property of the city ~~not exceeding 1.1 mills on each dollar of the assessed valuation of the city~~. The amount of any such levy shall be subject to the supervision of any fiscal control agency which is now or hereafter provided in the charter of any such city, *but is not subject to any charter limitations on the amount of levies for this purpose*.

Sec. 38. Laws 1971, chapter 573, section 1, is amended to read:

Section 1. [HIBBING, ~~VILLAGE~~ *CITY* OF; ~~STUNTZ, TOWN OF;~~ INDEPENDENT SCHOOL DISTRICT NO. 701; RECREATION AND PARK BOARD; TAX LEVY.] The joint recreation and park board of the ~~village~~ *city* of Hibbing, ~~the town of Stuntz,~~ and Independent School District Number 701, may levy *a tax* on *the taxable* property located in the ~~village~~ *city* of Hibbing ~~and in the town of Stuntz a tax of not more than $6 per capita annually upon the combined assessed valuation of real and personal property within the village of Hibbing and town of Stuntz~~. This tax shall be in lieu of all other taxes levied or permitted to be levied for park and recreation purposes by the village of Hibbing and ~~town of Stuntz and~~ may be levied regardless of all existing ~~mill rate or per capita~~ limitations imposed by ~~law or~~ charter upon the ~~village~~ *city* of Hibbing ~~and town of Stuntz~~. The levy shall be made only after approval by resolution of the governing bodies of the ~~village~~ *city* of Hibbing, and Independent School District Number 701, ~~and by resolution of the town board of the town of Stuntz~~.

Sec. 39. Laws 1971, chapter 573, section 2, as amended by Laws 1981, chapter 141, section 1, is amended to read:

Sec. 2. ~~Subdivision 1. The total tax that may be levied otherwise in accordance with sections 1 and 2, subdivision 2, may be increased by one percent for each point of increase of the revised consumer price index, referred to in Minnesota Statutes, Section 275.11, above its amount on, in the case of the tax levied pursuant to section 1, January 15, 1971, and, in the case of the tax levied pursuant to section 2, subdivision 2, January 1, 1981. A fractional increase shall be disregarded if less than one half point and treated as one point if it is one half point or more.~~

~~Subd. 2.~~ In addition to the tax authorized by section 1 ~~and section 2, subdivision 1~~, the board, subject to approval by resolution of the city and school district, may also levy a tax on *the taxable* property in the city ~~of 51 cents times the population of the city~~ to be used exclusively to operate and maintain the Carey Lake recreation area, which was maintained and operated by the town of Stuntz prior to its annexation by the city.

Sec. 40. Laws 1971, chapter 876, section 3, is amended to read:

Sec. 3. The city of Austin may provide for an annual allocation of funds with which to establish and maintain the department of business development subject to such conditions and limitations as the city council shall prescribe. Further, the city of Austin may accumulate the moneys from the levy herein authorized up to the amount of $150,000 and expend such amount for the acquisition and development of industrial sites. The said sums may be made available from the revenue provided for by a tax levy ~~not to exceed in any one year three mills on the dollar of the assessed valuation~~ on all the taxable property in the city. The authority herein contained shall not be limited by any charter limitation ~~or any other limitation~~ in existence as of January 1, 1971.

Sec. 41. Laws 1973, chapter 81, section 1, is amended to read:

Section 1. [MANKATO AND NORTH MANKATO, CITIES OF; MUSICAL ENTERTAINMENT.] The cities of Mankato and North Mankato may, in 1973 and each year thereafter, levy a tax ~~not to exceed one tenth of a mill~~ on ~~each dollar of assessed valuation of~~ the taxable property of the cities in order to provide funds for musical entertainment.

Sec. 42. Laws 1977, chapter 61, section 8, is amended to read:

Sec. 8. [AUTHORITY TO BOND TO ACCOMPLISH THE PURPOSES OF THIS ACT.] The city of Eveleth is hereby authorized to sell bonds in such amount as will provide the necessary funds to pay the employer's share of the purchase of prior service in the public employees police and fire fund pursuant to section 3 of this act. The maturity of such bonds shall not be more than 15 years from the date of sale. The bonds may be issued and sold without a vote of the electorate and shall not be included in the net debt of the city for purposes of any charter or statutory debt limitation. Taxes *may be levied on the taxable property in the city* for the payment of the bonds and interest thereon, *and* shall not be subject to any ~~statutory or~~ charter limitation on the rate or the amount.

Sec. 43. Laws 1979, chapter 1, section 3, is amended to read:

Sec. 3. [MAINTENANCE OF REVENUES; DEFICIENCIES; TAXES.] From and after the issuance of bonds for which the revenues of the golf course facility are pledged in accordance with section 2, the city council shall provide in its budget each year for any anticipated deficiency in the revenues available for the operation and maintenance of the golf course facilities. For this purpose the city may levy a tax ~~of not more than two-thirds of one mill~~ on the ~~assessed valuation of all~~ taxable property within the city, without reduction of the amount of taxes which may otherwise be levied within ~~statutory or~~ charter limitations.

Sec. 44. Laws 1979, chapter 303, article 10, section 15, subdivision 2, as amended by Laws 1989, chapter 207, section 1, is amended to read:

Subd. 2. [RESERVE FUND; TAXES.] After the adoption of a capital improvement program for a storm sewer tax district, each municipality may by ordinance after notice and hearing establish a storm sewer reserve fund for the district and may annually levy a tax ~~not exceeding one mill~~ on all the taxable property in the district for the support of the fund in an aggregate amount equal to the actual or estimated cost, whichever is less, of the improvement projects identified in the capital improvement program for the district. The proceeds of the tax shall be paid into the storm sewer reserve fund for the district and used for no other purpose than to pay capital costs of improvement

projects therein including principal and interest on obligations issued pursuant to Minnesota Statutes, Section 444.19.

Sec. 45. Laws 1981, chapter 281, section 1, is amended to read:

Section 1. [GREENWAY JOINT RECREATION BOARD TAX.]

The Greenway joint recreation board may levy a tax ~~not to exceed 3.5 mills~~ on the ~~value of~~ *taxable* property situated in the territory of Independent School District No. 316 in accordance with this act. Property in territory in the school district may be made subject to the tax permitted by this act by the agreement of the governing body or town board of the city or town where it is located. The agreement may be by resolution of a governing body or town board or by a joint powers agreement pursuant to section 471.59. If levied, the tax is in addition to all other taxes on the property subject to it permitted to be levied for park and recreation purposes by the cities and towns other than for the support of the joint recreation board. It shall be disregarded in the calculation of all other mill rate or per capita tax levy limitations imposed by ~~law or~~ charter upon them. A city or town may withdraw its agreement to future taxes by notice to the recreation board and the county auditor unless provided otherwise by a joint powers agreement. The tax shall be collected by the Itasca county auditor and treasurer and paid directly to the Greenway joint recreation board.

Sec. 46. Laws 1984, chapter 502, article 13, section 8, is amended to read:

Sec. 8. [CLOQUET; PUBLIC TRANSPORTATION.]

Upon conditions mutually agreed, the city of Cloquet may contract with a privately owned public transportation system to provide transportation services to the people of the city. The city may disburse money to discharge the terms of the contract. The city may annually levy a ~~property~~ tax ~~not to exceed one mill~~ *on the taxable property in the city* for the purpose of discharging the contract obligations. The amount of tax levied is in addition to all others permitted by law and must be disregarded in the calculation of ~~statutory or other~~ *charter* limitations on property tax levies.

Sec. 47. Laws 1990, chapter 604, article 3, section 60, is amended to read:

Sec. 60. [JOINT POWERS LEVY; DRUG ENFORCEMENT.]

~~Notwithstanding Minnesota Statutes, sections 275.50 to 275.56,~~ The cities of Maple Grove, Brooklyn Park, Brooklyn Center, and Coon Rapids may each levy for taxes levied in 1990, and thereafter, ~~an amount up to $2 per capita~~ *a tax on the taxable property in their respective city* to pay the costs incurred under a joint powers agreement for the salaries and benefits of peace officers whose primary responsibilities are to investigate controlled substance crimes under chapter 152 or to teach drug abuse resistance education curricula in schools.

Sec. 48. [REPEALER.]

Laws 1939, chapter 219, section 1; Laws 1953, chapter 387, section 2; Laws 1961, chapter 30, section 1; Laws 1961, chapter 276, section 1; Laws 1961, chapter 439, section 1; Laws 1963, chapter 228, section 1; Laws 1969, chapter 592, sections 1, 2, and 3; Laws 1971, chapter 515, section 1; Laws 1971, chapter 770; Laws 1973, chapter 445, section 1; Laws 1974, chapter 209; Laws 1984, chapter 502, article 13, section 10, as amended by Laws

1986, chapter 399, article 1, section 3; and Laws 1986, chapter 399, article 1, section 4, are repealed.

Sec. 49. [EFFECTIVE DATE.]

Sections 1 to 4 and 7 to 48 are effective for property taxes levied in 1993, payable in 1994, and thereafter. Section 3 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis. Sections 5 and 6 take effect the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth.

ARTICLE 8

TAX LEVY LIMITATIONS FOR PARTICULAR TOWNS

Section 1. Laws 1959, chapter 298, section 2, is amended to read:

Sec. 2. The town of Grand Rapids may levy and collect a tax ~~not to exceed two mills~~ on the taxable property of the town, including incorporated ~~villages~~ *cities* within the town, for the purpose of acquiring funds for the maintenance, operation, and management of the cemetery. Should any incorporated ~~village~~ *city* be separated from the town of Grand Rapids, the tax shall be levied by the town and paid to the town by the ~~village~~ *city* so long as the dead of the ~~village~~ *city* are buried in the cemetery.

Sec. 2. Laws 1961, chapter 317, section 1, is amended to read:

Section 1. [Balkan, town of; library services.] Notwithstanding the provisions of any other law to the contrary, the board of supervisors of the town of Balkan in St. Louis county may levy and collect a tax ~~not to exceed one-quarter of one mill per year~~ on the ~~assessed valuation of~~ *taxable property in* the town for the purpose of providing a special library fund for the town. The special library fund shall be administered by the board of supervisors to provide more adequate public library services to the town of Balkan. The board of supervisors may contract with the governing body of any free public library located in any municipality adjacent to the town of Balkan for these services. ~~The tax authorized by this section is in addition to any tax authorized by Minnesota Statutes, Section 375.33.~~

Sec. 3. Laws 1965, chapter 617, section 1, is amended to read:

Section 1. [Itasca county towns; cemetery association.] The town of Lawrence in Itasca county is authorized to join the Lakeview Cemetery Association operated by the town of Iron Range. The town of Lawrence may pay to the association the sum of $750 upon joining and may pay such amount not to exceed $1,000 annually as may be determined by the association. *In order to pay these and other allowable costs,* the town of Lawrence may *annually* levy *a tax on all the taxable property in the town* for cemetery purposes ~~an amount sufficient to produce $1,000 annually~~.

Sec. 4. Laws 1969, chapter 534, section 2, is amended to read:

Sec. 2. The town board of any town named in section 1 may levy annually a tax ~~not to exceed 10 mills~~ on ~~the dollar of~~ the taxable ~~valuation of the~~ *property in that* town for the construction, reconstruction and improvement of bridges on town roads which the town board determines does not meet the requirements of the strength of bridges and the adequate width of bridges as

required by Minnesota Statutes, Sections 165.03 and 165.04. The tax levy authorized herein is in addition to the tax levy authorized by Minnesota Statutes, Section 164.04.

Sec. 5. [REPEALER.]

Laws 1941, chapter 451, section 1; Laws 1961, chapter 119, section 1; Laws 1971, chapter 168; Laws 1971, chapter 356, section 2; and Laws 1977, chapter 246, are repealed.

Sec. 6. [EFFECTIVE DATES.]

Sections 1 to 5 are effective for property taxes levied in 1993, payable in 1994, and thereafter."

Delete the title and insert:.

"A bill for an act relating to taxation; abolishing certain local government levy limitations; amending Minnesota Statutes 1992, sections 12.26, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 88.04, subdivision 3; 103B.635, subdivision 2; 103B.691, subdivision 2; 103G.625, subdivision 3; 138.053; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 268A.06, subdivision 2; 275.065, subdivision 3; 375.167, subdivision 1; 375A.13, subdivision 2; 383A.03, subdivision 4; 383A.411, subdivision 5; 383B.245; 383C.42, subdivision 1; 398.16; 410.06; 412.251; 412.531, subdivision 1; 449.06; 449.08; 449.09; 450.19; 459.06, subdivision 1; 459.14, subdivision 2; 465.54; 469.033, subdivision 6; 469.053, subdivision 7, and by adding a subdivision; 469.188; 471.191, subdivision 2; 471.24; 471.57, subdivision 1; 471.61, subdivisions 1 and 2a; 473.711, subdivision 2; Laws 1933, chapter 423, section 2; Laws 1943, chapters 196, section 6, as amended; 367, section 1, as amended; 510, section 1; Laws 1947, chapters 224, section 1; 340, section 4; Laws 1949, chapters 215, section 2; 252, section 1; 668, section 1; Laws 1953, chapters 154, section 3; 387, section 1; 545, section 2; Laws 1957, chapters 213, section 1; 629, section 1; Laws 1959, chapters 298, section 2; 520, section 1; 556, section 1, as amended; Laws 1961, chapters 80, section 1; 81, section 1; 82, section 1; 151, section 1; 209, section 4; 317, section 1; 352, section 1, as amended; 616, section 1, subdivision 1; 643, section 1; Laws 1961, extra session chapter 33, section 3; Laws 1963, chapters 29, section 1; 56, section 1; 103, section 1; 603, section 1; Laws 1965, chapters 6, section 2, as amended; 442, section 1; 451, section 2; 512, section 1, subdivision 1; 527, section 1; 617, section 1; Laws 1967, chapters 501, section 1; 526, section 1, subdivision 3; 542, section 1, subdivision 3; 611, section 1; 660, section 2, subdivision 2; 758, section 1; Laws 1969, chapters 192, section 1, as amended; 534, section 2; 538, section 6, as amended; 561, section 1; 602, section 1, subdivision 2; 652, section 1; 659, section 3; 730, section 1; Laws 1971, chapters 373, sections 1 and 2; 404, section 1; 424, section 1; 455, section 1; 573, sections 1 and 2, as amended; 876, section 3; Laws 1973, chapter 81, section 1; Laws 1977, chapter 61, section 8; Laws 1979, chapters 1, section 3; 253, section 3; 303, article 10, section 15, subdivision 2, as amended; Laws 1981, chapter 281, section 1; Laws 1983, chapter 326, section 17, subdivision 1; Laws 1984, chapters 380, section 1; 502, article 13, section 8; Laws 1985, chapters 181, section 1; 289, sections 1, 3, 5, subdivision 1, and 6, subdivision 1; Laws 1986, chapters 392, section 1; 399, article 1, section 1, as amended; Laws 1988, chapters 517, section 1; 640, section 3; Laws 1990, chapter 604, article 3, section 60; repealing Minnesota Statutes 1992, sections 373.40, subdivision 6; 471.1921; and 471.63,

subdivision 2; Laws 1915, chapter 316, section 1, as amended; Laws 1939, chapter 219, section 1; Laws 1941, chapter 451, section 1; Laws 1953, chapter 387, section 2; Laws 1961, chapters 30, section 1; 119, section 1; 276, section 1; 439, section 1; Laws 1963, chapter 228, section 1; Laws 1969, chapter 592, sections 1 to 3; Laws 1971, chapters 168; 356, section 2; 515, section 1; 770; Laws 1973, chapter 445, section 1; Laws 1974, chapter 209; Laws 1977, chapter 246; Laws 1982, chapter 523, article XII, section 8; Laws 1984, chapter 502, article 13, section 10, as amended; Laws 1986, chapter 399, article 1, section 4; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended; Laws 1990, chapter 604, article 3, sections 50 and 55; and Laws 1991, chapters 3, section 2, subdivision 3; and 291, article 4, section 21."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 920: 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.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 115.061, is amended to read:

115.061 [DUTY TO NOTIFY AND AVOID WATER POLLUTION.]

(a) Except as provided in paragraph (b), it is the duty of every person to notify the agency immediately of the discharge, accidental or otherwise, of any substance or material under its control which, if not recovered, may cause pollution of waters of the state, and the responsible person shall recover as rapidly and as thoroughly as possible such substance or material and take immediately such other action as may be reasonably possible to minimize or abate pollution of waters of the state caused thereby.

(b) Notification is not required under paragraph (a) for a discharge of five gallons or less of petroleum, as defined in section 115C.02, subdivision 10. This paragraph does not affect the other requirements of paragraph (a).

Sec. 2. 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. 3. Minnesota Statutes 1992, section 115C.03, is amended by adding a subdivision to read:

Subd. 1a. [PASSIVE BIOREMEDIATION.] *Passive bioremediation must be used for petroleum tank cleanups whenever an assessment of the site determines that there is a low potential risk to public health and the environment.*

Sec. 4. 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. 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) 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.

~~(d)~~ *(e)* The board may adopt rules requiring certification of environmental consultants.

(f) 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.

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 90 percent of the portion of the total reimbursable costs or $1,000,000, whichever is less. 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, 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. 15. 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. 16. [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, subdivision 9, 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. 17. [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. 18. [EFFECTIVE DATE.]

Sections 2 to 8 and 10 to 17 are effective for corrective actions begun after September 1, 1993. Section 9 is effective 60 days after final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; providing for passive bioremediation; requiring staff to pay uncontested reimbursement claims at the direction of the commissioner of commerce; establishing a standard schedule of prices to pay for certain cleanup services; providing for reviews; modifying petroleum tank release cleanup fee; modifying reimbursements; modifying consultant and contractor registration requirements; authorizing rulemaking; amending Minnesota Statutes 1992, sections 115.061; 115C.02, subdivision 10; 115C.03, by adding subdivisions; 115C.07, subdivisions 2 and 3; 115C.08, subdivisions 1, 2, 3, and 4; 115C.09, subdivisions 1, 3, 3a, 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."

And when so amended the bill do pass and be re-referred to the Committee on Governmental Operations and Reform. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was referred

S.F. No. 1338: A bill for an act relating to the state building code; including state licensed facilities in coverage; clarifying certain language; changing certain duties of the state building inspector and fee provisions; appropriating money; amending Minnesota Statutes 1992, sections 16B.60, subdivision 3, and by adding a subdivision; 16B.61, subdivisions 1a and 4; 16B.62, subdivision 1; 16B.66; 16B.70, subdivision 2; 16B.72; and 16B.73.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 22, after the comma, insert "*freestanding outpatient surgical center,*"

Page 5, line 14, strike "two" and insert "*20*"

Page 5, line 18, strike "four" and insert "*20*"

Page 5, line 28, strike "general fund" and insert "*state building code account in the special revenue fund. Fees retained by each municipality must be earmarked to help defray the continuing education costs of the municipal building inspection department*"

Page 5, after line 28, insert:

"Sec. 8. Minnesota Statutes 1992, section 16B.70, is amended by adding a subdivision to read:

Subd. 3. [STATE BUILDING CODE ACCOUNT.] *The state building code account is an account in the special revenue fund. The money in the account is continuously appropriated to the commissioner of administration for the purpose of sections 16B.59 to 16B.73. Excess fees not used to defray the costs of administering sections 16B.59 to 16B.73 must be rebated to municipalities every year, starting June 30, 1995. The rebate amount must be the excess fees not used by the building codes and standards division from the previous fiscal year. The rebated fees must be used to help defray the costs of municipal building inspection department administration. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 5 and 6, delete "appropriating money;"

Page 1, line 9, after "2" insert ", and by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 681: A bill for an act relating to crime victims; providing that victims' rights are applicable to juvenile proceedings; providing notice and waiver of towing fees for victims of auto theft; adding restitution as a sentencing option in juvenile traffic cases; waiving fees for docketing an order of restitution as a civil judgment; defining collateral source to include proceeds of a lawsuit brought as result of a crime; making procedural corrections to reduce administrative costs; extending the date of expiration of the Minnesota crime victim and witness advisory council; amending Minnesota Statutes 1992, sections 260.193, subdivision 8; 611A.02, subdivision 2; 611A.04, subdivision 3; 611A.52, subdivisions 5, 8, and 9; 611A.57; 611A.66; and 611A.71, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 169; 260; and 611A; repealing Minnesota Statutes 1992, section 611A.57, subdivision 1.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and 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.

Sec. 2. [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. 3. 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.

Sec. 4. [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. 5. 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 ~~a notice~~ *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 *domestic abuse* victim's right to ~~be present at sentencing, and to object orally or in writing to a proposed agreement or disposition; and~~ *receive notice 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 chapter 611A.

Sec. 6. 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. 7. 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. 8. 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.

Sec. 9. 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 reparable 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. 10. 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. 11. 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. 12. 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* claim to the extent that an investigation is necessary.

Sec. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 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. 18. 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. 19. 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. 20. [REPEALER.]

Minnesota Statutes 1992, section 611A.57, subdivision 1, is repealed."

Delete the title and insert:

"A bill for an act relating to crime victims; clarifying that victims' rights are applicable to juvenile proceedings; providing notice and waiver of towing fees for victims of auto theft; adding restitution as a sentencing option in juvenile traffic cases; waiving fees for docketing an order of restitution as a civil judgment; defining collateral source to include proceeds of a lawsuit brought as result of a crime; making procedural corrections to reduce administrative costs; extending the date of expiration of and increasing the number of members on the Minnesota crime victim and witness advisory council; amending Minnesota Statutes 1992, sections 260.193, subdivision 8; 611A.02, subdivision 2; 611A.04, subdivisions 1, 1a, and 3; 611A.52, subdivisions 5, 8, and 9; 611A.57, subdivisions 2, 3, and 5; 611A.66; and 611A.71, subdivisions 1, 2, 3, and 7; proposing coding for new law in Minnesota Statutes, chapters 169; 260; and 611A; repealing Minnesota Statutes 1992, section 611A.57, subdivision 1."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 58: 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.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 6, after the first "*complaint*" insert "*after probable cause is found*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Spear from the Committee on Crime Prevention, to which was referred

S.F. No. 536: A bill for an act relating to sheriffs; duty to investigate snowmobile accidents; amending Minnesota Statutes 1992, section 387.03, is amended to read:

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, after line 5, 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 *within ten business days* 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~~ *any person over the age of 18 years who is in actual physical 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."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "section" and insert "sections"

Page 1, delete line 4 and insert "84.86, subdivision 1; 84.872; and 387.03."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Metzen from the Committee on Governmental Operations and Reform, to which was re-referred

S.F. No. 1160: A bill for an act relating to local government; providing for the continuation of the Mississippi River parkway commission; amending Minnesota Statutes 1992, section 161.1419, subdivision 8.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 10, strike "shall" and insert "*does*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 1264: 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.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 9, after "*roadways*" insert "*if adopted by the governing body where the residential roadway is located*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 154: A bill for an act relating to taxation; motor fuel taxes; providing for refunds of fuel taxes paid on fuel used to operate passenger snowmobiles as part of the operations of a resort; amending Minnesota Statutes 1992, sections 296.01, by adding a subdivision; and 296.18, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

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.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 1142: 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.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 955: A bill for an act relating to drivers' licenses; allowing agents of court administrators to retain fee for applications for drivers' licenses and identification cards; providing for appointment of these agents; amending Minnesota Statutes 1992, section 171.06, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 953: A bill for an act relating to motor vehicles; providing for appointment of deputy registrars of motor vehicles; amending Minnesota Statutes 1992, sections 168.33, subdivision 2; and 373.35, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Chmielewski from the Committee on Transportation and Public Transit, to which was referred

S.F. No. 885: 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.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was re-referred

S.F. No. 771: A bill for an act relating to motor fuels; changing the formula for payments made to producers of ethanol; increasing oxygenate level requirements for gasoline; authorizing the pollution control agency to contract to expedite permit process; eliminating certain LGA/HACA offsets for tax increment financing districts; amending Minnesota Statutes 1992, sections 41A.09, subdivision 3; 116.07, subdivision 4a; 239.791, subdivisions 1 and 2; and 273.1399, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 34, delete the new language

Page 4, line 1, delete "*with an average*"

Page 4, lines 2 and 5, delete the new language

Page 4, delete lines 6 to 8

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Novak from the Committee on Jobs, Energy and Community Development, to which was referred

S.F. No. 142: A bill for an act relating to workers' compensation; regulating rehabilitation services and consultations; amending Minnesota Statutes 1992, section 176.102, subdivision 4.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 57 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
57	497				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 57 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 57 and insert the language after the enacting clause of S.F. No. 497, the first engrossment; further, delete the title of H.F. No. 57 and insert the title of S.F. No. 497, the first engrossment.

And when so amended H.F. No. 57 will be identical to S.F. No. 497, and further recommends that H.F. No. 57 be given its second reading and substituted for S.F. No. 497, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 385 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
385	346				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 385 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 385 and insert the language after the enacting clause of S.F. No. 346, the first engrossment; further, delete the title of H.F. No. 385 and insert the title of S.F. No. 346, the first engrossment.

And when so amended H.F. No. 385 will be identical to S.F. No. 346, and further recommends that H.F. No. 385 be given its second reading and substituted for S.F. No. 346, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 552 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
552	440				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 552 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 552 and insert the language after the enacting clause of S.F. No. 440, the first engrossment; further, delete the title of H.F. No. 552 and insert the title of S.F. No. 440, the first engrossment.

And when so amended H.F. No. 552 will be identical to S.F. No. 440, and further recommends that H.F. No. 552 be given its second reading and substituted for S.F. No. 440, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 111 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
111	128				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 111 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 111 and insert the language after the enacting clause of S.F. No. 128, the first engrossment; further, delete the title of H.F. No. 111 and insert the title of S.F. No. 128, the first engrossment.

And when so amended H.F. No. 111 will be identical to S.F. No. 128, and further recommends that H.F. No. 111 be given its second reading and substituted for S.F. No. 128, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 576 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
576	570				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 576 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 576 and insert the language after the enacting clause of S.F. No. 570, the first engrossment; further, delete the title of H.F. No. 576 and insert the title of S.F. No. 570, the first engrossment.

And when so amended H.F. No. 576 will be identical to S.F. No. 570, and further recommends that H.F. No. 576 be given its second reading and substituted for S.F. No. 570, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1263: A bill for an act relating to agriculture; clarifying procedures for the use of certain organisms; amending Minnesota Statutes 1992, sections 116C.91, subdivisions 3, 6, 7, and by adding a subdivision; and 116C.94.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 899: A bill for an act relating to agriculture; providing for regulation of agricultural aboveground storage tanks by the department of agriculture; proposing coding for new law in Minnesota Statutes, chapter 17.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Report adopted.

Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1130: A bill for an act relating to agriculture; eliminating a surcharge on pesticide registration fees; authorizing use of money in the agricultural chemical response and reimbursement account for administrative costs; exempting certain pesticides from the ACRRA surcharge; amending Minnesota Statutes 1992, sections 18B.26, subdivision 3; and 18E.03, subdivisions 2 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 33, after "*commissioner*" insert ", *pesticides labeled solely for use directly on humans or pets, or pesticides not requiring dilution or mixing and labeled for use in areas associated with household or home life as determined by the commissioner, but excluding turf or garden use*"

Page 3, lines 35 and 36, delete the new language

Page 4, line 1, delete the new language

Page 5, after line 16, insert:

"Sec. 4. Minnesota Statutes 1992, section 18E.04, is amended by adding a subdivision to read:

Subd. 2a. [INELIGIBILITY FOR REIMBURSEMENT OR PAYMENT.] *Pesticides that are sanitizers and disinfectants, pesticides labeled solely for use directly on humans or pets, or pesticides not requiring dilution or mixing and labeled for use in areas associated with household or home life that are exempted from surcharges are ineligible for reimbursement or payment under this section.*"

Amend the title as follows:

Page 1, line 8, delete the first "and" and before the period, insert "; and 18E.04, by adding a subdivision"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 598: A bill for an act relating to apiary law; removing state regulation of honey bees; amending Minnesota Statutes 1992, sections 18.022, subdivision 1; and 18.0228, subdivision 3; repealing Minnesota Statutes 1992, sections 19.50; 19.51; 19.52; 19.53; 19.54; 19.55; 19.56; 19.57; 19.58; 19.59; 19.60; 19.61; 19.62; 19.63; 19.64; and 19.65.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 19.50, is amended by adding a subdivision to read:

Subd. 12a. [AFRICANIZED HONEYBEES.] *"Africanized honeybees" means Africanized honeybees using United States Department of Agriculture standards.*

Sec. 2. Minnesota Statutes 1992, section 19.52, subdivision 1, is amended to read:

Subdivision 1. [ACCESS FOR INSPECTION AND ENFORCEMENT.] The commissioner may enter upon any public or private premises at all reasonable times, *after providing notification to the owner or operator,* to inspect any apiary or other structure which contains bees, honey, bee equipment, or comb; to ascertain the existence of or treat any contagious or infectious bee disease; or to destroy diseased bees or bee equipment which are a public nuisance. *For purposes of this subdivision, notification means providing at least 24 hours' advance notice by telephone, mail, or facsimile of the commissioner's entry upon the premises. The commissioner is not required to provide notification if: (1) the owner or operator cannot be readily identified; (2) the entry upon the premises is in response to a complaint to the commissioner; (3) the entry is upon the request of the owner or operator; or*

(4) the entry is in response to a declared emergency by the commissioner. The commissioner may open any hive, colony, package, or receptacle which contains, or which the commissioner has reason to believe contains, any bees, comb, bee products, used bee equipment, or anything else which is capable of transmitting infectious bee diseases or exotic parasites. The commissioner may stop pedestrians and motor vehicles when they are carrying any bees, comb, used bee equipment, or anything else which is capable of transmitting infectious diseases or parasites of bees. The commissioner may inspect at any time or place, any bees, bee products, or used bee equipment shipped in or into the state.

Sec. 3. Minnesota Statutes 1992, section 19.55, is amended to read:

19.55 [INSPECTION; NOTIFICATION OF DISEASES.]

If, upon inspection of a bee colony, the commissioner finds any bee disease ~~or~~, exotic parasite, *or Africanized honeybees,* the commissioner shall notify the owner or operator of the bees in writing, stating the nature of the ~~disease or parasite~~ *problem.* If the commissioner orders it, the disease ~~or~~, exotic parasite, *or Africanized honeybees* must be eliminated, treated, or controlled by the owner or operator within the time period and in the manner ordered by the commissioner. The written notice may be served by handing a copy to the owner or operator of the apiary, ~~by leaving a copy with an adult person residing upon the premises,~~ or by either registered or certified mail addressed to the last known address of the owner or operator of the apiary.

Sec. 4. Minnesota Statutes 1992, section 19.56, is amended to read:

19.56 [PUBLIC NUISANCES; DESTRUCTION OF BEES.]

Apiaries whose owners or operators have not eliminated, treated, or controlled bee diseases ~~or~~, exotic parasites, *or Africanized honeybees* within the time specified and in the manner ordered by the commissioner, as provided in section 19.55; ~~apiaries having bees in hives without movable frames where inspection for bee diseases is not possible;~~ and colonies of bees, queen nuclei, or shipments of used bee equipment which entered this state in violation of section 19.58 are a public nuisance. The commissioner, after written notice to the owner or operator of the bees and equipment, may destroy, by burning or otherwise, without any remuneration to the owner, ~~any box hives or~~ infected or infested bees, hives, or used bee equipment which are a public nuisance under this section. The notice may be served by handing a copy to the owner or operator, ~~by leaving a copy with an adult person residing upon the premises,~~ or by registered or certified mail addressed to the last known address of the owner or operator of the apiary.

Sec. 5. [19.561] [AFRICANIZED HONEYBEES; POSSESSION.]

A beekeeper may not use a swarm of honeybees positively identified as being Africanized in a beekeeping operation.

Sec. 6. Minnesota Statutes 1992, section 19.58, subdivision 1, is amended to read:

Subdivision 1. [ENTRY PERMIT.] No person may bring into this state any bees on comb, including nuclei, or used bee equipment without an entry permit issued by the commissioner. A person who wishes to bring any bees on comb or used bee equipment into the state shall apply for an entry permit at least 60 days before the date of entry. *No entry permit may be issued without*

a valid compliance agreement signed by the commissioner and the beekeeper. The compliance agreement must be based on the model honeybee certification plan. The 60-day requirement may be waived ~~for a hobbyist beekeeper who intends to become a resident of Minnesota and who brings ten colonies or less into the state~~ *by the commissioner.*

~~Ten days~~ Before entry, any person required to obtain an entry permit shall furnish to the commissioner a copy of a valid certificate of inspection signed by a responsible official of the state where the bees or equipment originated *unless the person's bees have been inspected in Minnesota within 12 months before entry.* The certificate must be based on an inspection. A person may not bring into the state any bees on comb including nuclei, combless bees, or used bee equipment from any county or parish where ~~honey bee trachael mites or~~ Africanized ~~bees~~ *honeybees* have been found unless it is demonstrated to the satisfaction of the commissioner that there will be no risk of introduction ~~either~~ of ~~trachael mites or~~ Africanized ~~bees~~ *honeybees* into the state. Bees or equipment brought into the state in violation of this subdivision are a public nuisance and may be destroyed without notice by the commissioner.

This subdivision does not apply to a common carrier transporting bees or used bee equipment from a point of origin outside of the state to a destination outside of the state.

Sec. 7. Minnesota Statutes 1992, section 19.58, subdivision 2, is amended to read:

Subd. 2. [CERTIFICATE OF INSPECTION FROM STATE OF ORIGIN.] No person may bring any combless bees, including queen bees, into this state without a statement showing the names and addresses of the consignors or shippers, the consignees or persons to whom shipped, and the locality of origin, and a certificate of inspection signed by a responsible official of the state from which it was brought. The statement must appear clearly and legibly in a conspicuous place on the package containing the material, or on a tag or other device attached to the package or the vehicle carrying the package. The certificate of inspection must show that the ~~official found that the materials were free from any exotic parasites or exotic strains of honey bees and apparently free of American foulbrood and European foulbrood~~ *beekeeper is using certified European queen bees in all colonies.* ~~The commissioner shall determine by rule the meaning of the term "apparently free."~~

Sec. 8. Minnesota Statutes 1992, section 19.58, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF INSPECTION CERTIFICATES.] A certificate of inspection from another state is prima facie evidence of the facts stated in the certificate. The commissioner may inspect any bees or used bee equipment brought into the state with a certificate of inspection from the state of origin and may subject the materials to treatment or return them to the consignor at the consignor's expense if the commissioner finds ~~an infectious bee disease, exotic parasite, or exotic strain of bee. If the commissioner repeatedly finds foulbrood in colonies of bees shipped from another state under official certificates of inspection, the commissioner may refuse to recognize the certificate of that state until the commissioner receives satisfactory information that the inspection service in that state has corrected the situation~~ *Africanized honeybees.*

Sec. 9. Minnesota Statutes 1992, section 19.59, is amended to read:

19.59 [ABANDONED APIARIES.]

An abandoned apiary is subject to quarantine. If an abandoned apiary remains abandoned for 20 days after the owner or operator has been notified by the commissioner to cease the abandonment and neglect of the apiary, the commissioner shall take possession of the apiary ~~and proceed to sell it at public auction. A notice specifying the time and place of the auction must be served upon the owner in the manner provided for the service of process. No abandoned apiary may be sold at a public sale to the owner or operator who abandoned and neglected it~~. *The commissioner may dispose of the abandoned apiary equipment by sale, destruction, or distribution to another beekeeper.* A purchaser at the public sale shall receive a certificate of purchase signed by the commissioner reciting the description of the apiary purchased and the amount paid.

After deducting the expense of the public sale and applying the unpaid balance upon all encumbrances or liens existing against the abandoned apiary sold, the balance of the proceeds shall be paid to the owner of the apiary which was sold.

Sec. 10. Minnesota Statutes 1992, section 19.64, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION.] Every person who owns, leases, or possesses colonies of bees or who intends to bring bees into the state under an entry permit shall register the bees with the commissioner on or before ~~July 1~~ *April 15* of each year. The registration application shall include the name and address of the applicant, a description of the exact location ~~and number~~ of each of the applicant's ~~bee colonies~~ *apiaries* by county, township, range and quarter section, and other information required by the commissioner. The fee for registration under this subdivision is ~~$7.50~~ *$10. The commissioner shall provide registered beekeepers with the Minnesota pest report.*

Sec. 11. Minnesota Statutes 1992, section 19.64, subdivision 4a, is amended to read:

Subd. 4a. [OTHER FEES.] On request the commissioner may make ~~special inspections and~~ inspections for sale of bees, bee equipment, or appliances or perform other necessary services. The commissioner shall charge a fee or charge for expenses so as to recover the cost of performing these inspections or services. If a person for whom these inspections or services are to be performed requests it, the commissioner shall provide to the person in advance an estimate of the fees or expenses that will be charged.

Sec. 12. Minnesota Statutes 1992, section 19.65, is amended to read:

19.65 [VIOLATION; PENALTY.]

A person who violates any provision of sections 19.50 to 19.65 is guilty of a misdemeanor. A person whose agents or representatives violate any provision of sections 19.50 to 19.65 is also guilty of a misdemeanor. *A person who violates sections 19.50 to 19.65 is subject to an administrative penalty under sections 17.982, subdivision 2, to 17.984.*

Sec. 13. [REPEALER.]

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, are repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 9 and 11 to 13 are effective the day following final enactment."

Delete the title and insert:

"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."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 657: A bill for an act relating to compulsive gambling; providing for a compulsive gambling surtax; establishing a compulsive gambling account; requesting contributions from the Minnesota Indian gaming association for compulsive gambling programs; appropriating money; amending Minnesota Statutes 1992, sections 245.98, by adding a subdivision; 349.212, subdivision 2, and by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 245.98, is amended by adding a subdivision to read:

Subd. 4. [COMPULSIVE GAMBLING ACCOUNT.] *The compulsive gambling account is established as an account in the state treasury.*

Sec. 2. Minnesota Statutes 1992, section 349.212, is amended by adding a subdivision to read:

Subd. 1a. [COMPULSIVE GAMBLING SURTAX.] *The rate of the tax as imposed by subdivision 4 is increased by .074 percent.*

Sec. 3. Minnesota Statutes 1992, section 349.212, subdivision 2, is amended to read:

Subd. 2. [COLLECTION; DISPOSITION.] The taxes imposed by this section are due and payable to the commissioner of revenue at the time when the gambling tax return is required to be filed. Returns covering the taxes imposed under this section must be filed with the commissioner of revenue on or before the 20th day of the month following the close of the previous calendar month. The commissioner may require that the returns be filed via magnetic media or electronic data transfer. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to

349.191 and 349.211, 349.212, and 349.213, must be paid to the state treasurer for deposit in the general fund, *except for proceeds received under section 2, which shall be deposited in the treasury and credited to the compulsive gambling account.*

Sec. 4. [CONTRIBUTION BY MINNESOTA INDIAN GAMING ASSOCIATION.]

The commissioner of human services is authorized to enter into agreements with the governing body of Indian tribes located within the boundaries of the state of Minnesota that conduct either class II or class III gambling, as defined in section 4 of the Indian Gaming Regulatory Act, Public Law Number 100-497, and future amendments to it, for the purpose of obtaining funding for compulsive gambling programs from the Indian tribes. Prior to entering into any agreement with an Indian tribe under this section, the commissioner of human services must consult with and obtain the approval of the governor or governor's designated representatives authorized to negotiate a tribal-state compact regulating the conduct of class III gambling on Indian lands of a tribe requesting negotiations. All contributions collected by the commissioner of human services from the Indian tribes shall be deposited in the state treasury and credited to the compulsive gambling account, as provided in section 1.

Sec. 5. [APPROPRIATION; COMPULSIVE GAMBLING ACCOUNT.]

Subdivision 1. [APPROPRIATION.] *$2,771,500 in fiscal year 1994 and $2,816,500 in fiscal year 1995 in the compulsive gambling account are appropriated to the commissioner of human services for assessment, treatment, training, education, administration, referral, and research purposes related to compulsive gambling. The allocation of the funds must be made in consultation with the department of human services' advisory committee.*

Subd. 2. [STATE LOTTERY CONTRIBUTION.] *The director of the state lottery shall transfer $235,000 in fiscal year 1994 and $240,000 in fiscal year 1995 from the lottery operations account to the compulsive gambling account for costs incurred for the compulsive gambling treatment program and task force on youth gambling. This transfer is in addition to any amount the director is required to transfer in those years by any other law.*

Sec. 6. [EFFECTIVE DATE.]

Sections 1, 3, and 5 are effective July 1, 1993. Section 4 is effective the day following final enactment. Section 2 is effective the day following the signing of agreements in section 4. If agreements in section 4 are not signed by December 31, 1993, section 2 expires."

And when so amended the bill do pass and be re-referred to the Committee on Health Care. Amendments adopted. Report adopted.

Mr. Vickerman from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1315: 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.

Reports the same back with the recommendation that the bill be amended as follows:

Pages 1 and 2, delete section 1

Pages 2 and 3, delete sections 3 and 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4

Page 1, line 5, delete everything before "creating"

Page 1, line 10, delete everything after the semicolon

Page 1, line 11, delete everything before "proposing"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Vickerman from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1056: A bill for an act relating to taxation; providing that certain income earned for service in the armed forces is exempt from taxation; amending Minnesota Statutes 1992, section 290.01, subdivision 19b.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, line 18, after "*for*" insert "*active duty*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Vickerman from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 750: A bill for an act relating to Black Minnesotans; providing for a study of the immigration status of persons of African descent; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 12, delete "$....." and insert "*$35,000*"

Page 1, line 13, delete "*executive director of the*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Vickerman from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 893: A bill for an act relating to veterans; appropriating money for the nurse statue.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 6, delete "$....." and insert "*$150,000*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Vickerman from the Committee on Veterans and General Legislation, to which was referred

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.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Vickerman from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1007: A bill for an act relating to veterans; authorizing the legislature to hear and determine claims by patients at the Minnesota veterans homes; amending Minnesota Statutes 1992, section 3.738, subdivision 1.

Reports the same back with the recommendation that the bill do pass. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Vickerman from the Committee on Veterans and General Legislation, 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.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Ms. Berglin from the Committee on Health Care, to which was referred

S.F. No. 278: A bill for an act relating to alcoholic beverages; increasing the sales tax rate on alcoholic beverages to ten percent; providing for the dedication of a portion of the revenues from the sales tax on alcoholic beverages to the chemical dependency treatment account; eliminating requirements for a sliding fee schedule for persons eligible for chemical dependency fund services; amending Minnesota Statutes 1992, sections 254B.02, subdivision 1; 254B.04, subdivision 1; 297A.02, subdivision 3; and 297A.44, subdivision 1; repealing Minnesota Statutes 1992, section 254B.04, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 10, after the second comma, insert "*shall be deposited as follows: $8 million*"

Page 5, line 12, before the period, insert "*to be used to fund services to persons eligible under section 254B.04, subdivision 1, paragraphs (b) and (c), and the remainder in the general fund to be used for emergency shelter services and services to battered women and children*"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Ms. Berglin from the Committee on Health Care, to which was referred

S.F. No. 1311: 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.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 18, delete from "*at*" through page 1, line 24, to "*therapy*"

Page 2, line 5, delete everything after the period

Page 2, delete lines 6 to 10

Page 2, line 12, delete everything after "*rules*" and insert "*establishing minimum training requirements for manual or mechanical therapy.*"

Page 2, delete lines 13 to 15

Amend the title as follows:

Page 1, lines 5 and 6, delete "imposing a penalty;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Ms. Reichgott from the Committee on Judiciary, to which was referred

S.F. No. 957: 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.

Reports the same back with the recommendation that the bill be amended as follows:

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.22 may be cited as the "Minnesota integrated service network act."*

Subd. 2. [PURPOSE.] *Sections 62N.01 to 62N.22 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.

Subd. 3. [RETALIATORY ACTION PROHIBITED.] *No integrated service network may take retaliatory action against a provider solely on the grounds that the provider disseminated accurate information regarding coverage of benefits or accurate benefit limitations of an enrollee's contract or accurate interpreted provisions of the provider agreement that limit the prescribing, providing, or ordering of care.*

Sec. 2. [62N.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] *The definitions in this section apply to sections 62N.01 to 62N.22.*

Subd. 2. [COMMISSION.] *"Commission" means the health care commission established under section 62J.05.*

Subd. 3. [COMMISSIONER.] *"Commissioner" means the commissioner of health or the commissioner's designated representative.*

Subd. 4. [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. 5. [HEALTH CARE PROVIDING ENTITY.] *"Health care providing entity" means a participating entity that provides health care to enrollees through an integrated service network.*

Subd. 6. [HEALTH PLAN.] *"Health plan" means a health plan as defined in section 62A.011, subdivision 3, or coverage by an integrated service network.*

Subd. 7. [INTEGRATED SERVICE NETWORK.] *"Integrated service network" means a formal arrangement permitted by this chapter for providing health services under this chapter and licensed by the commissioner to enrollees for a fixed payment per time period.*

Subd. 8. [NETWORK.] *"Network" means an integrated service network as defined in subdivision 7.*

Subd. 9. [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. 10. [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. 11. [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, 60G, 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 McCarren-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.]

Integrated service networks are under the supervision of the commissioner, who shall enforce this chapter. The commissioner has, with respect to this chapter, all enforcement and rulemaking powers available to the commissioner under section 62D.17.

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. 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) limitations on additional health care services beyond those included in the standard set of benefits;

(5) requirements regarding the defined population to be served by an integrated service network;

(6) requirements for open enrollment;

(7) 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;

(8) prohibitions against disenrolling individuals or groups with high risks or special needs;

(9) 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;

(10) requirements for financial solvency and stability;

(11) a deposit requirement;

(12) financial reporting and examination requirements;

(13) limits on copayments and deductibles;

(14) mechanisms to prevent and remedy unfair competition;

(15) provisions to reduce or eliminate undesirable barriers to the formation of new integrated service networks;

(16) requirements for maintenance and reporting of information on costs, prices, revenues, volume of services, and outcomes and quality of services;

(17) a provision allowing an integrated service network to set credentialing standards for practitioners employed by or under contract with the network;

(18) 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;

(19) provisions regarding liability for medical malpractice;

(20) a method or methods to facilitate and encourage the appropriate provision of services by midlevel practitioners;

(21) provisions regarding permissible and impermissible underwriting criteria applicable to the standard set of benefits;

(22) 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;

(23) 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; and

(24) other provisions that the commissioner, in consultation with the Minnesota health care commission, considers reasonable.

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, employers, and other organizations, in addition to health carriers and health maintenance organizations.*

(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.*

(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.*

(h) [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.*

(i) [STANDARD BENEFIT SET.] *The commission shall make recommendations to the commissioner regarding a standard benefit set.*

(j) [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] [PERMITTED NETWORK STRUCTURE.]

Subdivision 1. [NONPROFIT CORPORATION.] *A corporation organized under chapter 317A may operate one or more integrated service networks. A corporation that operates one or more integrated service networks is governed by chapter 317A, except in the case of a conflict with this chapter, in which case this chapter governs. The corporation shall not engage in activities unrelated to integrated service networks, without the prior written approval of the commissioner. An entity that is not a corporation organized under chapter 317A shall not operate a network but may establish and own a corporation organized under chapter 317A to operate one or more networks.*

Subd. 2. [SEPARATE ACCOUNTING REQUIRED.] *A corporation operating more than one integrated service network must maintain separate accounting and record keeping procedures, acceptable to the commissioner, for each integrated service network.*

Sec. 7. [62N.065] [ADMINISTRATIVE COST CONTAINMENT.]

Subdivision 1. [UNREASONABLE EXPENSES.] *No integrated service network shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.*

In an effort to achieve the stated purposes of sections 62N.01 to 62N.23, in order to safeguard the underlying nonprofit status of integrated service networks, and to ensure that the payment of integrated service network money to major participating entities results in a corresponding benefit to the integrated service network and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major

participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the integrated service network have acted with good faith and in the best interests of the integrated service network in entering into, and performing under, a contract under which the integrated service network has incurred an expense. The commissioner has standing to sue, on behalf of an integrated service network, officers or trustees of the integrated service network who have breached their fiduciary duty in entering into and performing such contracts.

Subd. 2. [DATA ON PAYMENTS.] *Integrated service networks shall keep on file in the offices of the integrated service network data on the payments, salaries, and other remuneration paid to for-profit firms, affiliates, or to persons, for administrative expenses, service contracts, and management of the integrated service network and shall make it available to the commissioner.*

Subd. 3. [ADMINISTRATIVE COST REDUCTIONS.] *The commissioner shall establish a plan that requires integrated service networks to lower their administrative expenses and costs for each of the five years 1994 to 1998. This plan shall require lower administrative expenses in order to reflect savings experienced by integrated service networks from lowered reporting requirements, lowered underwriting and marketing expenses, and other features of the integrated service network plan.*

Subd. 4. [DISAPPROVAL OF CONTRACTS.] *The commissioner shall review all payments, administrative contracts, service contracts, and other agreements to determine the reasonableness of the cost of the contracts or agreements and effect of the contracts or agreements on the price of the integrated service network to enrollees. If the commissioner determines that a contract or agreement is not reasonable, the commissioner shall disapprove the contract or agreement. The commissioner may request any information that is necessary to determine if costs are reasonable.*

The commissioner shall give reasons for the disapproval in writing to the integrated service network. This notice shall state that a hearing will be granted within 20 days after a request in writing by the integrated service network.

Sec. 8. [62N.07] [STANDARD BENEFIT SET.]

(a) Integrated service networks may provide any benefit set permitted under chapter 62A, 62C, 62D, 62L, or 64B, except that no benefit set may be less than a number two qualified plan as defined in section 62E.06. Products sold in the small employer market as defined in section 62L.02, must comply with all requirements of chapter 62L. The small employer plans, as defined in section 62L.02, may be sold even though they are not number two qualified plans, but may be sold only in the small employer market.

(b) A network may use any copayments, deductibles, and out-of-pocket limits permitted for a number two qualified plan under section 62E.06.

(c) A network may offer any Medicare supplement, Medicare select, or other Medicare-related product otherwise permitted for any type of health plan 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 state law applicable to 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.

Sec. 9. [62N.08] [AVAILABILITY OF SERVICES.]

(a) An integrated service network is financially responsible to provide to each person enrolled all needed services required by statute, by the contract of coverage; or otherwise required under section 62N.07. For purposes of this section, "needed services" means services that are defined as medically necessary under chapter 62D, including any rules adopted under that chapter, or as further specified or modified by practice parameters adopted by the commissioner.

(b) The commissioner shall require that networks provide all needed services within a reasonable geographic distance for enrollees. The commissioner may adopt rules providing a more detailed requirement, consistent with this paragraph.

Sec. 10. [62N.09] [ADDITIONAL COVERAGE OPTIONS AUTHORIZED.]

The integrated service network may provide for a variety of benefit options to enrollees in addition to the standard benefit package, including additional covered services, different levels of copays, deductibles, and annual out-of-pocket limits, and a combination product or point-of-service option. For purposes of this section, a "combination product" means a combination of features of two or more types of products regulated under chapter 62A, 62C, 62D, 62L, or 64B, and a "point-of-service option" means a set of options offered by an integrated service network that gives the enrollee a choice between networks or the option to receive services outside of a network. Additional benefit options must be filed with and approved by the commissioner before they may be offered to enrollees. The commissioner may adopt rules governing permissible coverage options. This section does not permit benefit options that result in a benefit package that is not at least a number two qualified plan as required under section 62N.07, except as permitted by that section.

Sec. 11. [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 of health.*

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 document, if any, of the applicant and, at the request of the commissioner, of each participating entity, the articles of incorporation, or other applicable documents, and all amendments;

(2) a copy of the bylaws, rules and regulations, or similar document, if any, and all amendments which regulate the conduct of the affairs of the applicant, and of any participating entity, at the request of the commissioner;

(3) a list of the names, business 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 business 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, paragraph (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 which is 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 be deemed to satisfy this requirement;

(11) a financial plan that includes a three-year projection of the 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 which applies to all members of the board of directors and the principal officers of the network;

(17) a copy of the statement that describes the network's prior authorization, referral, second opinion, and utilization review procedures; and

(18) other information that the commissioner of health 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. 12. [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 or amendment of coverage or contract shall be issued or delivered to any individual in this state until a copy of the form of the evidence of coverage or contract or amendment of coverage or contract 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. 13. [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. 14. [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 on the complainant and on the enrollee whose case is the subject of the complaint 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. 15. [62N.14] [MEDICAL MALPRACTICE LIABILITY.]

Subdivision 1. [MEDICAL MALPRACTICE LIABILITY BETWEEN INTEGRATED SERVICE NETWORK ENTITIES.] *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.*

Subd. 2. [MEDICAL MALPRACTICE CASES.] *(a) In an action against a provider for malpractice, error, mistake, or failure to cure, whether based in contract or tort, adherence to a pertinent practice parameter approved by the commissioner of health is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.*

(b) Evidence of a departure from a practice parameter is not admissible unless the provider is claiming the absolute defense under paragraph (a).

(c) Paragraphs (a) and (b) apply to claims arising on or after August 1, 1993, or 90 days after the date the commissioner approves the applicable practice parameter, whichever is later.

(d) Nothing in this section changes the plaintiff's burden of proof in a civil action against a provider or creates a new basis upon which to establish liability against a provider.

Sec. 16. [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. 17. [62N.16] [UNDERWRITING AND RATING.]

Subdivision 1. [APPLICABILITY.] *Except as provided in subdivision 3, this section applies to the standard benefit plan under section 62N.07 and does not apply to supplemental coverage described in section 62N.10. 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 includes 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.*

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. 18. [62N.17] [RELATIONSHIP; NETWORKS; COMPREHENSIVE HEALTH ASSOCIATION.]

A corporation 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.

Sec. 19. [62N.18] [INSOLVENCY.]

Subdivision 1. [EFFECTS ON ENROLLEES.] *Corporations that operate an integrated service network are not members of the life and health insurance guaranty association under chapter 61B. When a 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 corporation operating the network.*

Sec. 20. [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. 21. [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. 22. [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.

Subd. 2. [NET WORTH REQUIREMENT.] *Except as permitted by subdivision 4, every entity operating an integrated service network must maintain a minimum net worth equal to the greater of:*

(1) $1,000,000; or

(2) an amount equal to 8-1/3 percent of the sum of all expenses expected to be incurred in the network's first 12 months of operation, or, for an existing network, 8-1/3 percent of the sum of all expenses 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);

(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. [ALTERNATIVE SOLVENCY REQUIREMENT.] *As an alternative to the net worth requirement under subdivision 2, the commissioner may permit an integrated service network to prove its financial solvency and stability by a means that does not satisfy that subdivision but that:*

(1) is at least as protective of the welfare of the network's enrollees; and

(2) does not provide the network with an unfair advantage over competing networks.

In administering this subdivision, the commissioner may adopt emergency and permanent rules.

Subd. 5. [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. 6. [INVESTMENT OF NETWORK ASSETS.] *An integrated service network shall invest its assets only in compliance with section 62D.045.*

Subd. 7. [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. 8. [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 pledge real estate to satisfy its obligation, provided that the pledge is 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. The network shall provide a title opinion or title insurance policy and an appraisal at the request of the commissioner or as otherwise required by rule.*

Subd. 9. [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).

Subd. 10. [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. 11. [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. 12. [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.*

Sec. 23. [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 provide that if the network fails to pay the provider for services provided, the enrollee is not liable to the provider for payment. 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. 24. [62N.23] [TECHNICAL ASSISTANCE.]

(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. 25. 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. 26. [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 article 1 or 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 article 1 or 2.

Sec. 27. [EFFECTIVE DATE.]

Sections 1 to 26 are effective the day following final enactment.

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 plans 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] [RULES.]

(a) The commissioner of health, in consultation with the Minnesota health care commission, shall adopt permanent and emergency rules to implement this chapter. The rules must be adopted in accordance with chapter 14 and may be adopted by the use of emergency rulemaking. The commissioner shall include in the rules 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) The commissioner may phase in the regulated all-payer system over a transition period not to exceed two years. During the transition period, the growth limits will be effective for calendar year 1994 and any excess growth

that occurs during the transition period must be recouped in subsequent years.

Sec. 3. [EVALUATION.]

The commissioner of health shall evaluate the regulated all-payer system and assess its impact on cost containment goals, access to health care services, and quality of care and shall present a preliminary report to the legislature by January 1, 1995, and a final report to the legislature by January 1, 1996.

Sec. 4. [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. 5. [EFFECTIVE DATE.]

Sections 1 to 4 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 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 aggregate 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 commis-*

sioner 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. [62J.045] [MEDICAL EDUCATION AND RESEARCH COSTS.]

Subdivision 1. [PURPOSE.] *The legislature finds that all health care stakeholders, as well as society at large, benefit from medical education and health care research. The legislature further finds that the cost of medical education and research should not be borne by a few hospitals or medical centers but should be fairly allocated across the health care system.*

Subd. 2. [DEFINITION.] *For purposes of this section, "health care research" means research that is not subsidized from private grants, donations, or other outside research sources but is funded by patient out-of-pocket expenses or a third party payer and has been approved by an institutional review board certified by the United States Department of Health and Human Services.*

Subd. 3. [COST ALLOCATION FOR EDUCATION AND RESEARCH.] *By January 1, 1994, the commissioner of health, in consultation with the health care commission and the health planning advisory committee, shall:*

(1) develop mechanisms to gather data and to identify the annual cost of medical education and research conducted by hospitals, medical centers, or health maintenance organizations;

(2) determine a percentage of the annual rate of growth established under section 62J.04 to be allocated for the cost of education and research and develop a method to assess the percentage from each group purchaser;

(3) develop mechanisms to collect the assessment from group purchasers to be deposited in a separate education and research fund; and

(4) develop a method to allocate the education and research fund to specific health care providers.

Sec. 6. Minnesota Statutes 1992, section 62J.09, is amended by adding a subdivision to read:

Subd. 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 community-wide 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. 7. 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~~ *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. 8. [62J.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 chapter 13 and this chapter.*

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. 9. [62J.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 62J.38.

Sec. 10. [62J.38] [DATA FROM GROUP PURCHASERS.]

(a) The commissioner shall require group purchasers to submit detailed data on total health care spending for calendar years 1990, 1991, and 1992, and for calendar year 1993 and successive calendar years. Group purchasers shall submit data for the 1993 calendar year by February 15, 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. 11. [62J.40] [DATA FROM STATE AGENCIES.]

In addition to providing the data required under section 62J.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. 12. [62J.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 require health care providers 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.*

Sec. 13. [62J.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. 14. [62J.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 profes-

sionals, 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. 15. [62J.45] [DATA INSTITUTE.]

Subdivision 1. [DEFINITIONS.] *For purposes of this section, "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.*

Subd. 2. [COMMISSIONER'S DUTIES.] *The commissioner shall establish a data institute to collect and process encounter level data that are required to be submitted to the commissioner under this chapter. The commissioner shall provide general oversight of the administration 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. Until the data institute is operational, the commissioner shall directly collect all encounter level data required under this chapter.*

Subd. 3. [BOARD OF DIRECTORS.] *The institute is governed by a 14 member board of directors. The commissioner shall appoint all board members and designate a chair after considering the board's recommendation. The board consists of the following members:*

(1) three representatives of health care providers;

(2) two representatives of health carriers;

(3) two consumer members;

(4) two employer representatives, one representing an employer with under 30 employees, and the other representing an employer with more than 30 employees;

(5) two researchers experienced in the collection and processing of encounter level data; and

(6) three representatives of state agencies, one member representing the department of employee relations, one member representing the department of human services, and one member representing the department of health.

Subd. 4. [TERMS; COMPENSATION; REMOVAL; AND VACANCIES.] *The board is governed by section 15.0575.*

Subd. 5. [STAFF.] *The board may hire an executive director. 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. 6. [DUTIES.] *The board, through the data institute, shall:*

(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, the Uniform Bill 82/92 form, the Health Care Financing Administration 1500 form, or other standardized forms or 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, the Uniform Bill 82/92 form, the Health Care Financing Administration 1500 form, or other standardized forms or procedures;

(3) process the data collected to ensure consistency, accuracy, and completeness, and as appropriate, merge data collected from different sources;

(4) provide unaggregated, encounter-level data to the data analysis unit within the department of health; and

(5) carry out other duties assigned in this section.

Subd. 7. [USE OF DATA.] *(a) The commissioner of health is responsible for the analysis of the data provided through the data institute, and the development and dissemination of reports. The commissioner shall supplement the data provided by the data institute with aggregate data collected under chapter 62J.*

(b) The board shall make the data collected through the institute available to group purchasers, health care providers, consumers, researchers, and other interested parties. The board may require users of data to contribute towards 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. 8. [CONTRACTING.] *The commissioner, on behalf of 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 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. The board shall advise the commissioner regarding the performance of any private sector entity under contract.*

Subd. 9. [DATA PRIVACY.] *The board and the institute are subject to chapter 13.*

Subd. 10. [FEDERAL AND OTHER GRANTS.] *The commissioner and the board shall seek federal funding, and funding from private and other nonstate sources, for the initiatives required by the board.*

Sec. 16. [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. The commissioner shall report any evidence of cost shifting to the chairs of the house health and human services committee and human services finance division, and the senate health care committee and health care and family services finance division.*

Sec. 17. [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. 18. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following final enactment.

ARTICLE 4

VOLUNTARY PUBLIC COMMITMENTS

Section 1. [62J.50] [PUBLIC COMMITMENTS BY PLANS AND PROVIDERS TO VOLUNTARILY REDUCE COSTS AND PRICES.]

Subdivision 1. [ENCOURAGEMENT OF VOLUNTARY PUBLIC COMMITMENTS.] *The commissioner of health, in cooperation with the health care commission and the commissioner of commerce, shall encourage group purchasers and providers to make written voluntary public commitments to reduce the rate of increase in their costs and prices by at least ten percent per year below the rate they would otherwise expect to experience. The commissioner, in consultation with the commission, shall establish the procedures, requirements, and deadlines for the submission, publication, and evaluation of public commitments under this section. The commissioner is exempt from the rulemaking requirements of the administrative procedure act for purposes of establishing and administering the public commitment program under this section. The commissioner may develop forms to be executed by a group purchaser or provider willing to make this commitment. The commissioner may not require any particular cost containment methodology.*

By July 1, 1993, each group purchaser and provider making a voluntary public commitment shall submit to the commissioner the methodology used to determine the projection for the rate of increase in costs and prices for calendar year 1994 over 1993 which is forecast without taking into account the voluntary public commitment. A group purchaser or provider making a voluntary public commitment shall submit any supporting information requested by the commissioner of health.

In making a voluntary public commitment, the group purchaser or provider making the commitment must, in writing, attest to the validity of the data supplied, agree to pass the savings achieved by cost and price reductions through to health care consumers, agree not to increase its volume of services to compensate for reductions in costs and prices, agree not to increase copayment or deductible amounts during the time period of the voluntary

public commitment, and give written permission to allow the commissioner to inspect the group purchaser's or provider's pertinent financial records as necessary to assess the validity of information submitted and to monitor and evaluate compliance with the commitment and to publish the conclusion on compliance.

Subd. 2. [USE OF FINANCIAL CONSULTANTS.] *The commissioner may use financial consultants and actuaries as needed to ensure the accuracy, reliability, and completeness of data submitted under this section.*

Subd. 3. [REVIEW AND COMMENT.] *The commissioner shall publish information on participation by group purchasers and providers in the voluntary cost containment program. The name of a group purchaser or provider that has failed to meet a voluntary public commitment or to provide requested data shall not be released until after the group purchaser or provider has had 15 days to review the data and comment. The commissioner shall include the group purchaser's or provider's comment in the release of data. A decision by the commissioner that a group purchaser or provider has or has not made a voluntary public commitment under this section or has met, exceeded, or failed to meet a voluntary public commitment is a final decision and is not subject to appeal.*

Subd. 4. [REPORT TO LEGISLATURE.] *The commissioner of health, in consultation with the health care commission, shall monitor the voluntary cost, price, and volume control process and report to the legislature by February 15, 1994, on the degree of cooperation with the process, recommendations on whether to extend the voluntary public commitment process, and recommendations for improving the process if it is extended.*

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 5

HEALTH PLANNING ADVISORY COMMITTEE

Section 1. [16B.24] [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 the potential of a technology to cause harm.*

Sec. 3. Minnesota Statutes 1992, section 62J.15, subdivision 1, is amended to read:

Subdivision 1. [HEALTH PLANNING ADVISORY COMMITTEE.] The Minnesota health care commission shall convene an advisory committee to make recommendations regarding the use and distribution 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.*

Sec. 4. Minnesota Statutes 1992, section 62J.15, subdivision 2, is amended to read:

Subd. 2. [HEALTH PLANNING.] In consultation with the health planning advisory committee, the Minnesota health care commission shall:

(1) make recommendations on the types of high-cost technologies, procedures, and capital expenditures for which a plan on statewide use and distribution should be made;

(2) ~~develop~~ *adopt* criteria for evaluating new high-cost health care technology and procedures and major capital expenditures that take into consideration the clinical effectiveness, cost-effectiveness, and health outcome;

(3) recommend to the commissioner of health and the regional coordinating ~~organizations~~ *boards* statewide and regional goals and targets for the distribution and use of new and existing high-cost health care technologies and procedures and major capital expenditures;

(4) make recommendations to the commissioner regarding the designation of *referral* centers ~~of excellence~~ for transplants and other specialized medical procedures; and

(5) make recommendations to the commissioner regarding minimum volume requirements for the performance of certain procedures by hospitals and other health care facilities or providers.

Sec. 5. [62J.152] [DUTIES OF HEALTH PLANNING ADVISORY COMMITTEE.]

Subdivision 1. [GENERALLY.] *The health planning 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 application;

(3) make recommendations to the Minnesota health care commission on the use of specific technologies evaluated; and

(4) carry out any other duties specifically assigned by the Minnesota health care commission.

Subd. 2. [PRIORITIES FOR DESIGNATING TECHNOLOGIES FOR ASSESSMENT.] *The health planning 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 health planning 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. The committee shall consider any additional criteria approved by the commissioner and the Minnesota health care commission.*

Subd. 4. [TECHNOLOGY EVALUATION PROCESS.] *(a) In evaluating a specific technology, the health planning 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 health planning 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 health planning 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 health planning advisory committee's recommendations regarding the technology. Any interested persons or organizations may submit to the health planning advisory committee written comments regarding the technology evaluation within 30 days from the date the preliminary report was submitted. The health planning

advisory committee's final report on its technology evaluation must be submitted to the information clearinghouse. Any written comments received by the health planning advisory committee within the 30-day period must be included with the final report.

Subd. 5. [USE OF TECHNOLOGY EVALUATION.] *Once the health planning advisory committee has evaluated a specific technology, the final report and any written comments shall be provided to 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 health planning 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 health planning 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. The health planning advisory committee may request the commissioner to subpoena these entities to release all relevant data to the health planning advisory committee for the sole purpose of 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. 6. [62J.153] [CONFLICTS OF INTEREST.]

No member of the health planning 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. 7. [62J.154] [TORT CLAIMS DEFENSE AND INDEMNIFICATION.]

The health planning 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 health planning advisory committee shall be considered "employees of the state" as defined in section 3.732, subdivision 1, clause (2).

Sec. 8. [62J.156] [CLOSED COMMITTEE HEARINGS.]

Notwithstanding section 471.705, the health planning 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.

ARTICLE 6

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 health planning 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 health planning 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. 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 ~~to~~ *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. 3. Minnesota Statutes 1992, section 62C.16, is amended by adding a subdivision to read:

Subd. 4. [RETALIATORY ACTION PROHIBITED.] *No service plan corporation may take retaliatory action against a provider solely on the grounds that the provider disseminated accurate information regarding coverage of benefits or accurate benefit limitations of a subscriber's contract or accurate interpreted provisions of the provider agreement that limit the prescribing, providing, or ordering of care.*

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, 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 payors. 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 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~~ *chapters 62J and 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. [62J.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. [62J.212] [COLLABORATION ON PUBLIC HEALTH GOALS.]

The commissioner of health shall encourage integrated service networks and other private organizations to collaborate with public health agencies to achieve community-wide 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. Minnesota Statutes 1992, section 62J.34, subdivision 3, is amended to read:

Subd. 3. [MEDICAL MALPRACTICE CASES.] (a) In an action against a provider for malpractice, error, mistake, or failure to cure, whether based in contract or tort, adherence to a *pertinent* practice parameter approved by the commissioner of health under subdivision 2 is an absolute defense against an allegation that the provider did not comply with accepted standards of practice in the community.

(b) Evidence of a departure from a practice parameter is *not* admissible ~~only on~~ *unless* the ~~issue of whether the~~ provider is ~~entitled to an~~ *claiming the* absolute defense under paragraph (a).

(c) Paragraphs (a) and (b) apply to claims arising on or after August 1, 1993, or 90 days after the date the commissioner approves the applicable practice parameter, whichever is later.

(d) Nothing in this section changes the ~~standard or~~ *plaintiff's* burden of proof in ~~an~~ *a civil* action ~~alleging a delay in diagnosis, a misdiagnosis, inappropriate application of a practice parameter, failure to obtain informed consent, battery or other intentional tort, breach of contract, or product liability~~ *against a provider or creates a new basis upon which to establish liability against a provider.*

Sec. 9. [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. 10. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall change the words "centers of excellence" to "referral centers" wherever they appear in chapters 62D and 62J in the next and subsequent editions of Minnesota Statutes and Minnesota Rules, parts 4685.0100 to 4685.3400.

Sec. 11. [EFFECTIVE DATE.]

Section 3 is effective the day following final enactment.

ARTICLE 7

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 *governed* under chapter 14. *The appeal must be brought within 30 days of receiving notice of the commissioner's decision.*

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.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. 5. Minnesota Statutes 1992, section 62J.09, subdivision 5, is amended to read:

Subd. 5. [CONFLICTS OF INTEREST.] No member may ~~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. 6. 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. 7. 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 payors 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.

~~(c)~~ *(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.

~~(d)~~ *(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. 8. 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 section 62J.03 and this section. 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 payors;

(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 6a.*

Sec. 9. 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 6a.

Sec. 10. Minnesota Statutes 1992, section 62J.17, is amended by adding a subdivision to read:

Subd. 6a. [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. 11. 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. 12. [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, supervised, and regulated by the commissioner shall not be subject to state and federal antitrust liability.

Sec. 13. [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 payors 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. 14. [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 and federal 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. 15. [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 EXTENDED 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 an extension unless good cause is shown.*

Sec. 16. [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 health care commission or any regional coordinating board may mail comments with respect to the application. Persons submitting comments shall provide a copy of the comments to the applicant. The applicant may mail to the commissioner*

written responses to comments within ten days after the deadline for mailing such comments. The applicant shall send a copy of the response to the person submitting the comment.

Sec. 17. [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. 18. [62J.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 payors 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 payors; the applicants do not have the burden of proving that third party payors with whom the applicants are not affiliated will pass on cost savings to individuals receiving coverage through the third party payors. 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 payors 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 and needed 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 access is not due to overutilization of the product or service for which access is expanded.

(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. 19. [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. 20. [62J.2919] [APPEAL.]

After the commissioner has rendered a decision, the applicant or any other person aggrieved 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. 21. [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. 22. [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. 23. [REPEALER.]

Minnesota Statutes 1992, sections 62J.17, subdivisions 4, 5, and 6; and 62J.29, are repealed.

Sec. 24. [EFFECTIVE DATE.]

Sections 1 to 23 are effective the day following final enactment. Sections 7 to 10 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 8

SMALL EMPLOYER INSURANCE REFORM

Section 1. 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 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. 2. 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. 3. 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.*

~~(c)~~ *(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. 4. 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. 5. 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. 6. 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 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. 7. 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. 8. 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. 9. [REPEALER.]

Minnesota Statutes 1992, section 62L.09, subdivision 2, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1993.

ARTICLE 9

INDIVIDUAL MARKET REFORM; MISCELLANEOUS

Section 1. 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. 2. 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, 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. 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. *A health carrier shall, at the time of first issuance or renewal of a health 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 the person was covered by qualifying existing coverage or qualifying prior coverage, as defined in section 62L.02, if the person has maintained 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. 3. 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. 4. Minnesota Statutes 1992, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternals; joint self-insurance plans regulated under chapter 62H; the private employers insurance program established in section 43A.317, effective July 1, 1993; *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. 5. 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. 6. 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. 7. 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. 8. [EFFECTIVE DATE.]

Sections 1, 2, and 6 are effective July 1, 1993. Sections 3, 4, 5, and 7 are effective January 1, 1994.

ARTICLE 10

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 256.9353, 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, 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 *for enrollees eligible under section 256.9354, subdivisions 2, 3, 4, and 5. Covered health services for enrollees eligible under section 256.9354, subdivision 1, shall continue as provided in this subdivision.*

Subd. 2. [ALCOHOL AND DRUG DEPENDENCY.] Beginning October 1, 1992, 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, *subject to an annual benefit limit of ten hours*. 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 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, *excluding inpatient hospital mental health services,* 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 non-mental 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 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. 3. 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. Under subdivisions 2 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. 4. 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~~ *MinnesotaCare and who are eligible under subdivisions 2, 3, 4, or 5* 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. Individuals who initially enroll in the health right plan under the eligibility criteria in this subdivision remain eligible for the health right plan, 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 or medical assistance is maintained.

Sec. 5. Minnesota Statutes 1992, section 256.9356, subdivision 1, is amended to read:

Subdivision 1. [ENROLLMENT FEE.] ~~Until October 1, 1992,~~ An annual enrollment fee of $25, not to exceed $150 per family, is required from ~~eligible persons for covered health services~~ *all enrollees eligible under section 256.9354, subdivision 1.*

Sec. 6. 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 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 required by subdivision 1.

Sec. 7. 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. 8. [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) the greater of:

(i) the medical assistance rate minus any copayment under section 256.9353, subdivision 6; or

(ii) 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. 9. 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.

Sec. 10. [DEMONSTRATION WAIVER.]

The commissioner of human services shall seek a demonstration waiver to allow the state to charge the premium as described in section 5.

Sec. 11. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1993. Section 10 is effective July 1, 1993, or after the effective date of the waiver referred to in section 6, whichever is later.

ARTICLE 11

RURAL HEALTH INITIATIVE

Section 1. 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 financial support for the hospital. The commissioner shall review audited financial statements of the hospital to assess the extent of local financial support. Evidence of local financial 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. 2. 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 payor 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 12

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, the higher education coordinating board may accept up to ~~eight~~ *four* applicants who are fourth year medical students, *three applicants who are pediatric residents, three applicants who are family practice residents, and*

two applicants who are internal medicine residents, 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 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. 7. Minnesota Statutes 1992, section 136A.1357, subdivision 1, is amended to read:

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. 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.

Sec. 8. Minnesota Statutes 1992, section 136A.1357, subdivision 4, is amended to read:

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.

Sec. 9. 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, pediatricians, and internists.*

Sec. 10. 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. 11. 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. 12. 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. 13. 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. 14. 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*.

ARTICLE 13

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 from which the patient cannot be identified, and a standard identifier for providers and health plans when reporting data under this chapter. Patient identifiers must be coded to enable release of otherwise private data to researchers, providers, and group purchasers in a manner consistent with chapter 13 and section 144.335.*

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.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. 5. 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. 6. 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.

ARTICLE 14

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~~;

(1a) a resident surgical center for patient services;

(2) 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;

(2a) a nonresident surgical center for patient services provided to patients domiciled in Minnesota;

(3) a resident health care provider, other than a health maintenance organization, for ~~covered~~ *patient* services ~~listed in section 256B.0625~~;

(4) a nonresident health care provider for ~~covered~~ *patient* services ~~listed in section 256B.0625~~ provided to an individual domiciled in Minnesota;

(5) a wholesale drug distributor for sale or distribution of prescription drugs that are delivered in Minnesota 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) a health maintenance organization as gross premiums for enrollees, carrier copayments, and fees for ~~covered~~ *patient* services ~~listed in section 256B.0625~~.

~~(b) Gross 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 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 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 including the following health care items and services:*

(1) bed and board;

(2) nursing services and other related services;

(3) use of hospital, 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 295.51, 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. 8. 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. 9. 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. 10. 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, ~~excluding~~ *including payments received from the government, and Medicare coordinated health plans, and* enrollee ~~deductible~~ *deductibles, coinsurance,* and ~~coinsurance payments~~ *copayments. Payments representing supplemental coverage are not excluded*;

(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; and

(12) payments received for providing patient services if the services are incidental to conducting medical research.

Sec. 11. 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. 12. 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. 13. [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 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.

Sec. 14. 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. 15. [APPROPRIATION.]

Notwithstanding Laws 1992, chapter 549, article 10, section 1, subdivision 1, the amount appropriated to the commissioner of revenue in Laws 1992, subdivision 8 of that section is available until June 30, 1994.

Sec. 16. [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. 17. [EFFECTIVE DATES.]

Sections 1; 3; 4, clauses (1) to (9); 6 to 10; and 12 are effective retroactively to gross revenues generated by services performed and goods sold after December 31, 1992.

Sections 4, clause (10), and 11 are effective for services performed and goods sold after December 31, 1993.

Sections 2, 5, 13, 14, and 15 are effective the day following final enactment.

ARTICLE 15

APPROPRIATIONS

Section 1. [APPROPRIATION.]

$..... is appropriated from the health care access fund to the commissioner of health for adopting rules under this act for the biennium ending June 30, 1995.

$..... is appropriated from the health care access fund to the commissioner of health for the biennium ending June 30, 1995, to implement the data collection initiatives required by sections 62J.36 to 62J.44.

$..... is appropriated from the health care access fund to the commissioner of health to implement and monitor the voluntary cost control program in article 4, to be available until June 30, 1995.

$..... is appropriated from the special account for disease prevention and health promotion in the health care access fund to the commissioner of health for the biennium ending July 1, 1995, for statewide consumer education and wellness programs.

$..... is appropriated from the special account for disease prevention and health promotion in the health care access fund to the commissioner of health for the biennium ending July 1, 1995, for initiatives to improve birth outcomes, including smoking cessation methods, chlamydia screening efforts, and expanding funding for the women's, infant, and children program.

$..... is appropriated from the special account for disease prevention and health promotion in the health care access fund to the commissioner of health for the biennium ending July 1, 1995, for improved childhood immunization, including promoting providers' adherence to pediatric immunization standards, outreach, tracking, and follow-up activities.

$..... is appropriated from the health care access fund to the commissioner of health for the biennium ending July 1, 1995, for operation of the integrated service network technical assistance program provided under article 1.

$..... is appropriated from the health care access fund to the commissioner of health for the biennium ending July 1, 1995, for operation of the integrated service network loan program provided under article 1.

$..... is appropriated from the health care access fund to the regional coordinating boards for the biennium ending July 1, 1995, for the purposes of Minnesota Statutes, section 62J.09, subdivision 1a."

Delete the title and insert:

"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 public commitments by health plans and providers to limit the rate of growth in total revenues; 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; 62C.16, by adding a subdivision; 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, 8, and by adding a subdivision; 62J.15, subdivisions 1 and 2; 62J.17, subdivision 2, and by adding subdivi-

sions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, and 7; 62J.33; 62J.34, subdivisions 2 and 3; 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; 256.9354, subdivisions 1 and 4; 256.9356, subdivisions 1 and 2; 256.9357, subdivision 1; 256.9657, subdivision 3; 256B.057, subdivision 1; 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; 256; and 295; proposing coding for new law as Minnesota Statutes, chapters 62N; and 62O; 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; Laws 1992, chapter 549, article 9, section 19, subdivision 2."

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Ms. Reichgott from the Committee on Judiciary, to which was referred

S.F. No. 976: 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.

Reports the same back with the recommendation that the bill be amended as follows:

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 dealing with law enforcement records. Records of organizations providing security services to a public educational agency or institution must 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 13.41, 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. 4. 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. 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. 5. Minnesota Statutes 1992, section 13.43, is amended by adding a subdivision to read:

Subd. 8. [HARASSMENT DATA.] *When allegations of sexual or other types of harassment are made against an employee, the employee does not have access to data that would identify the complainant or other witnesses if the responsible authority determines that the employee's access to that data would:*

(1) threaten the personal safety of the complainant or a witness; or

(2) subject the complainant or witness to harassment.

Sec. 6. 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)*; or*

(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 data base to determine eligibility under section 237.70, subdivision 4a.

(b) 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. 7. 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.

(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. 8. [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. 9. Minnesota Statutes 1992, section 13.643, is amended to read:

13.643 [DEPARTMENT OF AGRICULTURE DATA.]

Subdivision 1. [SUSTAINABLE AGRICULTURE 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. 10. 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 data: 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. 11. 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, *a community college, a 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. 12. 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. 13. 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. 14. [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 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 data collected, created, or maintained by a security service for the purpose of providing security services.

Subd. 2. [CLASSIFICATION.] *Security service data that are similar to the data described as request for service data and response or incident data in section 13.82, subdivisions 3 and 4, are public. If personnel of a security service make a citizen's arrest, security service data that are similar to the data described as arrest data in section 13.82, subdivision 2, are public. If a security service participates in but does not make an arrest it shall, upon request, provide data that identify the arresting law enforcement agency. All other security service data are security information under section 13.37.*

Sec. 15. 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 1.*

Sec. 16. 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. 17. 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. 18. 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. 19. 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 designated individual the patient's current and proposed course of treatment. Paragraph (a) applies to consents under this paragraph.

Sec. 20. [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, alone 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. 21. Minnesota Statutes 1992, section 270B.12, is amended by adding a subdivision to read:

Subd. 9. [COUNTY ASSESSORS.] *If, as a result of an audit, the commissioner determines that a person is a Minnesota nonresident or part-year resident for income tax purposes, the commissioner may disclose the person's name, address, and social security number to the assessor of any political subdivision in the state, when there is reason to believe that the person may have claimed or received homestead property tax benefits for a corresponding assessment year in regard to property apparently located in the assessor's jurisdiction.*

Sec. 22. 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) On the request of the commissioner of human services, the commissioner of revenue may verify participant social security numbers and names that match those from the telephone assistance program for property tax refund filers to determine eligibility for the telephone assistance plan under section 237.70, subdivision 4a.

Sec. 23. Minnesota Statutes 1992, section 270B.14, subdivision 8, is amended to read:

Subd. 8. [EXCHANGE BETWEEN DEPARTMENTS OF LABOR AND INDUSTRY AND REVENUE.] ~~Notwithstanding any law to the contrary,~~ The departments of labor and industry and revenue may exchange information ~~on a reciprocal basis. Data that may be disclosed are limited to data used in determining whether a business is an employer or a contracting agent.~~ *as follows:*

(1) data used in determining whether a business is an employer or a contracting agent;

(2) taxpayer identity information relating to businesses for purposes of supporting tax administration and chapter 176; and

(3) data to the extent provided in and for the purpose set out in section 176.181, subdivision 8.

Sec. 24. 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. 25. Minnesota Statutes 1992, section 471.705, subdivision 1d, is amended to read:

Subd. 1d. [TREATMENT OF DATA CLASSIFIED AS NOT PUBLIC.] (a) Except as provided in this section, meetings may not be closed to discuss data that are not public data. Data that are not public data may be discussed at a meeting subject to this section without liability or penalty, if the disclosure relates to a matter within the scope of the public body's authority, is reasonably necessary to conduct the business or agenda item before the public body, and is without malice. During an open meeting, a public body shall make reasonable efforts to protect from disclosure data that are not public data, including where practical acting by means of reference to a letter, number, or other designation that does not reveal the identity of the data subject. Data discussed at an open meeting retain the data's original classification; however, a record of the meeting, regardless of form, shall be public.

(b) Any portion of a meeting must be closed if expressly required by other law or if the following types of data are discussed:

(1) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;

(2) active investigative data as defined in section 13.82, subdivision 5, or internal affairs data relating to allegations of law enforcement personnel misconduct collected or created by a state agency, statewide system, or political subdivision; or

(3) educational data, health data, medical data, welfare data, or mental health data that are not public data under section 13.32, 13.38, 13.42, or 13.46, subdivision 2 or 7.

(c) A public body shall close a meeting for preliminary consideration of allegations or charges against an individual subject to its authority. If the members conclude that discipline of any nature may be warranted, further meetings or hearings must be open. A meeting must also be open at the request of the individual who is the subject of the meeting.

(d) A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting.

(e) Meetings may be closed if the closure is expressly authorized by statute or permitted by the attorney-client privilege.

(f) Notwithstanding paragraph (b) or (c), a peace officer civilian review authority that reviews civilian complaints about alleged peace officer mis-

conduct may allow the complainant to attend the evidentiary hearing on the complaint, subject to the authority of the chair of the hearing panel to exclude a complainant who will be a witness from being present during the testimony of other witnesses until the complainant has testified. The civilian review authority may allow the complainant to be accompanied during the hearing by supportive persons chosen by the complainant, subject to restrictions imposed by the chair of the hearing panel in the interest of fairness to limit the number of persons accompanying the complainant and the peace officer who is the subject of the complaint.

Sec. 26. 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. 27. [EFFECTIVE DATE.]

Sections 16 and 18 are effective the day following final enactment."

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 private and nonpublic; modifying provisions related to medical data; amending Minnesota Statutes 1992, sections 13.32, subdivision 1; 13.41, subdivision 4; 13.43, subdivision 2, and by adding subdivisions; 13.46, subdivisions

2 and 4; 13.643, by adding a subdivision; 13.72, by adding a subdivision; 13.792; 13.82, subdivisions 6 and 10; 13.99, subdivision 24, and by adding a subdivision; 115A.93, by adding a subdivision; 144.335, subdivision 3a; 270B.12, by adding a subdivision; 270B.14, subdivisions 1 and 8; 299L.03, by adding a subdivision; 471.705, subdivision 1d; and 626.556, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 6; 13; and 144."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Bertram from the Committee on Agriculture and Rural Development, to which was referred

S.F. No. 1306: A bill for an act relating to agriculture; making changes in the laws on pesticides and agricultural chemicals; amending Minnesota Statutes 1992, sections 18B.01, by adding subdivisions; 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; and 18C.305, subdivision 2; repealing Minnesota Statutes 1992, sections 18B.07, subdivision 3; 18C.211, subdivision 3; and 18C.215, subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Page 8, after line 13, insert:

"Sec. 13. Minnesota Statutes 1992, section 18D.103, is amended by adding a subdivision to read:

Subd. 3. [EXCEPTION.] *A responsible party or an owner of real 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 public water or groundwater.*

Sec. 14. 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, leeching potential, underlying geology, proximity to ground and surface water, and the soil half-life of the pesticides.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "and" and after the second semicolon, insert "18D.103, by adding a subdivision; and 18D.105, by adding a subdivision;"

And when so amended the bill do pass and be re-referred to the Committee on Environment and Natural Resources. Amendments adopted. Report adopted.

Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 596: A bill for an act relating to the city of Minneapolis; permitting the city to license certain liquor sales.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Solon from the Committee on Commerce and Consumer Protection, to which was referred

S.F. No. 1297: 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.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 19, delete "*have*" and insert "*has*"

Page 5, line 20, delete "*result*" and insert "*resulted*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S.F. Nos. 510, 105, 784, 585, 1108, 607, 681, 58, 536, 1264, 397, 955, 953, 885, 142, 598, 1315, 1006, 1244, 1311, 976, 596 and 1297 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 57, 385, 552, 111 and 576 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Larson moved that the name of Mr. Bertram be added as a co-author to S.F. No. 555. The motion prevailed.

Ms. Berglin moved that the name of Mr. Sams be added as a co-author to S.F. No. 690. The motion prevailed.

Ms. Berglin moved that the names of Messrs. Riveness and Hottinger be added as co-authors to S.F. No. 781. The motion prevailed.

Mr. Morse moved that the name of Mr. Marty be added as a co-author to S.F. No. 875. The motion prevailed.

Mr. Kelly moved that the name of Mr. Beckman be added as a co-author to S.F. No. 958. The motion prevailed.

Mr. Stumpf moved that his name be stricken as a co-author to S.F. No. 1162. The motion prevailed.

Mr. Benson, D.D. moved that the name of Mr. Metzen be added as a co-author to S.F. No. 1162. The motion prevailed.

Mr. Luther moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 1232. The motion prevailed.

Ms. Krentz moved that the name of Mr. Stevens be added as a co-author to S.F. No. 1242. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Murphy be added as a co-author to S.F. No. 1260. The motion prevailed.

Mr. Sams moved that his name be stricken as a co-author to S.F. No. 1330. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Morse be added as a co-author to S.F. No. 1402. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Price be added as a co-author to S.F. No. 1407. The motion prevailed.

Mr. Finn moved that S.F. No. 1067 be withdrawn from the Committee on Metropolitan and Local Government and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Ms. Ranum moved that S.F. No. 1272 be withdrawn from the Committee on Education and re-referred to the Committee on Governmental Operations and Reform. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Novak and Ms. Johnson, J.B. introduced—

S.F. No. 1436: A bill for an act relating to utilities; requiring municipality to petition public utilities commission before it may furnish electric service while eminent domain proceedings are pending to acquire electric utility; amending Minnesota Statutes 1992, section 216B.47.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Novak and Ms. Johnson, J.B. introduced—

S.F. No. 1437: A bill for an act relating to utilities; requiring cooperative electric associations and municipal utilities to comply with standards set by public utilities commission relating to electrical current or voltage; amending Minnesota Statutes 1992, section 216B.09.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Novak and Ms. Johnson, J.B. introduced—

S.F. No. 1438: A bill for an act relating to data privacy; protecting identity of employee or customer of utility or telephone company who reports violation; amending Minnesota Statutes 1992, section 13.692.

Referred to the Committee on Judiciary.

Mr. Novak and Ms. Johnson, J.B. introduced—

S.F. No. 1439: A bill for an act relating to utilities; providing that primary fuel source determines whether power generating plant is a large energy facility for purposes of certificate of need process; amending Minnesota Statutes 1992, section 216B.2421, subdivision 2, and by adding a subdivision.

Referred to the Committee on Jobs, Energy and Community Development.

Mrs. Pariseau introduced—

S.F. No. 1440: A bill for an act relating to health care; allowing all providers to participate in health policies, plans, and contracts under certain conditions; requiring the commissioner of health to establish uniform claims forms and uniform billing and record keeping practices; amending Minnesota Statutes 1992, sections 43A.23, subdivision 1; 62C.02, subdivision 10; 62D.02, subdivision 12; and 72A.20, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health Care.

Ms. Pappas introduced—

S.F. No. 1441: A bill for an act relating to Ramsey county; providing for functional consolidation of streets, highways, and roads in Ramsey county; providing for state-aid funding; amending Minnesota Statutes 1992, sections 162.09, by adding a subdivision; and 383A.16, subdivision 2, and by adding subdivisions; repealing Minnesota Statutes 1992, section 383A.16, subdivision 1.

Referred to the Committee on Transportation and Public Transit.

Ms. Runbeck, Messrs. Riveness, Terwilliger, Ms. Wiener and Mr. Frederickson introduced—

S.F. No. 1442: A bill for an act relating to telecommunications; directing commissioner of administration to supervise and control state telecommunication facility transmissions by fiber optic cable or satellite; allowing statewide telecommunications access routing system (STARS) to serve nonpublic entities doing business with the state; providing for representation by regional telecommunications development councils on the STARS advisory council; directing commissioner to require use of STARS where feasible; requiring commissioner's approval before state or public entity may develop separate telecommunications network; exempting sale of STARS services to certain purchasers from general sales tax; appropriating money; amending Minnesota Statutes 1992, sections 16B.46; 16B.465; and 297A.25, by adding a subdivision.

Referred to the Committee on Governmental Operations and Reform.

Messrs. Mondale, Pogemiller, Ms. Hanson, Messrs. Janezich and McGowan introduced—

S.F. No. 1443: A bill for an act relating to education; making educational policies negotiable terms and conditions of employment for professional employees; amending Minnesota Statutes 1992, sections 179A.03, subdivision 19; and 179A.07, subdivision 1.

Referred to the Committee on Education.

Mr. Chandler introduced—

S.F. No. 1444: A bill for an act relating to occupations and professions; requiring roofers to be licensed by the state; amending Minnesota Statutes 1992, sections 326.83, subdivisions 8 and 10; 326.89, subdivision 3, and by adding a subdivision.

Referred to the Committee on Commerce and Consumer Protection.

Mr. Hottinger introduced—

S.F. No. 1445: A bill for an act relating to human services; establishing a program at the St. Peter regional treatment center for persons committed as psychopathic personalities; authorizing capital spending; authorizing issuance of bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 253.

Referred to the Committee on Health Care.

Mr. Luther introduced—

S.F. No. 1446: 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; 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; and 60E.11.

Referred to the Committee on Commerce and Consumer Protection.

Mr. Solon, Ms. Wiener and Mr. Metzen introduced—

S.F. No. 1447: A bill for an act relating to insurance; establishing and regulating the life and health guaranty association; providing for its powers and duties; 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.

Referred to the Committee on Commerce and Consumer Protection.

Mr. Cohen introduced—

S.F. No. 1448: A bill for an act relating to probate; providing for determination of reasonable compensation for certain guardians and conservators; changing provisions for guardians and conservators of certain institu-

tionalized persons; amending Minnesota Statutes 1992, sections 525.54, subdivision 3; 525.58, subdivision 4; and 525.703, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

Messrs. Riveness, Terwilliger, Metzen, Ms. Wiener and Mr. Hottinger introduced—

S.F. No. 1449: A bill for an act relating to state government; establishing an innovative program initiative to encourage innovation in state agencies; permitting waivers from certain statutes, rules, policies, and procedures; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations and Reform.

Mr. Benson, D.D.; Mrs. Benson, J.E.; Ms. Kiscaden and Mr. Sams introduced—

S.F. No. 1450: A bill for an act relating to health; requiring the department of health to prepare a plan and proposed legislation authorizing medical care savings accounts.

Referred to the Committee on Health Care.

Mr. Benson, D.D.; Mrs. Benson, J.E.; Ms. Kiscaden and Mr. Sams introduced—

S.F. No. 1451: A bill for an act relating to health care; allowing the state to temporarily authorize medical care savings accounts for covered employees.

Referred to the Committee on Health Care.

Ms. Reichgott, Mr. Marty and Ms. Runbeck introduced—

S.F. No. 1452: A bill for an act relating to education; establishing a pilot project for change-oriented schools.

Referred to the Committee on Education.

Ms. Piper, Messrs. Sams, Marty and Ms. Anderson introduced—

S.F. No. 1453: A bill for an act relating to insurance; the comprehensive health association; modifying the funding mechanism of the association; granting eligibility for certain employees and dependents; amending Minnesota Statutes 1992, sections 62A.17, subdivision 4, and by adding a subdivision; 62A.20, by adding a subdivision; 62A.21, by adding a subdivision; 62E.02, subdivisions 2, 8, 13, and by adding a subdivision; 62E.11, subdivision 2, and by adding a subdivision; 62E.14, subdivision 3; 62E.141; 62L.03, subdivision 6; 62L.12, subdivisions 3 and 4; and 363.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62E.

Referred to the Committee on Health Care.

Ms. Flynn, Mrs. Adkins, Ms. Pappas, Mr. Mondale and Ms. Robertson introduced—

S.F. No. 1454: A bill for an act relating to metropolitan government; providing for an advisory council on metropolitan governance.

Referred to the Committee on Metropolitan and Local Government.

Mr. Hottinger, Mses. Pappas, Flynn, Ranum and Krentz introduced—

S.F. No. 1455: A resolution memorializing the President and Congress to establish new priorities in spending and budgeting policies.

Referred to the Committee on Veterans and General Legislation.

Ms. Kiscaden, Messrs. Hottinger; Benson, D.D.; Chandler and Ms. Krentz introduced—

S.F. No. 1456: A bill for an act relating to state government; requiring certain agencies to prepare legislation implementing the recommendations of the commission on reform and efficiency concerning health and human services; providing for more effective delivery of health and human services through the consolidation and coordination of state health and human services programs; reorganizing and restructuring state agencies and departments; creating the office of secretary of health and human services; amending Minnesota Statutes 1992, sections 15.06, subdivision 1; and 15A.081, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 4B.

Referred to the Committee on Health Care.

Mr. Benson, D.D. introduced—

S.F. No. 1457: A bill for an act relating to state trails; extending the Blufflands trail system to additional cities; amending Minnesota Statutes 1992, section 85.015, subdivision 7.

Referred to the Committee on Environment and Natural Resources.

Mr. Benson, D.D. introduced—

S.F. No. 1458: A bill for an act relating to state government; providing for more effective delivery of environmental services through the consolidation and coordination of state environmental and natural resource programs; reorganizing and restructuring state agencies and departments; creating the office of secretary of the environment; creating the citizen advisory board on the environment; creating the department of environmental protection; renaming the department of natural resources the department of resource management and adding powers and duties; renaming the board of water and soil resources the local government advisory board on environmental services, specifying its duties, and transferring the powers and duties of the former board; transferring all the powers and duties of the environmental quality board, the pollution control agency, the office of waste management, the harmful substances compensation board, the petroleum tank release compensation board, and abolishing these agencies; transferring certain powers and duties of the departments of commerce, health, trade and economic development, and natural resources; authorizing certain studies; amending Minnesota Statutes 1992, sections 15.01; 15.06, subdivision 1; 15A.081, subdivision 1; 16B.37, subdivision 2; 84.01, subdivisions 1, 2, and 3; 84.027, by adding a subdivision; 84.028, subdivision 3; 84.081, subdivision 1; 103B.101, subdi-

visions 1, 2, 5, 7, 8, and 9; 103B.3355; 103D.101, subdivision 2; 115B.25, subdivision 2; 115B.28, subdivisions 1 and 4; 115B.35, subdivisions 1, 4, 5, and 6; 115C.07, subdivision 3; 115C.10, subdivision 1; 116.01; 116.02, subdivision 5; 116.03, subdivisions 1 and 2; 144.871, subdivision 5; and 326.71, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 4B; and 116; repealing Minnesota Statutes 1992, sections 84.083, subdivisions 2 and 3; 103B.101, subdivisions 3, 4, 10, and 11; 115A.03, subdivisions 8a and 22a; 115A.055; 115B.27; 115C.07, subdivisions 1 and 2; 115D.03, subdivision 4; 116.02, subdivisions 1, 2, 3, and 4; 116.03, subdivision 6; 116.04; 116C.03; 116C.22; 116C.23; 116C.24; 116C.25; 116C.26; 116C.27; 116C.28; 116C.29; 116C.30; 116C.31; 116C.32; 116C.33; and 116C.34.

Referred to the Committee on Environment and Natural Resources.

Mses. Runbeck, Hanson, Mr. Oliver and Ms. Krentz introduced—

S.F. No. 1459: A bill for an act relating to state government; making certain telephone records and budgets public information; amending Minnesota Statutes 1992, section 3.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; and 10.

Referred to the Committee on Rules and Administration.

Mr. Knutson, Mses. Anderson, Robertson and Mr. Murphy introduced—

S.F. No. 1460: A bill for an act relating to state government; making certain telephone records and budgets public information; amending Minnesota Statutes 1992, section 3.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; and 10.

Referred to the Committee on Rules and Administration.

Ms. Wiener, Messrs. Chandler, Dille and Stevens introduced—

S.F. No. 1461: A bill for an act relating to state government; making certain telephone records and budgets public information; amending Minnesota Statutes 1992, section 3.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; and 10.

Referred to the Committee on Rules and Administration.

Mr. Betzold, Mses. Kiscaden and Lesewski introduced—

S.F. No. 1462: A bill for an act relating to state government; making certain telephone records and budgets public information; amending Minnesota Statutes 1992, section 3.055, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; and 10.

Referred to the Committee on Rules and Administration.

Messrs. Stumpf, Oliver and Stevens introduced—

S.F. No. 1463: 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.

Referred to the Committee on Governmental Operations and Reform.

Messrs. Stumpf and Pogemiller introduced—

S.F. No. 1464: A bill for an act relating to education; updating, changing, and financing various programs; appropriating money; amending Minnesota Statutes 1992, sections 121.87, subdivision 1; 121.88, subdivision 10; 123.38, subdivisions 2 and 2b; 123.951; 124.19, subdivision 5; 124.195, subdivision 10; 124.225, subdivisions 1 and 10; 124.2716; 124.91, subdivision 5; 124.95, subdivisions 3 and 4; 124A.23, subdivision 5; 124A.29, subdivision 1; 125.231, by adding a subdivision; and 126.70; proposing coding for new law in Minnesota Statutes, chapters 121; and 124; repealing Minnesota Statutes 1992, sections 121.609; and 126.70, subdivision 2.

Referred to the Committee on Education.

Messrs. Moe, R.D.; Stumpf; Pogemiller; Merriam and Johnson, D.E. introduced—

S.F. No. 1465: A bill for an act relating to higher education; creating a higher education instructional telecommunications network; providing for grants from the higher education coordinating board for regional linkages, regional coordination, courseware development and usage, and faculty training; appropriating money.

Referred to the Committee on Education.

Ms. Johnson, J.B. introduced—

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.

Referred to the Committee on Environment and Natural Resources.

Messrs. Johnson, D.J.; Solon and Laidig introduced—

S.F. No. 1467: A bill for an act relating to waters; establishing a safe harbors program for Lake Superior; stating powers and duties of the commissioner of natural resources and local authorities in respect thereto; proposing coding for new law in Minnesota Statutes, chapter 86A.

Referred to the Committee on Environment and Natural Resources.

Mses. Piper and Ranum introduced—

S.F. No. 1468: 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.

Referred to the Committee on Family Services.

Ms. Piper introduced—

S.F. No. 1469: A bill for an act relating to human services; requiring grants for demonstration programs, in counties participating in field trials under the Minnesota family investment plan, to promote the self-sufficiency of public assistance recipients; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Family Services.

Mr. Janezich introduced—

S.F. No. 1470: A bill for an act relating to natural resources; specifying certain royalty rates for state taconite or iron ore mining leases and lease extensions; proposing coding for new law in Minnesota Statutes, chapter 93.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse introduced—

S.F. No. 1471: A bill for an act relating to agriculture; providing compensation for crops and livestock damaged by wildlife; establishing a procedure for damage claims; appropriating money; amending Minnesota Statutes 1992, section 97A.475, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Morse introduced—

S.F. No. 1472: A bill for an act relating to economic development; limiting certain daily payments; amending Minnesota Statutes 1992, section 469.011, subdivision 4.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Betzold introduced—

S.F. No. 1473: A bill for an act relating to civil commitment; eliminating the requirement that commitment notices and documents, including the prepetition screening report, be given to any interested person; amending Minnesota Statutes 1992, section 253B.07, subdivision 4.

Referred to the Committee on Judiciary.

Mrs. Benson, J.E.; Messrs. Larson, Morse, Hottinger and Price introduced—

S.F. No. 1474: A bill for an act relating to education; conforming certain provisions of the government data practices act with federal law; amending Minnesota Statutes 1992, section 13.32, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 1475: A bill for an act relating to occupations and professions; exempting retired physicians from a license surcharge; amending Minnesota Statutes 1992, section 147.01, subdivision 6.

Referred to the Committee on Health Care.

Mr. Kelly introduced—

S.F. No. 1476: A bill for an act relating to game and fish; authorizing expenditure of RIM funds for restoration of fish and wildlife habitat; amending Minnesota Statutes 1992, section 84.95, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Morse introduced—

S.F. No. 1477: 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.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Sams, Ms. Piper and Mr. Beckman introduced—

S.F. No. 1478: A bill for an act relating to medical assistance; increasing reimbursement rates for life support transportation.

Referred to the Committee on Health Care.

Messrs. McGowan; Berg; Neuville; Johnson, D.E. and Mrs. Adkins introduced—

S.F. No. 1479: A bill for an act relating to taxation; imposing a tax on the value of sports bookmaking bets; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Pariseau, Mr. Knutson, Ms. Runbeck and Mr. McGowan introduced—

S.F. No. 1480: A bill for an act relating to ethics in government; clarifying requirements for filing for the income tax check-off as a minor party; amending Minnesota Statutes 1992, section 10A.31, subdivision 3a.

Referred to the Committee on Ethics and Campaign Reform.

Mses. Krentz, Olson, Messrs. Johnson, D.J. and Terwilliger introduced—

S.F. No. 1481: A resolution memorializing the Congress of the United States to fund special education costs in the amount originally intended under Public Law Number 94-142.

Referred to the Committee on Education.

Ms. Hanson introduced—

S.F. No. 1482: A bill for an act relating to veterans affairs; appropriating money for the construction of a memorial honoring women military veterans.

Referred to the Committee on Veterans and General Legislation.

Mr. Marty introduced—

S.F. No. 1483: A bill for an act relating to elections; changing certain requirements and procedures for absentee and mail voting; amending Minnesota Statutes 1992, sections 203B.02, subdivisions 1 and 1a; 203B.03, subdivision 1; 203B.04, subdivision 1; 203B.06, subdivision 3; 203B.07, subdivision 2; 203B.11, by adding a subdivision; 203B.12, subdivision 2, and by adding a subdivision; 203B.13, subdivisions 1 and 2; 203B.16, by adding a subdivision; 203B.19; 204B.45; proposing coding for new law in Minnesota Statutes, chapter 203B.

Referred to the Committee on Ethics and Campaign Reform.

Mr. Price introduced—

S.F. No. 1484: A bill for an act relating to the environment; regulating packaging; setting mandatory recycled content for certain products and packaging; listing preferences for use of packaging; regulating transport packaging; imposing a waste management fee on discardable packaging; requiring use of reusable packaging for certain percentages of beverages sold or, in the alternative, refundable recycling deposits on nonreusable beverage packaging; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 16B.122, by adding a subdivision; 18B.135, by adding a subdivision; and 115A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A and 116F; repealing Minnesota Statutes 1992, sections 116F.01 to 116F.08.

Referred to the Committee on Environment and Natural Resources.

Mr. Chandler introduced—

S.F. No. 1485: A bill for an act relating to metropolitan government; providing for long-term comprehensive planning and implementation planning for the metropolitan mosquito control commission; providing for membership on the mosquito control commission; amending Minnesota Statutes 1992, sections 473.129, subdivision 6; 473.181, by adding a subdivision; 473.703; 473.704, by adding a subdivision; 473.711, by adding a subdivision; 473.716, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

Mr. Chandler introduced—

S.F. No. 1486: A bill for an act relating to mosquito abatement; requiring the commissioner of agriculture to adopt rules to provide potentially affected persons notice of spraying; amending Minnesota Statutes 1992, sections 18.091; 18.121, subdivision 1; 473.704, subdivision 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Pogemiller introduced—

S.F. No. 1487: 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.

Referred to the Committee on Jobs, Energy and Community Development.

Mr. Pogemiller introduced—

S.F. No. 1488: A bill for an act relating to the city of St. Paul; authorizing payment of a refund to the estate of a certain deceased firefighter.

Referred to the Committee on Governmental Operations and Reform.

Mses. Wiener; Johnson, J.B. and Anderson introduced—

S.F. No. 1489: A bill for an act relating to the environment; adding cross references for existing civil penalties for littering; amending Minnesota Statutes 1992, sections 85.20, subdivision 6; 115A.99; 169.421; 375.18, subdivision 14; and 412.221, subdivision 22.

Referred to the Committee on Environment and Natural Resources.

Messrs. Riveness, Metzen, Stumpf, Sams and Stevens introduced—

S.F. No. 1490: A bill for an act relating to state government; providing for review of agency strategic plans, outcome measures, and data collection efforts; providing for the establishment of goals, outcome measures, and incentive systems for state programs; providing for worker participation committees; providing options for employees following restructuring; amending Minnesota Statutes 1992, sections 3.971, by adding a subdivision; and 43A.045; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations and Reform.

Mr. Murphy introduced—

S.F. No. 1491: A bill for an act relating to the criminal code; amending Minnesota Statutes 1992, sections 609.1352, by adding a subdivision; and 609.346, subdivision 5.

Referred to the Committee on Crime Prevention.

Mr. Murphy introduced—

S.F. No. 1492: A bill for an act relating to shoreland management; authorizing municipalities to allow redevelopment of certain shoreland property on Lake Pepin; amending Minnesota Statutes 1992, section 103F.221, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Ms. Pappas introduced—

S.F. No. 1493: A bill for an act relating to education; establishing peer review aid; modifying peer review by removing school site management teams from the process; requiring that the exclusive representative select committee members; amending Minnesota Statutes 1992, sections 125.12, subdivisions 3, 3a, and 4a; and 125.17, subdivisions 2, 2a, and 3a; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Metzen, Riveness, Cohen, Terwilliger and Luther introduced—

S.F. No. 1494: A bill for an act relating to commerce; regulating registered combined charitable organizations; amending Minnesota Statutes 1992, section 309.501.

Referred to the Committee on Governmental Operations and Reform.

Mr. Murphy introduced—

S.F. No. 1495: A bill for an act relating to education; modifying the child care grant program administered by the higher education coordinating board; amending Minnesota Statutes 1992, section 136A.125, subdivisions 2, 4, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Samuelson introduced—

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; amending Minnesota Statutes 1992, section 214.06, subdivision 1.

Referred to the Committee on Family Services.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Thursday, April 1, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate