

## THIRTY-EIGHTH DAY

St. Paul, Minnesota, Monday, April 19, 1993

The Senate met at 8:30 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, Dr. Morris G.C. Vaagenes.

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

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

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

The President declared a quorum present.

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

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 521. The motion prevailed.

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

S.F. No. 521: A bill for an act relating to health; permitting minors to give consent for a hepatitis B vaccination; establishing procedures and programs relating to tuberculosis; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

**"Section 1. [144.344] [HEPATITIS B VACCINATION.]**

*A minor may give effective consent for a hepatitis B vaccination. The consent of no other person is required.*

**Sec. 2. [144.44] [TUBERCULOSIS SCREENING IN SCHOOLS.]**

*Subdivision 1. [DEFINITIONS.] As used in sections 2 to 5, the following terms have the meanings given them:*

(a) *"Person employed by a school or school district" means a person employed by a school, school district, or by an educational cooperative services unit as a member of the instructional, supervisory, or support staff including, but not limited to, superintendents, principals, supervisors, teachers, librarians, counselors, school psychologists, school nurses, school social workers, audiovisual directors or coordinators, recreation personnel, media generalists or supervisors, speech therapists, athletic coaches, teachers' aids, clerical workers, custodians, school bus drivers, and food service workers.*

(b) *"Person enrolled in a school" means a person enrolled in grades kindergarten through 12 and a handicapped child receiving special instruction and services in a school.*

(c) *"School" includes any public elementary, middle, secondary, or vocational center school as defined in section 120.05, or nonpublic school, church, or religious organization in which a child is provided instruction in compliance with sections 120.101 and 120.102.*

*Subd. 2. [DESIGNATION OF SCHOOLS:] Based on the occurrence of active tuberculosis or evidence of a higher than expected prevalence of tuberculosis infection in the population attending or employed by one or more schools in a school district, the commissioner of health may designate schools or a school district in which screening of some or all persons enrolled in or employed by the school or school district for tuberculosis is a necessary public health measure. In making the designation, the commissioner shall also determine the frequency with which proof of screening must be submitted. In determining whether the population attending or employed by a school or school district has a higher than expected prevalence of tuberculosis infection, the commissioner shall consider factors such as race or ethnicity, age, and the geographic location of residence of the student population; the expected background prevalence of tuberculosis infection in the community; and currently accepted public health standards pertaining to the control of tuberculosis.*

*Subd. 3. [SCREENING OF STUDENTS.] As determined by the commissioner under subdivision 2, no person may enroll or remain enrolled in any school which the commissioner has designated under subdivision 2 until the person has submitted to the administrator or other person having general control and supervision of the school, one of the following statements:*

*(1) a statement from a physician or public clinic stating that the person has had a negative Mantoux test reaction within the past year, provided that the*

person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(2) a statement from a physician or public clinic stating that a person who has a positive Mantoux test reaction has had a negative chest roentgenogram (X-ray) for tuberculosis within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(3) a statement from a physician or public health clinic stating that the person (i) has a history of adequately treated active tuberculosis; (ii) is currently receiving tuberculosis preventive therapy; (iii) is currently undergoing therapy for active tuberculosis and the person's presence in a school building will not endanger the health of other people; or (iv) has completed a course of tuberculosis preventive therapy or was intolerant to preventive therapy, provided the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; or

(4) a notarized statement signed by the minor child's parent or guardian or by the emancipated person stating that the person has not submitted the proof of tuberculosis screening as required by this subdivision because of the conscientiously held beliefs of the parent or guardian of the minor child or of the emancipated person. This statement must be forwarded to the commissioner.

**Subd. 4. [SCREENING OF EMPLOYEES.]** As determined by the commissioner under subdivision 2, a person employed by the designated school or school district shall submit to the administrator or other person having general control and supervision of the school one of the following:

(1) a statement from a physician or public clinic stating that the person has had a negative Mantoux test reaction within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(2) a statement from a physician or public clinic stating that a person who has a positive Mantoux test reaction has had a negative chest roentgenogram (X-ray) for tuberculosis within the past year, provided that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis;

(3) a statement from a physician or public health clinic stating that the person (i) has a history of adequately treated active tuberculosis; (ii) is currently receiving tuberculosis preventive therapy; (iii) is currently undergoing therapy for active tuberculosis and the person's presence in a school building will not endanger the health of other people; or (iv) has completed a course of preventive therapy or was intolerant to preventive therapy, provided the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; or

(4) a notarized statement signed by the person stating that the person has not submitted the proof of tuberculosis screening as required by this subdivision because of conscientiously held beliefs. This statement must be forwarded to the commissioner of health.

**Subd. 5. [EXCEPTIONS.]** Subdivisions 3 and 4 do not apply to:

(1) a person with a history of either a past positive Mantoux test reaction or active tuberculosis who has a documented history of completing a course of tuberculosis therapy or preventive therapy when the school or school district holds a statement from a physician or public health clinic indicating that such therapy was provided to the person and that the person has no symptoms suggestive of tuberculosis or evidence of a new exposure to active tuberculosis; and

(2) a person with a history of a past positive Mantoux test reaction who has not completed a course of preventive therapy. This determination shall be made by the commissioner based on currently accepted public health standards and the person's health status.

**Subd. 6. [PROGRAMS USING SCHOOL FACILITIES.]** The commissioner may require the statements described in subdivisions 3 and 4 to be submitted by participants or staff of a program or activity that uses the facilities of a school or school district on a regular and ongoing basis, if the commissioner has determined that tuberculosis screening is necessary.

**Subd. 7. [IMPLEMENTATION.]** The administrator or other person having general control and supervision of the school or school district designated by the commissioner under subdivision 2 shall take the measures that are necessary, including the exclusion of persons from the premises of a school, to obtain the proof of screening required by subdivisions 3 and 4.

**Subd. 8. [ACCESS TO RECORDS.]** The commissioner shall have access to any school or school district records, including health records of persons enrolled in or employed by a school or school district, that are needed to determine whether a tuberculosis screening program is necessary, or to administer a screening program.

**Subd. 9. [REPORTS.]** The administrator or other person having general control and supervision of a school or school district that the commissioner has designated under subdivision 2 shall provide the commissioner with any reports determined by the commissioner to be necessary to implement a screening or control program or to evaluate the need for further tuberculosis screening or control efforts in a school.

**Subd. 10. [WAIVER.]** The commissioner may waive any portion of the requirements of subdivisions 3 to 9 if the commissioner determines that it is not necessary in order to protect the public health.

### **Sec. 3. [144.442] [TUBERCULOSIS HEALTH THREAT TO OTHERS.]**

A "health threat to others" as defined in section 144.4172, subdivision 8, includes a person who although not currently infectious, has failed to complete a previously prescribed course of tuberculosis therapy, demonstrates an inability or unwillingness to initiate or complete, or shows an intent to fail to complete, a prescribed course of tuberculosis drug therapy, if that failure could lead to future infectiousness.

### **Sec. 4. [144.443] [TUBERCULOSIS EMERGENCY HOLD.]**

A temporary emergency hold under section 144.4182 may be placed on a person who is a health threat to others when there is reasonable cause to believe that the person may be unlocatable for the purposes of applying the procedures described in sections 144.4171 to 144.4186, or when medical or

*epidemiologic evidence suggests that the person is or may become infectious before the conclusion of court proceedings and appeals.*

**Sec. 5. [144.444] [TUBERCULOSIS SCREENING IN CORRECTIONAL INSTITUTIONS AND FACILITIES.]**

*Subdivision 1. [SCREENING OF INMATES.] All persons detained or confined for seven consecutive days or more in facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health. Administration of the Mantoux test or chest roentgenogram (X-ray) must take place on or before the seventh day of detention or confinement.*

*Subd. 2. [SCREENING OF EMPLOYEES.] All employees of facilities operated, licensed, or inspected by the department of corrections shall be screened for tuberculosis before employment in the facility and annually thereafter, with either a Mantoux test or a chest roentgenogram (X-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the department of health, as determined by the commissioner of health.*

*Subd. 3. [EXCEPTIONS.] Subdivisions 1 and 2 do not apply to:*

*(1) a person who is detained or confined in a juvenile temporary holdover facility, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;*

*(2) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative Mantoux test performed on the person (i) within three months prior to intake into the facility; or (ii) within 12 months prior to intake into the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative Mantoux test, provided that the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;*

*(3) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility has a written record of (i) a history of adequately treated active tuberculosis; (ii) compliance with currently prescribed tuberculosis therapy or preventive therapy; or (iii) completion of a course of preventive therapy, provided the person has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) to rule out active tuberculosis;*

*(4) a person who is detained or confined in a facility operated, licensed, or inspected by the department of corrections where the facility holds a written record of a negative chest roentgenogram (X-ray) (i) within six months; or (ii) within 12 months prior to intake in the facility if the person has remained under the continuing jurisdiction of a correctional facility since the negative chest roentgenogram (X-ray), provided that the person has no symptoms*

*suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a new chest roentgenogram (X-ray) to rule out active tuberculosis;*

*(5) an employee with a record of either a past positive Mantoux test reaction or active tuberculosis who is currently completing or has a documented history of completing a course of tuberculosis therapy or preventive therapy, provided the employee has no symptoms suggestive of tuberculosis, evidence of a new exposure to active tuberculosis, or other health condition that may require a chest roentgenogram (X-ray) be performed to rule out active tuberculosis;*

*(6) an employee with a positive or significant Mantoux test reaction in preemployment screening who does not complete a course of preventive therapy may be exempt from annual Mantoux testing or other screening. This determination shall be made by the commissioner of health based on currently accepted public health standards and the person's health status; and*

*(7) the commissioner may exempt additional employees or persons detained or confined in facilities operated, licensed, or inspected by the department of corrections based on currently accepted public health standards or the person's health status.*

*Subd. 4. [REPORTS.] The administrator or other person having general control and supervision of a facility operated, licensed, or inspected by the department of corrections shall provide the commissioner with any reports determined by the commissioner of health to be necessary to evaluate the need for further tuberculosis screening or control efforts in a facility or facilities.*

*Subd. 5. [WAIVER.] The commissioner may waive any portion of the requirements of subdivisions 1 to 4 if the commissioner of health determines that it is not necessary to protect the public health or if the screening may have a detrimental effect on a person's health status.*

#### **Sec. 6. [EFFECTIVE DATE.]**

*Sections 1 to 4 are effective the day following final enactment. Section 5 is effective January 1, 1994."*

*And when so amended the bill do pass.*

*Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.*

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

*S.F. No. 1105: A bill for an act relating to health; extending the expiration date of certain advisory councils and committees; modifying provisions relating to lead abatement; changing regulation provisions for hotels, resorts, restaurants, and manufactured homes; providing penalties; amending Minnesota Statutes 1992, sections 15.059, subdivision 5; 144.73, subdivision 3; 144.871, subdivisions 2, 3, 6, 7a, and by adding subdivisions; 144.872, subdivision 2; 144.873, subdivision 2; 144.874, subdivisions 1, 3, 4, and 6; 144.878, subdivisions 2 and 5; 157.01, subdivision 1; 157.03; 157.08; 157.081, subdivision 1; 157.09; 157.12; 157.14; 327.10; 327.11; 327.16, subdivision 5; 327.20, subdivision 1; and 327.26, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 157; repealing Minnesota*

Statutes 1992, sections 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; and 157.05, subdivisions 2 and 3.

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 15.059, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION DATE.] Unless a different date is specified by law, the existence of each advisory council and committee governed by this section shall terminate on June 30, 1993 1994.

Sec. 2. Minnesota Statutes 1992, section 144.73, subdivision 3, is amended to read:

Subd. 3. [HEARINGS.] The camp operator shall be entitled to a hearing before the commissioner on the revocation of the operator's permit. A request for such hearing shall be made by the camp operator in writing. The hearing shall be held at the time and place designated by the commissioner and at least five days written notice of such hearing shall be given to the camp operator. The notice may be served by certified mail. The camp operator shall be entitled to be represented by legal counsel and shall have the right to produce evidence and testimony at such hearing. The commissioner may appoint in writing any competent person to preside at such hearing. Such person shall take testimony, administer oaths, issue subpoenas, compel the attendance of witnesses, and transmit the record of the hearing to the commissioner. The decision of the commissioner shall be based on the evidence and testimony presented at such hearing. *The procedure for hearings or for appeals from the order of the department or the commissioner shall be in accordance with chapter 14.*

Sec. 3. Minnesota Statutes 1992, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] “Abatement” means removal of, replacement of, or encapsulation of deteriorated paint, bare soil, dust, drinking water, or other lead-containing materials that are or may become readily accessible during the lead abatement process and pose an immediate threat of actual lead exposure to people.

Sec. 4. Minnesota Statutes 1992, section 144.871, subdivision 6, is amended to read:

Subd. 6. [ELEVATED BLOOD LEAD LEVEL.] “Elevated blood lead level” in a child ~~no more than six years old before the sixth birthday~~ or in a pregnant woman means a blood lead level that exceeds the federal Centers for Disease Control guidelines for preventing lead poisoning in young children, unless the commissioner finds that a lower concentration is necessary to protect public health.

Sec. 5. Minnesota Statutes 1992, section 144.871, subdivision 7a, is amended to read:

Subd. 7a. [HIGH RISK FOR TOXIC LEAD EXPOSURE.] “High risk for toxic lead exposure” means either:

(1) that elevated blood lead levels have been diagnosed in a population of children or pregnant women; or

(2) without blood lead data, that a population of children or pregnant women resides in:

(i) a census tract with many residential structures known to have or suspected of having deteriorated *lead-based* paint; or

(ii) a census tract with a median soil lead concentration greater than 100 parts per million for any sample collected according to Minnesota Rules, part 4761.0400, subpart 8, and rules adopted under section 144.878; or

~~(3) the priorities adopted by the commissioner under section 144.878, subdivision 2, shall apply to this subdivision.~~

Sec. 6. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

*Subd. 7c. [PERSON.] "Person" has the meaning given in section 1031.005, subdivision 16.*

Sec. 7. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

*Subd. 7d. [LEAD INSPECTOR.] "Lead inspector" means an individual who has successfully completed a training course in investigation of residences for possible sources of lead exposure and who is licensed by the commissioner according to rules adopted under section 144.877, subdivision 6, to perform this activity.*

Sec. 8. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

*Subd. 10. [VENOUS BLOOD SAMPLE.] "Venous blood sample" means a quantity of blood drawn from a vein.*

Sec. 9. Minnesota Statutes 1992, section 144.872, subdivision 2, is amended to read:

*Subd. 2. [HOME ASSESSMENTS.] (a) The commissioner shall, within available federal or state appropriations, contract with boards of health, who may determine priority for responding to cases of elevated blood lead levels, to conduct assessments to determine sources of lead contamination in the residences of pregnant women whose blood lead levels are at least ten micrograms per deciliter and of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met.*

*(b) The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels.*

*(c) Within the limits of appropriations, a board of health shall conduct home*



assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter.

(d) The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

Sec. 10. Minnesota Statutes 1992, section 144.873, subdivision 2, is amended to read:

Subd. 2. [TEST OF CHILDREN IN HIGH RISK AREAS.] Within limits of available state and federal appropriations, the commissioner shall promote and subsidize a blood lead test of all children ~~under six years of age before the sixth birthday~~ who live in all areas of high risk for toxic lead exposure that are currently known or subsequently identified. Within the limits of available appropriations, the commissioner shall conduct surveys, especially soil assessments larger than a residence, as defined by the commissioner, in greater Minnesota communities where a case of elevated blood lead levels has been reported.

Sec. 11. Minnesota Statutes 1992, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct a timely assessment of a residence, within five working days of receiving notification that the criteria in this subdivision have been met, *as confirmed by lead analysis of a venous blood sample*, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood;

(2) a child in the residence is identified as having a blood lead level at or above 20 micrograms per deciliter; or

(3) *a child in the residence is identified as having a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification. Assessments must be conducted by a board of health regardless of the availability of state or federal appropriations for assessments.*

(b) Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. *A board of health may assess a residence even if none of the three criteria in this subdivision are met.*

(c) If a child regularly spends several hours per day at another residence, such as a residential child care facility, the board of health must also assess the other residence.

(d) *Sections 144.871 to 144.879 neither authorize nor prohibit a board of health from charging a property owner for the cost of assessment.*

~~(b)~~ (e) The board of health must conduct the residential assessment according to rules adopted by the commissioner according to section 144.878. *A board of health shall have residential assessments performed by lead*

*inspectors licensed by the commissioner according to rules adopted under section 144.877. A board of health may observe the performance of lead abatement in progress and has authority to enforce the provisions of chapter 144.*

Sec. 12. Minnesota Statutes 1992, section 144.874, subdivision 3, is amended to read:

Subd. 3. [LEAD ABATEMENT ORDERS.] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. Lead abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. *The board of health is not required to pay for lead abatement.* With each lead abatement order, the board of health must provide a residential lead abatement guide.

Sec. 13. Minnesota Statutes 1992, section 144.874, subdivision 4, is amended to read:

Subd. 4. [RELOCATION OF RESIDENTS.] A board of health must ensure that residents are relocated from rooms or dwellings during abatement that generates leaded dust, such as removal or disruption of lead-based paint or plaster that contains lead. *A board of health is not required to pay for relocation unless state or federal funding is available for this purpose.* Residents must be allowed to return to the residence or dwelling after completion of abatement. A board of health shall use grant funds under section 144.872, subdivision 3, in cooperation with local housing agencies, to pay for moving costs for any low-income resident temporarily relocated during lead abatement, not to exceed \$250 per household.

Sec. 14. Minnesota Statutes 1992, section 144.874, subdivision 6, is amended to read:

Subd. 6. [RETESTING REQUIRED.] After completion of the lead abatement as ordered, the board of health must retest the residence to assure the violations no longer exist. *The board of health is not required to test a residence after lead abatement that was not ordered by the board of health.*

Sec. 15. [144.877] [LEAD INSPECTORS.]

Subdivision 1. [LICENSE REQUIRED.] *No person may perform the duties of a lead inspector unless the person is licensed by the commissioner. A lead inspector shall have the inspector's license readily available at all times at an assessment site and make it available, upon request, for inspection by the commissioner or by a member of the staff of a board of health with jurisdiction over the site. A license must be renewed annually and may not be transferred.*

Subd. 2. [LICENSE APPLICATION.] (a) *An application for a license and for renewal of a license must be on a form provided by the commissioner and be accompanied by:*

(1) *the fee set by the commissioner; and*

(2) *evidence that the applicant has successfully completed a lead inspection training course approved by the commissioner or, within the previous 180 days, an initial lead inspection training course.*

(b) *The fee required by this subdivision is waived for an employee of a board of health.*

**Subd. 3. [LICENSE RENEWAL.]** *A license is valid for one year from the issuance date unless revoked by the commissioner. An applicant must successfully complete either an approved initial lead inspection training course or an approved annual refresher lead inspection training course to apply for license renewal.*

**Subd. 4. [LICENSE REPLACEMENT.]** *A licensed lead inspector may obtain a replacement license by reapplying for a license. A replacement license expires on the same date as the original license.*

**Subd. 5. [GROUNDS FOR DISCIPLINARY ACTION.]** (a) *The commissioner may deny an application, revoke a license, or impose limitations or conditions on a license if a licensed lead inspector:*

- (1) violates this section or rules adopted by the commissioner;*
- (2) submits an application that is incomplete or inaccurate or is not accompanied by the required fee, or if the fee is paid by an invalid check;*
- (3) obtains a license, certificate, or approval through error, fraud, or cheating;*
- (4) provides false or fraudulent information on forms submitted to the commissioner;*
- (5) allows an unlicensed or uncertified person to engage, or aids an unlicensed or uncertified person in engaging, in activities for which a license or certificate is required;*
- (6) endangers public health or safety; or*
- (7) has been convicted during the previous five years of a felony or gross misdemeanor under section 270.72, 325F.69, or 325F.71.*

(b) *An application for licensure that has been denied may be resubmitted when the reasons for the denial have been corrected. A person whose license is revoked may not apply for a license within one year of the date of revocation.*

**Subd. 6. [RULES.]** *The commissioner shall adopt rules to implement this section, including rules setting fees for licenses and license renewals and rules for approving initial lead inspection training courses and annual refresher lead inspection training courses.*

**Sec. 16.** *Minnesota Statutes 1992, section 144.878, subdivision 2, is amended to read:*

**Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.]** (a) *The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose. The commissioner shall adopt priorities for providing abatement services to areas defined to be at high risk for toxic lead exposure. In adopting priorities, the commission shall consider the number of children and pregnant women diagnosed with elevated blood lead levels and the median concentration of lead in the soil. The commissioner shall give priority to areas having the largest population of children and pregnant women*

having elevated blood lead levels, areas with the highest median soil lead concentration, and areas where it has been determined that there are large numbers of residences that have deteriorating paint. The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that intact paint is a chewable or lead-dust producing surface that is a known source of actual lead exposure to a specific person. In adopting rules under this subdivision, the commissioner shall require the best available technology for abatement methods, paint stabilization, and repainting.

(b) The commissioner of health shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment.

(c) The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods and disposal of any hazardous waste are conducted in a manner that protects public health and the environment.

(d) All standards adopted under this subdivision must provide adequate margins of safety that are consistent with a detailed review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous. The rules must apply to any individual performing or ordering the performance of lead abatement.

Sec. 17. Minnesota Statutes 1992, section 144.878, subdivision 5, is amended to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] The commissioner shall adopt rules to license lead abatement contractors, to certify employees of lead abatement contractors who perform abatement, and to certify lead abatement trainers who provide lead abatement training for contractors, employees, or other lead abatement trainers. ~~The rules must include standards and procedures for on-the-job training for swab teams.~~ All lead abatement training must include a hands-on component and instruction on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. At least 30 days before publishing initial notice of proposed rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services committees in the house of representatives and the senate, and to any legislative committee on licensing created by the legislature.

Sec. 18. Minnesota Statutes 1992, section 157.01, subdivision 1, is amended to read:

Subdivision 1. [TYPES OF ESTABLISHMENTS.] Every building or structure or enclosure, or any part thereof, kept, used as, maintained as, or advertised as, or held out to the public to be an enclosure where sleeping accommodations are furnished to the public and furnishing accommodations for periods of less than one week shall for the purpose of this chapter be deemed an a hotel or motel.

Every building or other structure or enclosure, or any part thereof and all buildings in connection, kept, used or maintained as, or advertised as, or held out to the public to be an enclosure where meals or lunches are served or prepared for service elsewhere shall for the purpose of this chapter be deemed to be a restaurant, and the person in charge thereof, whether as owner, lessee, manager or agent, for the purpose of this chapter shall be deemed the proprietor of the restaurant, and whenever the word "restaurant" occurs in this chapter, it shall be construed to mean a structure as described in this section.

Every building or structure, or any part thereof, kept, used as, maintained as, advertised as, or held out to be a place where sleeping accommodations are furnished to the public as regular roomers, for periods of one week or more, and having five or more beds to let to the public, shall, for the purpose of this chapter, be deemed a lodging house.

Every building or structure or enclosure, or any part thereof, used as, maintained as, or advertised as, or held out to be an enclosure where meals or lunches are furnished to five or more regular boarders, whether with or without sleeping accommodations, for periods of one week or more, shall, for the purpose of this chapter, be deemed a boarding house.

Every building or structure, or any part thereof, used as, maintained as, or advertised as, or held out to be a place where confectionery, ice cream, or drinks of various kinds are made, sold or served at retail, shall, for the purpose of this chapter, be deemed to be a place of refreshment. This chapter shall not be applicable in any manner to a general merchandise store, oil station, cigar stand, confectionery store, or drug store not providing meals, lunches, lodging, or fountain, bar, booth, or table service, or to a grocery store in which meals or lunches are served or which contains a fountain, bar, booth, delicatessen, or table service.

For the purpose of this chapter, a resort means any building, structure, or enclosure, or any part thereof, located on, or on property neighboring, any lake, stream, or skiing or hunting area for purposes of providing convenient access thereto, kept, used, maintained, or advertised as, or held out to the public to be an enclosure where sleeping accommodations are furnished to the public, and primarily to those seeking recreation, for periods of one day, one week, or longer, and having for rent five or more cottages, rooms, or enclosures.

Sec. 19. Minnesota Statutes 1992, section 157.03, is amended to read:

157.03 [LICENSES REQUIRED; FEES.]

Each year every person, firm, or corporation engaged in the business of conducting an hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment, or who shall hereafter engage in conducting any such business, except vending machine operators licensed under the license provisions of sections 28A.01 to 28A.16, must procure a license for each hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment so conducted. For any hotel, motel, resort, campground, or manufactured home park as defined in section 327.15, in which food, fountain, or bar service is furnished, one license, in addition to the hotel, resort, manufactured home park, or campground license, shall be sufficient for all restaurants and places of refreshment conducted on the same premises and under the same management with the hotel, motel, resort, manufactured

home park, or campground. Each license shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122. Any proprietor who operates a place of business after the expiration date without first having made application for a license and without having made payment of the fee thereof shall be deemed to have violated the provisions of this chapter and be subject to prosecution, as provided in this chapter. In addition thereto, a penalty in an amount prescribed by the commissioner pursuant to section 144.122 shall be added to the amount of the license fee and paid by the proprietor, as provided herein, if the application has not reached the office of the state commissioner of health within 30 days following the expiration of license; or, in the case of a new business, 30 days after the opening date of the business. ~~The state commissioner of health shall furnish to Any person, firm, or corporation desiring to conduct an hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment an shall make application blank to be filled out by the person, firm, or corporation, on forms provided by the department~~ for a license therefor, which shall require the applicant to state the full name and address of the owner of the building, structure, or enclosure, the lessee and manager of the hotel, motel, restaurant, lodging house, boarding house, or resort, or place of refreshment, the location of the same, the name under which the business is to be conducted, and any other information as may be required therein by the state commissioner of health to complete the application for license. The application shall be accompanied by a license fee as hereinafter provided.

For hotels, motels, lodging houses, and resorts, the license fee may be graduated according to the number of sleeping rooms and the amount of the fees shall be prescribed by the state commissioner of health pursuant to section 144.122.

For restaurants, places of refreshment, and boarding houses, the license fee may be based on the average number of employees. ~~If the license fee is so computed, the commissioner shall consider each full-time employee as one employee and each part-time employee as that fraction of one employee as the number of months the employee is employed is to the 12 months of the year. The number of employees counted for each establishment shall be based upon the total number of employees employed full time and employed part time when added together to total the hours of full-time employment.~~ Employees shall include all persons, except children of the licensee under the age of 18, at work in any capacity, either voluntary or paid, and whether or not reported under the labor laws of this state.

If the license fee is based upon the average number of employees, every licensee shall, at the time of application, certify as to the number of employees on forms provided by the state commissioner of health and the state commissioner of health shall have access, on demand, to any and all employment records for purposes of substantiating or correcting numbers of declared employees.

License fees for restaurants, places of refreshment, and boarding houses shall be in an amount prescribed by the state commissioner of health pursuant to section 144.122.

No school, as defined in sections 120.05 and 120.101, may be required to pay a license fee.

Sec. 20. Minnesota Statutes 1992, section 157.08, is amended to read:

157.08 [LINENS, OTHER FURNISHINGS; ~~PENALTY PROSECUTION.~~]

All hotels and motels in this state shall hereafter provide each bedroom with at least two clean towels daily for each guest and provide the main public washroom with clean individual towels. Individual towels shall not be less than nine inches wide and 13 inches long after being washed. This shall not prohibit the use of other acceptable hand drying devices.

All hotels, motels, lodging houses and resorts where linen is provided, hereafter shall provide each bed, bunk, cot, or sleeping place for the use of guests with pillowslips and under and top sheets; each sheet shall be not less than 99 inches long nor less than 24 inches wider than the mattress. A sheet shall not be used which measures less than 90 inches in length after being laundered; these sheets and pillowslips to be made of materials acceptable to the state commissioner of health, and all sheets and pillowslips, after being used by one guest, must be laundered in a manner acceptable to the commissioner before they are used by another guest, a clean set being furnished each succeeding guest.

All bedding, including mattresses, quilts, blankets, pillows, sheets, and comforts used in any hotel, motel, resort, or lodging house in this state must be kept clean. No bedding, including mattresses, quilts, blankets, pillows, sheets, or comforts, shall be used which are worn out or unfit for further use.

Effective measures shall be taken to eliminate any vermin infestation in any establishment licensed under this chapter. All rugs and carpets in all sleeping rooms shall be kept in good repair and maintained in a clean condition.

All tables, table linens, chairs, and other furniture, all hangings, draperies, curtains, carpets, and floors in all lodging houses, resorts, hotels, restaurants, boarding houses, or places of refreshment, shall be kept in good repair and in a clean and sanitary condition.

All notices to be served by the hotel inspector provided for in this chapter shall be in writing and shall be either delivered personally, or by registered letter, to the owner, agent, lessee, or manager of the hotel, motel, resort, restaurant, lodging house, boarding house, or place of refreshment.

Any person, firm, or corporation who shall operate an hotel, motel, resort, restaurant, lodging house, boarding house, or place of refreshment in this state, or who shall let a building used for such business, without having first complied with the provisions of this chapter and rules of the state commissioner of health, shall be guilty of a misdemeanor.

The county attorney of each county in this state shall, upon complaint on oath of the hotel inspector commissioner, or a duly authorized deputy, prosecute to termination before any court of competent jurisdiction, in the name of the state, a proper action or proceeding against any person or persons violating the provisions of this chapter or rules of the state commissioner of health.

Sec. 21. Minnesota Statutes 1992, section 157.081, subdivision 1, is amended to read:

Subdivision 1. [FINES FOR VIOLATIONS; LIMITS ABATEMENT ORDER.] The commissioner shall *may* impose a civil fine for repeated or egregious violation of rules relating to facilities licensed under this chapter or chapter 327. The fine shall be assessed for each day the licensed facility fails

to comply with the rules. A fine for a specific violation shall not exceed \$50 per day. *The commissioner upon finding that there is a clear and present danger to the public health may seek a court order to abate the condition.*

Sec. 22. [157.082] [ENFORCEMENT; PENALTY.]

*All notices to be served by the commissioner under this chapter shall be in writing and shall be either delivered personally, or by registered letter, to the owner, agent, lessee, or manager of the hotel, motel, resort, restaurant, lodging house, boarding house, or place of refreshment.*

*Any person, firm, or corporation who operates a hotel, motel, resort, restaurant, lodging house, boarding house, or place of refreshment in this state, or who lets a building used for those businesses, without having first complied with the provisions of this chapter and rules of the commissioner of health, is guilty of a misdemeanor.*

Sec. 23. Minnesota Statutes 1992, section 157.09, is amended to read:

157.09 [REVOCATION OF LICENSE.]

It shall be the duty of the commissioner of health to revoke a license, on the commissioner's finding that a place of business is being operated in violation of the provisions of this chapter or rules of the state commissioner of health, so as to constitute a filthy, unclean, and insanitary condition and dangerous to public health; or, if the owner or proprietor persistently refuses or fails to comply with the provisions of this chapter or rules of the commissioner. Upon revocation of a license, the place of business shall be immediately closed to public patronage until such time as the owner or proprietor shall have complied with the provisions of this chapter, as certified to by the issuance of a new license.

~~The third revocation of license in any one year and on any one proprietor shall be made permanent for a period of one year from the date of the last revocation.~~

Sec. 24. Minnesota Statutes 1992, section 157.12, is amended to read:

157.12 [LICENSE POSTED IN OFFICE.]

Every hotel, motel, resort, restaurant, lodging house, boarding house, or place of refreshment securing a license or license fee receipt under the provisions of this chapter shall keep the same posted in a conspicuous place in the office of such hotel, motel, resort, restaurant, lodging house, boarding house, or place of refreshment.

~~All prosecutions under this chapter shall be conducted by the county attorney of the county in which the offense was committed.~~

Sec. 25. Minnesota Statutes 1992, section 157.14, is amended to read:

157.14 [EXEMPTIONS.]

This chapter shall not be construed to apply to interstate carriers under the supervision of the United States Department of Health, Education and Welfare and Human Services or to any building constructed and primarily used for religious worship, nor to any building owned, operated and used by a college or university in accordance with health regulations promulgated by the college or university. Any person, firm or corporation whose principal mode of business is licensed under sections 28A.04 and 28A.05 is exempt at that



premises from licensure as a place of refreshment or restaurant; provided, that the holding of any license pursuant to sections 28A.04 and 28A.05 shall not exempt any person, firm, or corporation from the applicable provisions of the chapter or the rules of the state commissioner of health relating to food and beverage service establishments. This chapter does not apply to family day care homes or group family day care homes governed by sections 245A.01 to 245A.16 and does not apply to nonprofit senior citizen centers for the sale of home-baked goods.

Sec. 26. Minnesota Statutes 1992, section 327.10, is amended to read:

327.10 [LODGING ESTABLISHMENT OPERATOR, DUTIES.]

Every person operating within this state a recreational camping area, ~~eabin camp~~, lodging house, ~~tourist rooms~~, hotel or motel, ~~manufactured home park~~, or resort furnishing sleeping or overnight stopping accommodations for transient guests, shall provide and keep thereat a suitable guest register for the registration of all guests provided with sleeping accommodations or other overnight stopping accommodations thereat; and every such guest shall be registered therein. Upon the arrival of every such guest, the operator of ~~such camp or resort~~ the establishment shall require the guest to enter in such register, or enter for the guest therein, in separate columns provided in such register, the name and home address of the guest and every person, if any, with the guest as a member of the party; and if traveling by motor vehicle, the make of such vehicle, registration number, and other identifying letters or characters appearing on the official number plate carried thereon, including the name of the state issuing such official plate. Such registration shall be kept in an accurate and orderly manner and retained for one year so that the same will be always accessible for inspection by the proper authorities.

Sec. 27. Minnesota Statutes 1992, section 327.11, is amended to read:

327.11 [GUEST, REGISTRATION.]

Every person, upon arriving at any lodging house, ~~manufactured home park~~, recreational camping area, ~~eabin camp~~, hotel or motel or other resort described in sections 327.10 to 327.13 and applying for guest accommodations therein of the character described in section 327.10, shall furnish to the operator or other attendant in charge of ~~such camp or resort~~ the establishment the registration information necessary to complete the registration in accordance with the requirements of section 327.10, and shall not be provided with accommodations unless and until such information shall be so furnished.

Sec. 28. Minnesota Statutes 1992, section 327.16, subdivision 5, is amended to read:

Subd. 5. [PERMIT.] When the plans and specifications have been approved, the state department of health shall issue an approval report permitting the applicant to construct or make alterations ~~pertaining to water and sewage disposal~~ upon a manufactured home park or recreational camping area and the appurtenances thereto according to the plans and specifications presented.

Such approval does not relieve the applicant from securing building permits in municipalities ~~having a building code~~; that require permits or from complying with any other municipal ordinance or ordinances, applicable thereto, not in conflict with this statute.

Sec. 29. Minnesota Statutes 1992, section 327.20, subdivision 1, is amended to read:

Subdivision 1. [RULES.] No domestic animals or house pets of occupants of manufactured home parks or recreational camping areas shall be allowed to run at large, or commit any nuisances within the limits of a manufactured home park or recreational camping area. Each manufactured home park or recreational camping area licensed under the provisions of sections 327.10, 327.11, 327.14 to 327.28 shall, among other things, provide for the following, in the manner hereinafter specified:

(1) A responsible attendant or caretaker shall be in charge of every manufactured home park or recreational camping area at all times, who shall maintain the park or area, and its facilities and equipment in a clean, orderly and sanitary condition. In any manufactured home park containing more than 50 lots, the attendant, caretaker, or other responsible park employee, shall be readily available at all times in case of emergency.

(2) All manufactured home parks shall be well drained and be located so that the drainage of the park area will not endanger any water supply. No waste water from manufactured homes or recreational camping vehicles shall be deposited on the surface of the ground. All sewage and other water carried wastes shall be discharged into a municipal sewage system whenever available. When a municipal sewage system is not available, a sewage disposal system acceptable to the state commissioner of health shall be provided.

(3) No manufactured home shall be located closer than three feet to the side lot lines of a manufactured home park, if the abutting property is improved property, or closer than ten feet to a public street or alley. Each individual site shall abut or face on a driveway or clear unoccupied space of not less than 16 feet in width, which space shall have unobstructed access to a public highway or alley. There shall be an open space of at least ten feet between the sides of adjacent manufactured homes including their attachments and at least three feet between manufactured homes when parked end to end. The space between manufactured homes may be used for the parking of motor vehicles and other property, if the vehicle or other property is parked at least ten feet from the nearest adjacent manufactured home position. The requirements of this paragraph shall not apply to recreational camping areas and variances may be granted by the state commissioner of health in manufactured home parks when the variance is applied for in writing and in the opinion of the commissioner the variance will not endanger the health, safety, and welfare of manufactured home park occupants.

(4) An adequate supply of water of safe, sanitary quality shall be furnished at each manufactured home park or recreational camping area. The source of the water supply shall first be approved by the state department of health. ~~At least one water supply outlet shall be provided at convenient locations throughout the manufactured home park or recreational camping area.~~

(5) All plumbing shall be installed in accordance with the rules of the state commissioner of health and the provisions of the Minnesota plumbing code.

(6) In the case of a manufactured home park with less than ten manufactured homes, a plan for the sheltering or the safe evacuation to a safe place of shelter of the residents of the park in times of severe weather conditions, such as tornadoes, high winds, and floods. The shelter or evacuation plan shall be

developed with the assistance and approval of the municipality where the park is located and shall be posted at conspicuous locations throughout the park. Nothing in this paragraph requires the department of health to review or approve any shelter or evacuation plan developed by a park. Failure of a municipality to approve a plan submitted by a park shall not be grounds for action against the park by the department of health if the park has made a good faith effort to develop the plan and obtain municipal approval.

(7) A manufactured home park with ten or more manufactured homes, licensed prior to March 1, 1988, shall provide a safe place of shelter for park residents or a plan for the evacuation of park residents to a safe place of shelter within a reasonable distance of the park for use by park residents in times of severe weather, including tornadoes and high winds. The shelter or evacuation plan must be approved by the municipality by March 1, 1989. The municipality may require the park owner to construct a shelter if it determines that a safe place of shelter is not available within a reasonable distance from the park. A copy of the municipal approval and the plan shall be submitted by the park owner to the department of health.

(8) A manufactured home park with ten or more manufactured homes, receiving a primary license after March 1, 1988, must provide the type of shelter required by section 327.205.

Sec. 30. Minnesota Statutes 1992, section 327.26, subdivision 1, is amended to read:

Subdivision 1. [LOCAL LICENSES PROHIBITED.] No municipality may impose any license (1) upon any licensed manufactured home park or recreational camping area ~~complying with the provisions of sections 327.10, 327.11, 327.14 to 327.28,~~ or (2) upon any occupant of a licensed manufactured home park.

#### Sec. 31. [ADDITIONAL STANDARDS FOR LICENSURE.]

*Until the commissioner of health has adopted the rules required by section 15, subdivision 6, the licensure of lead inspectors is governed by this section as follows:*

*(1) a lead inspector must obtain a license within 180 days of the effective date of section 15;*

*(2) the fee for issuance or renewal of a lead inspector license is \$50, is nonrefundable, and must be submitted in the form of a check;*

*(3) the fee for replacement of a license is \$25, is nonrefundable, and must be submitted in the form of a check;*

*(4) an applicant who submits an approvable application within 60 days of the initial denial of an application is not required to pay a second fee; and*

*(5) a lead inspection course sponsored by the United States Environmental Protection Agency is an approved course for the purposes of section 15, subdivision 2.*

#### Sec. 32. [REPEALER.]

*Minnesota Statutes 1992, sections 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; and 157.05, subdivisions 2 and 3, are repealed.*

*Section 31 is repealed effective upon the adoption by the commissioner of health of the rules required by section 15, subdivision 6.*

**Sec. 33. [EFFECTIVE DATE.]**

*Sections 15 and 32 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to health; extending the expiration date of certain advisory councils and committees; modifying provisions relating to lead abatement; changing regulation provisions for hotels, resorts, restaurants, and manufactured homes; providing penalties; amending Minnesota Statutes 1992, sections 15.059, subdivision 5; 144.73, subdivision 3; 144.871, subdivisions 2, 6, 7a, and by adding subdivisions; 144.872, subdivision 2; 144.873, subdivision 2; 144.874, subdivisions 1, 3, 4, and 6; 144.878, subdivisions 2 and 5; 157.01, subdivision 1; 157.03; 157.08; 157.081, subdivision 1; 157.09; 157.12; 157.14; 327.10; 327.11; 327.16, subdivision 5; 327.20, subdivision 1; 327.26, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 144; and 157; repealing Minnesota Statutes 1992, sections 144.8721; 144.874, subdivision 10; 144.878, subdivision 2a; and 157.05, subdivisions 2 and 3."

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

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which was referred

S.F. No. 1527: A bill for an act relating to the city of Mankato; extending the duration of a tax increment financing district.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

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

S.F. No. 1597: A bill for an act relating to commerce; regulating collection agencies; modifying prohibited practices; requiring notification to the commissioner upon certain employee terminations; repealing inconsistent surety bond and term and fee rules; regulating credit services organizations; modifying registration and bond requirements; modifying enforcement powers; amending Minnesota Statutes 1992, sections 332.37; 332.54, subdivision 1, and by adding subdivisions; 332.55; and 332.59; proposing coding for new law in Minnesota Statutes, chapter 332; repealing Minnesota Rules, parts 2870.1300; and 2870.1600.

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 332.37, is amended to read:  
332.37 [PROHIBITED PRACTICES.]

No collection agency or collectors shall:

(1) in collection letters or publications, or in any communication, oral or written threaten wage garnishment or legal suit by a particular lawyer, unless it has actually retained the lawyer;

(2) use or employ constables, sheriffs or any other officer authorized to serve legal papers in connection with the collection of a claim, except when performing their legally authorized duties;

(3) use or threaten to use methods of collection which violate Minnesota law;

(4) furnish legal advice or otherwise engage in the practice of law or represent that it is competent to do so;

(5) communicate with debtors in a misleading or deceptive manner by using the stationery of a lawyer, forms or instruments which only lawyers are authorized to prepare, or instruments which simulate the form and appearance of judicial process;

(6) exercise authority on behalf of a creditor to employ the services of lawyers unless the creditor has specifically authorized the agency in writing to do so and the agency's course of conduct is at all times consistent with a true relationship of attorney and client between the lawyer and the creditor;

(7) publish or cause to be published any list of debtors except for credit reporting purposes, use shame cards or shame automobiles, advertise or threaten to advertise for sale any claim as a means of forcing payment thereof, or use similar devices or methods of intimidation;

(8) refuse to return any claim or claims and all valuable papers deposited with a claim or claims upon written request of the creditor, claimant or forwarder after tender of the amounts due and owing to the agency within 30 days after the request; refuse or intentionally fail to account to its clients for all money collected within 30 days from the last day of the month in which the same is collected; or, refuse or fail to furnish at intervals of not less than 90 days upon written request of the claimant or forwarder, a written report upon claims received from the claimant or forwarder;

(9) operate under a name or in a manner which implies that the agency is a branch of or associated with any department of federal, state, county or local government or an agency thereof;

(10) commingle money collected for a customer with the agency's operating funds or use any part of a customer's money in the conduct of the agency's business;

(11) transact business or hold itself out as a debt prorater, debt adjuster, or any person who settles, adjusts, prorates, pools, liquidates or pays the indebtedness of a debtor, unless there is no charge to the debtor, or the pooling or liquidation is done pursuant to court order or under the supervision of a creditor's committee;

(12) violate any of the provisions of the Fair Debt Collection Practices Act of 1977 while attempting to collect on any account, bill or other indebtedness;

(13) communicate with a debtor by use of a recorded message utilizing an automatic dialing announcing device unless the recorded message is immediately preceded by a live operator who discloses prior to the message the name of the collection agency and the fact the message intends to solicit

payment and the operator obtains the consent of the debtor to hearing the message; or

(14) in collection letters or publications, or in any communication, oral or written, imply or suggest that health care services will be withheld in an emergency situation;

(15) when a debtor has a listed telephone number, enlist the aid of a neighbor or third party to request that the debtor contact the licensee, except a person who resides with the debtor or a third party with whom the debtor has authorized the licensee to place the request. This clause does not apply to a call back message left at the debtor's place of employment which is limited to the licensee's telephone and the collector's name;

(16) when attempting to collect a debt, fail to provide the debtor with the full name of the collection agency as it appears on its license;

(17) collect any money from a debtor that is not reported to a creditor or fail to return any amount of overpayment from a debtor to the debtor or to the state of Minnesota pursuant to the requirements of chapter 345;

(18) accept currency or coin as payment for a debt without issuing an original receipt to the debtor and maintain a duplicate receipt in the debtor's payment records; or

(19) when initially contacting a Minnesota debtor by mail, fail to include a disclosure on the contact notice, in a type size or font which is equal to or larger than the largest other type of type size or font used in the text of the notice. The disclosure must state: "This collection agency is licensed by the Minnesota Department of Commerce."

#### Sec. 2. [332.385] [NOTIFICATION TO COMMISSIONER.]

The collection agency licensee shall notify the commissioner of any employee termination within ten days of the termination if it is in whole or in part based on a violation of this chapter.

Sec. 3. Minnesota Statutes 1992, section 332.54, subdivision 1, is amended to read:

Subdivision 1. [FILING.] It is unlawful for any credit services organization to offer, advertise, or execute or cause to be executed by a consumer any contract in this state unless the credit services organization at the time of the offer, advertisement, sale, or execution of a contract has been properly registered with the commissioner. The commissioner may charge the credit services organization a reasonable fee not exceeding \$100 to cover the costs of filing.

Sec. 4. Minnesota Statutes 1992, section 332.54, is amended by adding a subdivision to read:

Subd. 6. [TERM.] Registration issued or renewed by the commissioner of commerce under sections 332.52 to 332.60 expires on June 30 of each year.

Sec. 5. Minnesota Statutes 1992, section 332.54, is amended by adding a subdivision to read:

Subd. 7. [FEES.] The fee for a credit services organization's registration is \$100 for issuance or renewal for each location of business.

Sec. 6. Minnesota Statutes 1992, section 332.55, is amended to read:

332.55 [BOND.]

A credit services organization must submit to the commissioner at the time of registration, a *an annual surety bond of \$10,000 and in which, expiring on June 30 of each year, by an insurance company;* which is authorized by the state of Minnesota to transact the business of fidelity and surety insurance, *is a surety.* The credit services organization must be the obligor. The bond must benefit the state of Minnesota and any person who may have a cause of action against the obligor arising out of the obligor's activities as a credit services organization. The commissioner may accept a deposit in cash, or securities that may be legally purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond. The cash or securities must be deposited with the state treasurer.

Sec. 7. Minnesota Statutes 1992, section 332.59, is amended to read:

332.59 [VIOLATIONS.]

Any person who violates sections 332.52 to 332.58 is guilty of a misdemeanor. ~~The commissioner of commerce may bring a civil action or proceeding against a person who violates any provision of sections 332.52 to 332.58. A violation of sections 332.52 to 332.58 is a violation of section 325F.69, subdivision 1, and the provisions of section 8.31 apply. Sections 332.52 to 332.58 do not limit or restrict the right of any person to pursue any appropriate remedy for a violation of sections 332.52 to 332.58. The provisions of section 45.027 apply to the enforcement of sections 332.52 to 332.58.~~

Sec. 8. [RULES REPEALER.]

*Minnesota Rules, parts 2870.1300; and 2870.1600, are repealed."*

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

H.F. No. 1063: A bill for an act relating to commerce; currency exchanges; changing the date for submission of license renewal applications; amending Minnesota Statutes 1992, section 53A.03.

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

Page 2, after line 31, insert:

"Sec. 2. Minnesota Statutes 1992, section 359.01, is amended to read:

359.01 [COMMISSION.]

Subdivision 1. [RESIDENT NOTARIES.] ~~The governor~~ *commissioner of commerce* may appoint and commission as notaries public, ~~by and with the advice and consent of the senate,~~ as many citizens of this state or resident aliens, over the age of 18 years, ~~resident in the county for which appointed,~~ as the ~~governor~~ *commissioner* ~~deems~~ *considers* necessary.

Subd. 2. [NONRESIDENT NOTARIES.] Notwithstanding the provisions of subdivision 1, the ~~governor~~ commissioner may appoint as notary public, ~~by and with the advice and consent of the senate,~~ a person who is not a resident of this state and who is not a resident of the county for which appointment is sought if:

(1) the person is a resident of Wisconsin, Iowa, North Dakota, or South Dakota, and of a county that shares a boundary with this state;

(2) the person designates the court administrator of the district court of a county of this state that shares a boundary with the county of residence as agent for the service of process for all purposes relating to notarial acts and for receipt of all correspondence relating to notarial acts.

Subd. 3. [FEES.] ~~The fee for each commission shall not exceed \$40.~~ (a) *When making application for a commission the applicant must submit, along with the information required by the commissioner, a nonrefundable fee of \$40.*

*(b) All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of a fee is the subject of a refund upon proper application.*

Sec. 3. Minnesota Statutes 1992, section 359.02, is amended to read:

**359.02 [TERM, BOND, OATH, REAPPOINTMENT.]**

A notary commissioned under section 359.01 holds office for six years, unless sooner removed by the ~~governor or the district court commissioner.~~ ~~Before entering upon the duties of office, a newly commissioned notary shall file the notary's oath of office with the secretary of state.~~ Within 30 days before the expiration of the commission a notary may be reappointed for a new term to commence and to be designated in the new commission as beginning upon the day immediately following the date of the expiration. The reappointment takes effect and is valid although the appointing ~~governor~~ commissioner may not be in the office of ~~governor~~ commissioner on the effective day.

*(a) All notary commissions issued before January 31, 1995, will expire on January 31, 1995.*

*(b) All notary commissions issued after January 31, 1995, will expire at the end of the licensing period, which will end every fifth year following January 31, 1995.*

*(c) All notary commissions issued during a licensing period expire at the end of that period as set forth in this section.*

Sec. 4. Minnesota Statutes 1992, section 359.03, subdivision 1, is amended to read:

Subdivision 1. Every notary shall get an official seal, with which to authenticate official acts, and upon which shall be engraved the arms of this state, the words "notarial seal," ~~and the name of the county for which appointed.~~ ~~Such~~ The seal, with the notary's official register, ~~shall be~~ is exempt from execution, and, on death or removal from office, ~~such the register shall~~ must be deposited with the court administrator of the district court of the notary's county.



Sec. 5. Minnesota Statutes 1992, section 359.03, subdivision 3, is amended to read:

Subd. 3. The seal of every notary public after January 1, 1972, may be affixed by a stamp that will print a seal which legibly reproduces under photographic methods the seal of the state of Minnesota, the name of the notary, the words "Notary Public," the name of the county for which appointed, and the words "My commission expires .....,," with the expiration date shown thereon. The seal shall be a rectangular form of not more than three-fourths of an inch vertically by 2-1/2 inches horizontally, with a serrated or milled edge border, and shall contain the information required by this subdivision.

Sec. 6. Minnesota Statutes 1992, section 359.04, is amended to read:

359.04 [POWERS.]

Every ~~such~~ notary public so appointed, commissioned, and qualified shall have power throughout ~~the~~ this state, to administer all oaths required or authorized by law, to be administered in this state; to take and certify all depositions, to be used in any of the courts of this state; to take and certify all acknowledgments of deeds, mortgages, liens, powers of attorney, and other instruments, in writing; and to receive, make out, and record notarial protests.

Sec. 7. Minnesota Statutes 1992, section 359.05, is amended to read:

359.05 [DATE OF EXPIRATION OF COMMISSION AND NAME TO BE ENDORSED.]

~~Each notary public so appointed, commissioned, and qualified, shall have power throughout this state to administer all oaths required or authorized to be administered in this state; to take and certify all depositions to be used in any of the courts of this state; to take and certify all acknowledgments of deeds, mortgages, liens, powers of attorney, and other instruments in writing, and to receive, make out, and record notarial protests.~~

Every notary public, except in cases provided in section 359.03, subdivision 3, taking an acknowledgment of an instrument, taking a deposition, administering an oath, or making a notarial protest, shall, immediately following the notary's signature to the jurat or certificate of acknowledgment, endorse the date of the expiration of the commission; such endorsement may be legibly written, stamped, or printed upon the instrument, but must be disconnected from the seal, and shall be substantially in the following form: "My commission expires ....., 19...." Except in cases provided in section 359.03, subdivision 3, every notary public, in addition to signing the jurat or certificate of acknowledgment, shall, immediately following the signature and immediately preceding the official description, endorse thereon the notary's name with a typewriter or print the same legibly with a stamp or with pen and ink; provided that the failure so to endorse or print the name shall not invalidate any jurat or certificate of acknowledgment.

Sec. 8. Minnesota Statutes 1992, section 359.071, is amended to read:

359.071 [CHANGE OF RESIDENCE ADDRESS.]

A notary public who, during a term of office, establishes residency in a county of this state other than the county for which appointed, may file with the secretary of state an affidavit identifying the county of current residency, the county of appointment as notary public, and the date of change of

residency. If the affidavit is properly filed, the notary continues to have the same powers during the unexpired term of appointment as if there were no change of residence. The notary public may use the official seal for the remainder of the term. A notary shall notify the commissioner of any address change within 30 days of the change.

Sec. 9. Minnesota Statutes 1992, section 359.12, is amended to read:

**359.12 [REMOVAL FROM OFFICE ADMINISTRATIVE ACTIONS AND PENALTIES.]**

Every notary who shall charge or receive a fee or reward for any act or service done or rendered under this chapter as a notary greater than the amount allowed by law, or who dishonestly or unfaithfully discharges duties as notary, shall, on complaint filed and substantiated as in other civil cases in the district court of the county of residence, be removed from office by such court. The fact of such removal shall thereupon be certified by the court administrator to the governor, and the person so removed shall thereafter be ineligible to such office or who has plead guilty, with or without explicitly admitting guilt, plead nolo contendere, or been convicted of a felony, gross misdemeanor, or misdemeanor involving moral turpitude, is subject to the penalties imposed pursuant to section 45.027. The commissioner has all the powers provided by section 45.027 and shall proceed in the manner provided by that section in actions against notaries.

**Sec. 10. [CREDIT FOR FEE.]**

*For notary commissions issued prior to January 1, 1994, the commissioner shall provide a pro rata credit of \$8 per year for the unexpired portion of the notary commissions that would have expired more than one year following January 1, 1995. The credit may only be applied toward the fees incurred for renewing a notary commission after December 31, 1994. Notary commissions issued after the effective date of this act shall expire on January 31, 2000."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "relating to notaries public; making various technical changes; providing for the appointment and powers of notaries; prescribing penalties;"

Page 1, line 4, delete "section" and insert "sections" and after "53A.03" insert "; 359.01; 359.02; 359.03, subdivisions 1 and 3; 359.04; 359.05; 359.071; and 359.12"

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

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

S.F. No. 1313: A bill for an act relating to employment; independent contractors; requiring contractors to treat certain independent contractors as employees; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Delete everything after the enacting clause and insert:

"Section 1. [176.041] [INDEPENDENT CONTRACTOR COVERAGE.]

*The exclusion for independent contractors provided by section 176.041 does not apply to independent contractors who are in the construction business.*

Sec. 2. Minnesota Statutes 1992, section 182.651, is amended by adding a subdivision to read:

*Subd. 9a. "Employee" also includes independent contractors who are in the construction business.*

Sec. 3. [STUDY; INDEPENDENT CONTRACTORS.]

*Subdivision 1. [UNEMPLOYMENT COMPENSATION.] The department of jobs and training shall study the issue of independent contractors and their compliance with unemployment compensation contribution requirements. The department shall report the results of the study along with recommendations for legislation to the policy committees of the legislature having jurisdiction over unemployment compensation matters by February 1, 1994.*

*Subd. 2. [INCOME TAX WITHHOLDING.] The department of revenue shall study the issue of independent contractors and their compliance with income tax withholding laws. The department shall report the results of the study along with recommendations for legislation to the policy committees of the legislature having jurisdiction over taxation matters.*

Sec. 4. [EFFECTIVE DATE.]

*This act is effective June 1, 1993, and applies to contracts entered into on and after that date."*

Delete the title and insert:

*"A bill for an act relating to employment; requiring workers' compensation and Occupational Safety and Health Act coverage for certain independent contractors; requiring certain reports on independent contractors; amending Minnesota Statutes 1992, section 182.651, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176."*

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

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

S.F. No. 1413: A bill for an act relating to workers' compensation; modifying provisions relating to charges by certain nursing homes; amending Minnesota Statutes 1992, section 176.136, subdivision 1b.

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

Page 2, delete line 2 and insert:

*"(c) The limitation of liability for charges provided by paragraph (b) does not apply to"*

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

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

S.F. No. 961: A bill for an act relating to the department of jobs and training; changing its name to the department of economic security.

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

Page 1, line 10, before the period, insert "*of jobs and training*"

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

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

H.F. No. 522: A bill for an act relating to utilities; clarifying the specificity needed for public service corporation easements; amending Minnesota Statutes 1992, section 300.045.

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

Page 2, line 8, after "*upon*" insert "*written*"

Page 2, line 9, after "*request*" insert "*by the specific property owner*"

Page 2, after line 11, insert:

*"This section does not require a public service corporation to physically locate, establish, and monument by means of a land survey prepared by a registered land surveyor the corners of the specific property involved."*

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 1105, 1597, 1313, 1413 and 961 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 1063 and 522 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Luther moved that the name of Ms. Krentz be added as a co-author to S.F. No. 153. The motion prevailed.

Mr. Kroening moved that the names of Messrs. Novak, Metzen and Frederickson be added as co-authors to S.F. No. 1613. The motion prevailed.

## CALENDAR

S.F. No. 334: A bill for an act relating to traffic regulations; authorizing issuance of a citation to a driver and penalizing vehicle owner or lessee for failure to yield right-of-way to emergency vehicle; amending Minnesota Statutes 1992, section 169.20, by adding subdivisions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 654: A bill for an act relating to commerce; regulating corporate registrations and administrative dissolutions; regulating limited partnership registrations; regulating trademarks; regulating various lien filings; making various housekeeping changes relating to the powers and duties of the secretary of state; regulating legal newspapers; amending Minnesota Statutes 1992, sections 302A.821, subdivision 6; 303.13, subdivisions 1 and 2; 317A.823, subdivision 1; 317A.827, subdivision 3; 322A.70; 331A.07; 333.20, subdivision 3; 336.9-403; 514.27; 514.661, subdivision 4; 514.945, subdivision 1; 514.956, subdivision 3; and 514.960, subdivision 3.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 441: A bill for an act relating to employment; requiring employers to indemnify employees for liability arising out of the scope of employment; proposing coding for new law in Minnesota Statutes, chapter 181:

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 183: A bill for an act relating to data practices; comprehensive law enforcement data; classifying booking photographs; amending Minnesota Statutes 1992, section 13.82, subdivisions 5 and 8, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mr. Betzold and Ms. Pappas voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 764: A bill for an act relating to criminal procedure; authorizing the presence of a supportive person during certain criminal proceedings in which a minor is testifying as a prosecuting witness; amending Minnesota Statutes 1992, section 631.046, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 577: A bill for an act relating to controlled substances; prescribing penalties for failure to comply with the precursor chemical tracking system; requiring reporting of missing substances and purchases made out of state; clarifying reporting requirements; amending Minnesota Statutes 1992, sections 152.0971, subdivision 3, and by adding subdivisions; 152.0972, subdivision 1; and 152.0973, subdivisions 2, 3, 4, and by adding subdivisions.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 96: A bill for an act relating to the environment; wastewater treatment; clarifying rulemaking provisions for pollution control agency adoption of wastewater treatment standards; changing the composition of the technical advisory committee; changing the definition of individual on-site treatment system; amending Minnesota Statutes 1992, sections 115.44, subdivisions 4, 6, and 7; 115.54; and 116.18, subdivision 3c.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 688: A bill for an act relating to state government; changing the name of the council on affairs of Spanish-speaking people to the council on affairs of Mexicano/Chicano and Latino people; making related changes in definitions and duties; amending Minnesota Statutes 1992, section 3.9223, subdivisions 1, 2, 3, 5, 7, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1148: A bill for an act relating to traffic regulations; increasing fees for overweight trucks; authorizing permit to be issued for trailer or semitrailer exceeding 28-1/2 feet in three-vehicle combination; amending Minnesota Statutes 1992, sections 169.81, subdivision 2; and 169.86, subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 3, as follows:



Those who voted in the affirmative were:

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

Messrs. Finn, Sams and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 295: A bill for an act relating to utilities; authorizing utilities to make automatic annual rate adjustments for costs of conservation improvements; amending Minnesota Statutes 1992, section 216B.16, subdivision 6b.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

## CONSENT CALENDAR

H.F. No. 226: A bill for an act relating to health; clarifying the meaning of comprehensive health maintenance services; amending Minnesota Statutes 1992, section 62D.02, subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

### MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1407 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1407: A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, University of Minnesota, higher education board, and the Mayo medical foundation, with certain conditions; creating an instructional telecommunications network; providing for grants from the higher education coordinating board for regional linkages, regional coordination, courseware development and usage, and faculty training; authorizing the state board of community colleges to use higher education facilities authority revenue bonds to construct student residences; creating three accounts in the permanent university fund and making allocations from the accounts; providing tuition exemptions at technical colleges for Southwest Asia veterans; prescribing changes in eligibility and in duties and responsibilities for certain financial assistance programs; establishing grant programs to promote recruitment and retention initiatives by nurses training and teacher education programs directed toward persons of color; establishing grant programs for nursing students and students in teacher education programs who are persons of color; establishing an education to employment transitions system; amending Minnesota Statutes 1992, sections 136A.101, subdivisions 1 and 7; 136A.121, subdivision 9; 136A.1353, subdivision 4; 136A.1354, subdivision 4; 136A.15, subdivision 6; 136A.1701, subdivision 4; 136A.233, subdivisions 2 and 3; 136C.13, subdivision 4; 136C.61, subdivision 7; and 137.022, subdivision 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 136A; and 137; proposing coding for new law as Minnesota Statutes, chapter 126B; repealing Minnesota Statutes 1992, sections 136A.121, subdivision 17; and 136A.134.

Mr. Merriam moved to amend S.F. No. 1407 as follows:

Page 19, delete lines 35 and 36 and insert "accruing after July 1, 1992, to

*the permanent university fund from royalties for mining under state mineral leases from and after July 1"*

Page 20, line 1, delete "*entered into after December 31*"

Page 20, line 20, before the period, insert "*and to the environment and natural resources committees on the use of the mineral research account*"

Page 20, line 30, delete "*January*" and insert "*July*"

The motion prevailed. So the amendment was adopted.

Mr. Larson moved to amend S.F. No. 1407 as follows:

Page 39, after line 2, insert:

#### "ARTICLE 10

#### REMOVAL OF THE TECHNICAL COLLEGES FROM THE HIGHER EDUCATION MERGER

Section 1. Minnesota Statutes 1992, section 136E.03, is amended to read:

##### 136E.03 [MISSION.]

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the former ~~technical colleges~~, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the ~~three~~ two separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

Sec. 2. Minnesota Statutes 1992, section 136E.04, subdivision 1, is amended to read:

Subdivision 1. [GENERAL AUTHORITY.] The board shall manage, supervise, and control the former ~~technical colleges~~, community colleges, and state universities and all related property. It shall prescribe courses of study and conditions of admission, prepare and confer diplomas, and adopt suitable policies for the institutions it manages. Sections 14.01 to 14.47 do not apply to policies and procedures of the board.

Sec. 3. Minnesota Statutes 1992, section 136E.04, subdivision 4, is amended to read:

Subd. 4. [OCCUPATIONAL AND VOCATIONAL PROGRAM INFORMATION.] In its biennial budget request, the board shall provide to the governor and legislature information on its occupational and vocational programs specifying revenues, expenditures, trends for expenditures, expenditures for instructional equipment, and other relevant information related to those programs. The board shall provide the governor and legislature in its biennial budget request information on the accountability measures it uses to determine the efficiency and effectiveness of the occupational and vocational programs.

Sec. 4. Minnesota Statutes 1992, section 179A.10, subdivision 2, is amended to read:

Subd. 2. [STATE EMPLOYEES.] Unclassified employees, otherwise excluded, are included within the units which include the classifications to which they are assigned for purposes of compensation. Supervisory employees shall only be assigned to units 43 12 and 47 16. The following are the appropriate units of executive branch state employees:

- (1) law enforcement unit;
- (2) craft, maintenance, and labor unit;
- (3) service unit;
- (4) health care nonprofessional unit;
- (5) health care professional unit;
- (6) clerical and office unit;
- (7) technical unit;
- (8) correctional guards unit;
- (9) state university instructional unit;
- (10) community college instructional unit;
- (11) ~~technical college instructional unit;~~
- (12) state university administrative unit;
- (13) (12) professional engineering unit;
- (14) (13) health treatment unit;
- (15) (14) general professional unit;
- (16) (15) professional state residential instructional unit; and
- (17) (16) supervisory employees unit.

Each unit consists of the classifications or positions assigned to it in the schedule of state employee job classification and positions maintained by the commissioner. The commissioner may only make changes in the schedule in existence on the day prior to August 1, 1984, as required by law or as provided in subdivision 4.

Sec. 5. Laws 1991, chapter 356, article 9, section 8, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENTS TO BOARD.] Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of ~~two~~ three members each from the ~~state board of technical colleges,~~ state board for community colleges, and the state university board, appointed by their respective boards and six members appointed by the governor. The governor's appointees may also be members of the current governing boards. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the

governor are not subject to section 3. The governor shall appoint the student member July 1, 1995. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Sec. 6. Laws 1991, chapter 356, article 9, section 8, subdivision 4, is amended to read:

Subd. 4. [TRANSITIONAL PLANNING PROCESS.] The board shall immediately after appointment commence planning for the merger of the technical college, community college, and state university systems. As part of the planning process, the board shall consult with the local advisory committees, representatives of student government organizations, and exclusive representatives of the employees of the state universities, and community colleges, and technical colleges. The board shall complete a preliminary merger plan and timetable for the plan on or before March 1, 1992. Copies of the plan shall be submitted to the chairs of the education, appropriation, and finance committees of the legislature.

Sec. 7. Laws 1991, chapter 356, article 9, section 9, is amended to read:

Sec. 9. [TRANSFER OF POWERS.]

The state board of technical colleges, The state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, and related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the higher education board under Minnesota Statutes, section 15.039. The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

Sec. 8. Laws 1991, chapter 356, article 9, section 14, is amended to read:

Sec. 14. [COOPERATION.]

The state university board, state board of technical colleges, and state board for community colleges shall cooperate with the higher education board. Each of those boards may transfer money, personnel, or equipment to the higher education board.

Sec. 9. [TRANSITIONAL PROVISION; RECOMPOSITION OF HIGHER EDUCATION BOARD.]

*The two members appointed by the state board of technical colleges to the higher education board are removed from the board. The state board for community colleges and the state university board shall appoint one member each to fill the remainder of the terms created by these vacancies.*

Sec. 10. [REPEALER.]

*Minnesota Statutes 1992, section 136E.04, subdivision 4; Laws 1991, chapter 356, article 9, sections 8, subdivision 6; and 11, are repealed.*

Sec. 11. [EFFECTIVE DATE.]

*Sections 1 to 9 are effective the day following final enactment."*

Amend the title accordingly

### CALL OF THE SENATE

Mr. Larson imposed a call of the Senate for the proceedings on his amendment. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Larson amendment.

The roll was called, and there were yeas 31 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Day	Langseth	Olson	Stevens
Benson, J.E.	Dille	Larson	Pariseau	Terwilliger
Berg	Hanson	Lesewski	Riveness	Vickerman
Berglin	Johnson	McGowan	Runbeck	
Bertram	Knutson	Metzen	Sams	
Chandler	Kroening	Neuville	Samuelson	
Chmielewski	Laidig	Oliver	Solon	

Those who voted in the negative were:

Anderson	Flynn	Kiscaden	Mondale	Price
Beckman	Frederickson	Krentz	Morse	Ranum
Belanger	Hottinger	Lessard	Murphy	Reichgott
Benson, D.D.	Johnson, D.E.	Luther	Novak	Robertson
Betzold	Johnson, D.J.	Marty	Pappas	Spear
Cohen	Johnson, J.B.	Merriam	Piper	Stumpf
Finn	Kelly	Moe, R.D.	Pogemiller	Wiener

The motion did not prevail. So the amendment was not adopted.

Mr. Dille moved to amend S.F. No. 1407 as follows:

Page 24, line 21, delete "\$6,000" and insert "\$5,000"

Page 24, line 23, delete "\$25,000" and insert "\$20,000"

Page 24, line 25, delete "\$9,000" and insert "\$7,500"

Page 24, line 27, delete "\$40,000" and insert "\$30,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 47, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Laidig	Oliver	Runbeck
Benson, D.D.	Johnson	Lesewski	Pariseau	Stevens
Benson, J.E.	Kelly	Neuville	Robertson	Terwilliger
Dille				

Those who voted in the negative were:

Adkins	Finn	Kroening	Morse	Sams
Anderson	Flynn	Langseth	Murphy	Samuelson
Beckman	Hanson	Lessard	Novak	Solon
Berglin	Hottinger	Luther	Pappas	Spear
Bertram	Johnson, D.E.	Marty	Piper	Stumpf
Betzold	Johnson, D.J.	McGowan	Pogemiller	Vickerman
Chandler	Johnson, J.B.	Merriam	Price	Wiener
Chmielewski	Kiscaden	Metzen	Ranum	
Cohen	Knutson	Moe, R.D.	Reichgott	
Day	Krentz	Mondale	Riveness	

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1407 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Merriam in the chair.

After some time spent therein, the committee arose, and Mr. Merriam reported that the committee had considered the following:

S.F. Nos. 376, 163, 692, 981, 722, 737, 207, 1141, 225, 241, 784, 1244, 1199, 386, 560, 782, 384 and H.F. Nos. 1296, 70, 520, 79, 469, which the committee recommends to pass.

S.F. No. 44, which the committee recommends to pass, subject to the following motions:

Ms. Kiscaden moved to amend S.F. No. 44 as follows:

Page 3, after line 28, insert:

*“(h) Upon the death of the beneficiary of a supplemental needs trust, the trust assets, minus expenses of fully administering and terminating the trust, are payable to the estate of the beneficiary and are subject to claims against the estate as provided by law, including medical assistance claims under section 256B.15.”*

Page 3, line 29, delete “(h)” and insert “(i)”

Page 3, line 31, delete “(g)” and insert “(h)”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 35, as follows:

Those who voted in the affirmative were:

Belanger	Berg	Finn	Johnson, D.E.	Knutson
Benson, D.D.	Day	Frederickson	Johnston	Lesewski
Benson, J.E.	Dille	Hottinger	Kiscaden	McGowan

Merriam  
Metzen  
Neuville

Oliver  
Olson  
Pariseau

Ranum  
Riveness

Robertson  
Runbeck

Stevens  
Terwilliger

Those who voted in the negative were:

Adkins  
Anderson  
Beckman  
Berglin  
Bertram  
Betzold  
Chandler

Chmielewski  
Cohen  
Flynn  
Hanson  
Johnson, D.J.  
Johnson, J.B.  
Kelly

Krentz  
Kroening  
Langseth  
Larson  
Lessard  
Luther  
Marty

Moe, R.D.  
Mondale  
Morse  
Murphy  
Pappas  
Piper  
Pogemiller

Price  
Reichgott  
Sams  
Spear  
Stumpf  
Vickerman  
Wiener

The motion did not prevail. So the amendment was not adopted.

Ms. Berglin moved to amend S.F. No. 44 as follows:

Page 2, delete lines 18 to 22 and insert:

*“(c) For purposes of this subdivision, “person with a disability” means a person who, before creation of a trust that otherwise qualifies as a supplemental needs trust for the person’s benefit:*

*(1) is considered to be a person with a disability under the disability criteria specified in title II or title XVI of the Social Security Act;*

*(2) is considered to be a person with a disability under the criteria used to establish eligibility for other publicly funded benefits provided on the basis of physical or mental disability; or*

*(3) has a physical or mental condition that either before or following creation of the trust, to a reasonable degree of medical certainty, is expected to:*

*(i) last for a continuous period of at least 12 months; and*

*(ii) substantially impair the person’s ability to provide for the person’s care or custody. Disability in accordance with clause (3) may be established conclusively for purposes of this subdivision by the written opinion of a physician.”*

The motion prevailed. So the amendment was adopted.

S.F. No. 181, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Page 38, after line 29, insert:

**“Sec. 56. [AGRICULTURAL LIMITED LIABILITY COMPANIES TASK FORCE.]**

*Subdivision 1. [MEMBERSHIP.] A legislative task force consisting of three members of the senate appointed by the subcommittee on committees of the committee on rules and administration and three members of the house of representatives appointed by the speaker shall study the feasibility of authorizing the use of family farm limited liability companies and authorized farm limited liability companies for agriculture and submit the report required under subdivision 2. No more than two members from each house may be members of the same caucus. The membership must include the chairs of the senate agriculture and rural development committee and the house of representatives agriculture committee. The task force shall elect a chair from its membership. Upon request of the task force, the commissioner of*



agriculture shall provide administrative and staff assistance. The existence of the task force terminates upon submission of the report required by subdivision 2.

*Subd. 2. [STUDY AND REPORT.] (a) The task force shall study the feasibility of authorizing family farm limited liability companies and authorized farm limited liability companies with similar restrictions that currently apply under the corporate farming act in Minnesota Statutes, section 500.24, and make recommendations concerning the following:*

*(1) the social and economic impact of authorizing family farm limited liability companies and authorized farm limited liability companies for agriculture and rural society in Minnesota;*

*(2) the economic and social impact of limited liability companies on agriculture and rural society in other states in which they have been authorized;*

*(3) the likelihood that family farm limited liability companies and authorized farm limited liability companies could be used to thwart the purposes of the corporate farming act of encouraging and protecting the family farm as a socially desirable mode of agricultural production; and*

*(4) an overall assessment of the costs and benefits of authorizing the use of family farm limited liability companies and authorized farm limited liability companies for agriculture in Minnesota.*

*(b) The task force shall conduct, at a minimum, two public hearings, as part of its study.*

*(c) The task force shall submit a written report containing its findings, recommendations, and draft legislation to the legislature by February 1, 1994."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 507, which the committee recommends to pass, subject to the following motion:

Ms. Berglin moved that the amendment made to H.F. No. 507 by the Committee on Rules and Administration in the report adopted April 14, 1993, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 703, which the committee recommends to pass with the following amendment offered by Mr. Frederickson:

Page 1, line 21, delete "and"

Page 1, line 23, before the period, insert " ; and

*(3) collection of data relating to water quality within the drainage system as necessary to ascertain compliance with applicable water quality standards, including inspection of individual tile systems and laboratory analysis of water samples"*

The motion prevailed. So the amendment was adopted.

S.F. No: 414, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Page 14, after line 14, insert:

**"Sec. 20. [STATE ADVISORY COUNCIL.]**

*Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council on metropolitan governance is established to provide a forum at the state level for education, discussion, identification of emerging regional needs and appropriate responses, and advice to the legislature on the present and future role of the metropolitan council, metropolitan agencies, and the local governmental units as defined in Minnesota Statutes, section 473.121. The creation of the advisory council shall not affect any otherwise existing reporting relationships of the council, metropolitan agencies, or the local governmental units to the legislature.*

*Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment to the legislature on the duties and responsibilities of the council, metropolitan agencies, and the local governmental units.*

*(b) The advisory council may gather information, conduct research and analysis, and advise the legislature on matters related to the council's charge.*

*(c) The advisory council may conduct public hearings to inform the public and solicit opinion.*

*(d) The advisory council shall consult with local governmental units in making its recommendations.*

*Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 15 members who serve at the pleasure of the appointing authority as follows:*

*(1) six legislators; three members of the senate appointed by the subcommittee on committees of the committee on rules and administration; and three members of the house of representatives appointed by the speaker; and*

*(2) nine public members who are residents of the metropolitan area; two appointed by the subcommittee on committees of the committee on rules and administration of the senate and two appointed by the speaker of the house; and five appointed by the governor.*

*Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as co-chair of the advisory council.*

*Subd. 5. [ADMINISTRATION.] Legislative staff, the metropolitan council, and metropolitan agencies shall provide administrative and staff assistance when requested by the advisory council.*

**Sec. 21. [EXPENSES.]**

*The metropolitan council shall compensate the members of the advisory council. Public members are to be compensated in an amount provided by Minnesota Statutes, section 15.059, subdivision 3. Members of the legislature are to be paid per diem and expenses in an amount provided by Minnesota Statutes, section 3.099. The council shall adopt a budget of estimated expenses, not to exceed \$10,000, at its first meeting and provide a copy to the metropolitan council."*

Page 14, line 23, delete "Section" and insert "Sections" and delete "is" and insert ", 20, and 21 are" and after the period, insert "Sections 20 and 21 are repealed June 30, 1994."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "establishing an advisory council on metropolitan governance;"

The motion prevailed. So the amendment was adopted.

S.F. No. 75, which the committee recommends to pass with the following amendment offered by Mr. Neuville:

Page 2, after line 33, insert:

*"(c) [ENDANGERMENT BY FIREARM ACCESS.] A person who intentionally or recklessly causes a child under 16 to be placed in a situation likely to substantially harm the child's physical health or cause the child's death as a result of the child's access to a firearm is guilty of child endangerment."*

The motion prevailed. So the amendment was adopted.

S.F. No. 536, which the committee recommends to pass with the following amendment offered by Mr. Finn:

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "imposing on sheriffs a"

The motion prevailed. So the amendment was adopted.

S.F. No. 1400, which the committee recommends to pass with the following amendment offered by Mr. Hottinger:

Page 2, line 3, delete "21" and insert "30"

Page 2, line 6, after "voted" insert "in the county"

The motion prevailed. So the amendment was adopted.

S.F. No. 255, which the committee recommends to pass with the following amendment offered by Mr. Kroening:

Page 1, line 9, after the headnote, insert "(a)"

Page 2, after line 31, insert:

*"(b) Employees specified in paragraph (a), clause (15), are included employees under paragraph (a) providing that employer and employee contributions are made in a timely manner in the amounts required by section 352.04. Employee contributions must be deducted from salary. Employer contributions are the sole obligation of the employer assuming operation of the University of Minnesota heating plant facilities or any successor organizations to that employer."*

Page 3, line 6, before "clause" insert "paragraph (a)."

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

Without objection, the Senate reverted to the Orders of Business of Executive and Official Communications, Reports of Committees, Second Reading of Senate Bills, Second Reading of House Bills and Motions and Resolutions.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

April 16, 1993

The Honorable Allan H. Spear  
President of the Senate

Dear Sir:

The following appointment is hereby respectfully submitted to the Senate for confirmation as required by law:

### STATE ETHICAL PRACTICES BOARD

John L. Holahan, Jr., 5320 Birchcrest Dr., Edina, Hennepin County, has been appointed by me, effective April 21, 1993, for a term expiring on the first Monday in January, 1997.

(Referred to the Committee on Ethics and Campaign Reform.)

Warmest regards,  
Arne H. Carlson, Governor

### 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. 416, 34 and 338. The motion prevailed.

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

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.

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

Page 2, after line 17, insert:

"Sec. 2. Minnesota Statutes 1992, section 216B.16, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] Unless the commission otherwise orders, no public utility shall change a rate which has been duly established under this chapter, except upon 60 days notice to the commission. The notice shall include statements of facts, expert opinions, substantiating documents, and

exhibits including an energy conservation improvement plan pursuant to section 216B.241, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect. *If the filing utility does not have an approved conservation improvement plan on file with the department, it shall also include in its notice an energy conservation plan pursuant to section 216B.241.* The filing utility shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.

Sec. 3. Minnesota Statutes 1992, section 216B.16, subdivision 1a, is amended to read:

Subd. 1a. [SETTLEMENT.] (a) When a public utility submits a general rate filing, the office of administrative hearings, before conducting a contested case hearing, shall convene a settlement conference including all of the parties for the purpose of encouraging settlement of any or all of the issues in the contested case. If a stipulated settlement is not reached before the contested case hearing, the office of administrative hearings may reconvene the settlement conference during or after completion of the contested case hearing at its discretion or a party's request. *The office of administrative hearings or the commission may, upon the request of any party and the public utility, extend the procedural schedule of the contested case in order to permit the parties to engage in settlement discussions. An extension must be for a definite period of time not to exceed 60 days.*

(b) If the applicant and all intervening parties agree to a stipulated settlement of the case or parts of the case, the settlement must be submitted to the commission. The commission shall accept or reject the settlement in its entirety and, at any time until its final order is issued in the case, may require the office of administrative hearings to conduct a contested case hearing. The commission may accept the settlement on finding that to do so is in the public interest and is supported by substantial evidence. If the commission does not accept the settlement, it may issue an order modifying the settlement subject to the approval of the parties. Each party shall have ten days in which to reject the proposed modification. If no party rejects the proposed modification, the commission's order becomes final. If the commission rejects the settlement, or a party rejects the commission's proposed modification, a contested case hearing must be completed.

Sec. 4. Minnesota Statutes 1992, section 216B.16, subdivision 2, is amended to read:

Subd. 2. [SUSPENSION OF PROPOSED RATES; HEARING; FINAL DETERMINATION DEFINED.] (a) Whenever there is filed with the commission a schedule modifying or resulting in a change in any rates then in force as provided in subdivision 1, the commission may suspend the operation of the schedule by filing with the schedule of rates and delivering to the affected utility a statement in writing of its reasons for the suspension at any time before the rates become effective. The suspension shall not be for a longer period than ten months beyond the initial filing date except as provided in ~~paragraph (b)~~ *this subdivision or subdivision 1a.* During the suspension the commission shall determine whether all questions of the reasonableness of the rates requested raised by persons deemed interested or by the administrative

division of the department of public service can be resolved to the satisfaction of the commission. If the commission finds that all significant issues raised have not been resolved to its satisfaction, or upon petition by ten percent of the affected customers or 250 affected customers, whichever is less, it shall refer the matter to the office of administrative hearings with instructions for a public hearing as a contested case pursuant to chapter 14, except as otherwise provided in this section. The commission may order that the issues presented by the proposed rate changes be bifurcated into two separate hearings as follows: (1) determination of the utility's revenue requirements and (2) determination of the rate design. Upon issuance of both administrative law judge reports, the issues shall again be joined for consideration and final determination by the commission. All prehearing discovery activities of state agency intervenors shall be consolidated and conducted by the department of public service. If the commission does not make a final determination concerning a schedule of rates within ten months after the initial filing date, the schedule shall be deemed to have been approved by the commission; except if:

*(1) an extension of the procedural schedule has been granted under subdivision 1a, in which case the schedule of rates is deemed to have been approved by the commission on the last day of the extended period of suspension; or*

*(2) a settlement has been submitted to and rejected by the commission; the schedule is deemed to have been approved 12 months after the initial filing and the commission does not make a final determination concerning the schedule of rates, the schedule of rates is deemed to have been approved 60 days after the initial or, if applicable, the extended period of suspension.*

(b) If the commission finds that it has insufficient time during the suspension period to make a final determination of a case involving changes in general rates because of the need to make final determinations of other previously filed cases involving changes in general rates under this section or section 237.075, the commission may extend the suspension period to the extent necessary to allow itself 20 working days to make the final determination after it has made final determinations in the previously filed cases. An extension of the suspension period under this paragraph does not alter the setting of interim rates under subdivision 3.

(c) For the purposes of this section, "final determination" means the initial decision of the commission and not any order which may be entered by the commission in response to a petition for rehearing or other further relief. The commission may further suspend rates until it determines all those petitions.

Sec. 5. Minnesota Statutes 1992, section 216B.16, subdivision 3, is amended to read:

Subd. 3. [INTERIM RATES.] Notwithstanding any order of suspension of a proposed increase in rates, the commission shall order an interim rate schedule into effect not later than 60 days after the initial filing date. The commission shall order the interim rate schedule ex parte without a public hearing. Notwithstanding the provisions of sections 216.25, 216B.27 and 216B.52, no interim rate schedule ordered by the commission pursuant to this subdivision shall be subject to an application for a rehearing or an appeal to a court until the commission has rendered its final determination. Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test year cost of capital, rate base, and

expenses, except that it shall include: (1) a rate of return on common equity for the utility equal to that authorized by the commission in the utility's most recent rate proceeding; (2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the utility's most recent rate proceeding; and (3) no change in the existing rate design. In the case of a utility which has not been subject to a prior commission determination, the commission shall base the interim rate schedule on its most recent determination concerning a similar utility.

If, at the time of its final determination, the commission finds that the interim rates are in excess of the rates in the final determination, the commission shall order the utility to refund the excess amount collected under the interim rate schedule, including interest on it which shall be at the rate of interest determined by the commission. The utility shall commence distribution of the refund to its customers within 120 days of the final order, not subject to rehearing or appeal. If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the utility will recover the difference in revenues ~~from~~ *between* the date of the final determination ~~to~~ *and* the date the new rate schedules are put into effect. *In addition, when an extension is granted for settlement discussions under subdivision 1a, the commission shall allow the utility to also recover the difference in revenues for a length of time equal to the length of the extension.*

If the public utility fails to make refunds within the period of time prescribed by the commission, the commission shall sue therefor and may recover on behalf of all persons entitled to a refund. In addition to the amount of the refund and interest due, the commission shall be entitled to recover reasonable attorney's fees, court costs and estimated cost of administering the distribution of the refund to persons entitled to it. No suit under this subdivision shall be maintained unless instituted within two years after the end of the period of time prescribed by the commission for repayment of refunds. The commission shall not order an interim rate schedule in a general rate case into effect as provided by this subdivision until at least four months after it has made a final determination concerning any previously filed change of the rate schedule or the change has otherwise become effective under subdivision 2, unless:

(1) the commission finds that a four month delay would unreasonably burden the utility, its customers, or its shareholders and that an earlier imposition of interim rates is therefore necessary; or

(2) the utility files a second general rate case at least 12 months after it has filed a previous general rate case for which the commission has extended the suspension period under subdivision 2.

Sec. 6. Minnesota Statutes 1992, section 216B.43, is amended to read:

#### 216B.43 [HEARINGS; COMPLAINTS.]

Upon the filing of an application under section 216B.42 or upon complaint by an affected utility that the provisions of sections 216B.39 to 216B.42 have been violated, the commission shall hold a hearing, upon notice, within 45 30 days after the filing of the ~~application~~ of complaint, and shall render its decision within 30 days after said hearing.

Sec. 7. Minnesota Statutes 1992, section 216B.48, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION OF AFFILIATED INTERESTS.] "Affiliated interests" with a public utility means the following:

(a) Every corporation and person owning or holding directly or indirectly five percent or more of the voting securities of such public utility.

(b) Every corporation and person in any chain of successive ownership of five percent or more of voting securities.

(c) Every corporation five percent or more of whose voting securities is owned by any person or corporation owning five percent or more of the voting securities of such public utility or by any person or corporation in any such chain of successive ownership of five percent or more of voting securities.

(d) Every person who is an officer or director of such public utility or of any corporation in any chain of successive ownership of five percent or more of voting securities.

(e) Every corporation operating a public utility or a servicing organization for furnishing supervisory, construction, engineering, accounting, legal and similar services to utilities, which has one or more officers or one or more directors in common with the public utility, and every other corporation which has directors in common with the public utility where the number of the directors is more than one-third of the total number of the utility's directors.

(f) Every corporation or person which the commission may determine as a matter of fact after investigation and hearing is actually exercising any substantial influence over the policies and actions of the public utility even though the influence is not based upon stockholding, stockholders, directors or officers to the extent specified in this section.

(g) Every person or corporation who or which the commission may determine as a matter of fact after investigation and hearing is actually exercising substantial influence over the policies and actions of the public utility in conjunction with one or more other corporations or persons with which or whom they are related by ownership or blood relationship or by action in concert that together they are affiliated with such public utility within the meaning of this section even though no one of them alone is so affiliated.

*(h) Every subsidiary of a public utility.*

*(i) Every part of a corporation in which an operating division is a public utility.*

Sec. 8. Minnesota Statutes 1992, section 216B.48, subdivision 4, is amended to read:

Subd. 4. [CONTRACTS WITH CONSIDERATION LESS THAN \$10,000 \$50,000.] The provisions of this section requiring the written approval of the commission shall not apply to transactions with affiliated interests where the amount of consideration involved is not in excess of \$10,000 \$50,000 or five percent of the capital equity of the utility whichever is smaller; provided, however, that regularly recurring payments under a general or continuing arrangement which aggregate a greater annual amount shall not be broken down into a series of transactions to come within the aforesaid exemption.



Such transactions shall be valid or effective without commission approval under this section. However, in any proceeding involving the rates or practices of the public utility, the commission may exclude from the accounts of such public utility any payment or compensation made pursuant to the transaction unless the public utility shall establish the reasonableness of the payment or compensation."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "regulating public utility commission procedures and filings; regulating affiliated interests of public utilities; providing for interim rates;"

Page 1, line 6, delete "section" and insert "sections" and before the period, insert "; 216B.16, subdivisions 1, 1a, 2, and 3; 216B.43; and 216B.48, subdivisions 1 and 4"

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

Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred

H.F. No. 1089: A bill for an act relating to elections; setting the date by which Hennepin county park reserve district redistricting must take place; amending Minnesota Statutes 1992, section 383B.68, subdivision 4.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred

S.F. No. 416: A bill for an act relating to elections; providing for a presidential primary by mail; changing the date of the presidential primary; increasing the filing fee for an affidavit of candidacy; changing certain duties and procedures; amending Minnesota Statutes 1992, sections 204B.45, subdivision 3, and by adding a subdivision; 207A.01; 207A.02, subdivision 1a; 207A.03; 207A.04, subdivision 3; 207A.06, subdivision 2; 207A.08; and 207A.09; proposing coding for new law in Minnesota Statutes, chapter 207A; repealing Minnesota Statutes 1992, section 207A.07.

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

Page 2, line 5, reinstate the stricken language and delete the new language

Page 2, line 6, delete "*February*" and insert "*March*"

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. Marty from the Committee on Ethics and Campaign Reform, to which was referred

H.F. No. 1074: A bill for an act relating to elections; requiring publication

and posting of notice of filing dates by county auditors; amending Minnesota Statutes 1992, section 204B.33.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Marty from the Committee on Ethics and Campaign Reform, to which was referred

S.F. No. 1512: A bill for an act relating to elections; providing uniform local election procedures; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, subdivision 1, and by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 205A.03, subdivisions 1 and 2; 205A.04; 205A.05, subdivision 1; 205A.06, subdivision 1, and by adding a subdivision; 205A.09, subdivision 2; 365.51, subdivisions 1 and 3; and 367.03; proposing coding for new law in Minnesota Statutes, chapter 205; repealing Minnesota Statutes 1992, sections 205.02, subdivision 2; 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2.

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

Page 2, after line 29, insert:

"Sec. 3. Minnesota Statutes 1992, section 204B.14, subdivision 8, is amended to read:

Subd. 8. [COMBINED PRECINCT.] (a) Up to four contiguous municipalities located entirely outside the metropolitan area as defined in section 473.121, subdivision 2, that are contained in the same legislative district, congressional district, and county commissioner district may enter into a combination agreement to form one precinct for state and county election purposes, upon the approval of the county auditor. The governing body of each municipality proposing to enter into a combination agreement must provide the inhabitants of the municipality with published and posted notice of the proposed agreement three weeks before the second Tuesday in ~~March~~ *May*. A combination agreement must be approved by resolutions of all of the governing bodies of the combining municipalities on or before ~~the second Tuesday in March~~ *June 1* of an election year. A copy of the combination agreement must be submitted to the county auditor for approval, on or before ~~May 4~~ *June 10* of an election year.

(b) One or more of the municipalities in the combined precinct may withdraw from the combination by a resolution of the governing body of the withdrawing municipality, passed on or before the second Tuesday in ~~March~~ *May* of an election year. The withdrawing municipality shall file the resolution with the county auditor no later than ~~May 4~~ *June 10* of an election year. The decision of any one municipality to withdraw from the combination agreement automatically dissolves the combination unless all the remaining municipalities continue to meet all the requirements of this subdivision.

(c) The combination agreement must specify the designated polling place and the municipal election officials or governing bodies responsible for appointing election judges and the chair of the election board, posting notices,

preparing precinct maps, and carrying out other election duties required by law.

(d) In combining or separating, the municipalities must meet the time requirements specified in this section for changing precinct boundaries and in section 204B.16, subdivision 3, for designating a different polling place.

**Sec. 4. [204D.185] [SPECIAL ELECTIONS; EXPERIMENTAL MAIL BALLOTING.]**

*Subdivision 1. [AUTHORIZATION.] From August 1, 1993, to August 1, 1997, the secretary of state may authorize mail balloting for any special election that is not held on the same day as any other election, as provided in this section.*

*Subd. 2. [PROCEDURES.] No later than ten days before the special election, the county auditor shall mail a special election ballot to each registered voter, except that no ballot shall be mailed to a challenged voter. Voted ballots may be returned to the county auditor or another election official designated by the county auditor by mail or in person at any time up to 8:00 p.m. on election day. The county auditor or another election official designated by the county auditor shall designate at least one place in the county where voters may obtain assistance, return voted ballots, and register and vote on election day. The provisions of the Minnesota election law apply to elections conducted as provided in this section to the extent practicable. The costs of postage for mailing the ballots must be paid by the jurisdiction for which the special election is conducted.*

**Sec. 5. Minnesota Statutes 1992, section 205.02, subdivision 2, is amended to read:**

**Subd. 2. [CITY ELECTIONS.]** In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as provided in this chapter, except that ~~this section and sections 205.065, subdivisions 2 to 4 to 7; 205.07 to, subdivision 3; 205.10, subdivision 2; 205.121; and 205.175 and 205.185~~ 205.17, subdivisions 2 and 3, do not apply to a city whose charter provides the manner of holding its primary, general or special elections."

Page 3, line 36, strike "in every"

Page 4, line 1, strike "even-numbered year" and strike everything after the period

Page 4, strike lines 2 and 3

Page 4, line 4, strike "regular meeting held before" and delete "June" and strike "1 of any year, elect"

Page 4, strike line 5

Page 4, line 6, strike "in November in each odd-numbered year."

Pages 4 and 5, delete sections 6 and 7

Page 6, line 30, after the period, insert "In municipalities nominating candidates at a municipal primary,"

Page 6, line 34, after the period, insert *"In all other municipalities, an affidavit of candidacy must be filed not more than 70 days and not less than 56 days before the municipal general election."*

Page 7, lines 10 and 22, after "town" insert *"not located within a metropolitan county as defined in section 473.121,"*

Pages 9 to 12, delete sections 15 to 21 and insert:

"Sec. 16. Minnesota Statutes 1992, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white or buff colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink. ~~If more than one ballot card is required, the cards must, so far as practicable, be of the same color as is required for paper ballots."~~

Page 13, line 9, strike "and election" and delete "in March"

Page 13, line 12, strike "and election"

Page 13, line 13, strike "and"

Page 13, line 14, strike "election are" and insert "is"

Page 13, delete section 23 and insert:

"Sec. 18. Minnesota Statutes 1992, section 365.51, subdivision 3, is amended to read:

Subd. 3. [OFFICERS; OTHER BUSINESS.] An annual town election shall be held on the same day as the annual town meeting *or on the first Tuesday after the first Monday in November in each year, whichever is provided by the town meeting*, to elect all town officers required by law to be elected. *If the town meeting changes the day of the town election, the town board members and other town officers serving on the effective date of the change shall serve shortened or lengthened terms on the schedule provided by the town meeting.*

Other town business shall be conducted at the town meeting as provided by law."

Page 15, line 2, delete "(a)" and delete "3 to 5" and insert "6 to 8"

Page 15, delete lines 10 to 18

Page 15, line 20, delete "205.02, subdivision 2;"

Page 15, line 21, delete "205A.04, subdivision"

Page 15, line 22, delete "2" and insert "410.21"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring regular city elections to be held in the fall; permitting town elections to be held in November; making uniform certain local government procedures; authorizing special elections to be conducted by mail ballot;"

Page 1, line 5, after "1;" insert "204B.14, subdivision 8; 205.02, subdivision 2;"

Page 1, line 6, delete "subdivision 1, and"

Page 1, line 9, delete everything after the first semicolon

Page 1, delete line 10

Page 1, delete line 11 and insert "206.90, subdivision 6; 365.51,"

Page 1, line 13, delete "205" and insert "204D"

Page 1, line 14, delete everything after "sections"

Page 1, line 15, delete "2;"

Page 1, line 16, delete everything before the period and insert "410.21"

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

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which was re-referred

S.F. No. 1169: A bill for an act relating to public financing for cleanup of polluted lands and for manufacturing development; authorizing manufacturing tax increment financing districts; modifying the computation of original tax capacity; imposing a state tax on contaminated properties; establishing a grant program for cleanup of polluted lands; allowing use of tax increments for environmental insurance and indemnification; authorizing the cities of Minnetonka and Hopkins to establish tax increment financing districts; establishing a dedicated account; appropriating money; amending Minnesota Statutes 1992, sections 273.11, subdivision 1, and by adding a subdivision; 275.065, subdivision 3; 276.04, subdivision 2; 469.174, subdivisions 19 and 20; 469.176, subdivision 4e; 469.177, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapters 116; 270; and 469.

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

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### CONTAMINATION TAX

#### Section 1. [270.91] [CONTAMINATION TAX.]

*Subdivision 1. [IMPOSITION.] A tax is annually imposed on the contamination value of taxable real property in this state.*

*Subd. 2. [INITIAL TAX RATES.] Unless the rates under subdivision 3 apply, the tax imposed under this section equals 90 percent of the class rate for the property under section 273.13, multiplied by the local tax rate, multiplied by the contamination value of the property.*

*Subd. 3. [TAX RATES AFTER PLAN APPROVAL.] (a) The tax imposed under this subdivision applies for the first assessment year that begins after one of the following occurs:*

(1) a response plan for the property has been approved by the commissioner of the pollution control agency and work under the plan has begun;

(2) the property has been listed by the pollution control agency on the permanent list of priorities under the environmental response, compensation, and compliance account established by section 115B.20; or

(3) the contaminants are asbestos and the property owner has in place an abatement plan for enclosure, removal, or encapsulation of the asbestos. To qualify under this clause, the property owner must either have entered into a binding contract with a licensed contractor for completion of the work or have obtained a license from the commissioner of health and begun the work. The abatement plan must provide for completion of the work within a reasonable time period, as determined by the assessors.

(b) To qualify under paragraph (a), the property owner must provide the assessor with a copy of (1) the approved response plan, (2) documents establishing that the property has been included on the list of priorities under the environmental response, compensation, and compliance account, or (3) a copy of the asbestos abatement plan and contract for completion of the work or the owner's license to perform the work. The property owner also must file with the assessor an affidavit indicating when work under the response action plan or asbestos abatement plan began.

(c) The tax imposed under this subdivision equals the following percentage of the contamination value of the property:

(1) two percent for class 3 and 5 property under section 273.13; and

(2) one-half of the applicable class rate under section 273.13 for all other types of properties. For classes of property subject to separate rates based on the market value, the applicable class rate for the entire contamination value is the lowest rate.

## Sec. 2. [270.92] [DEFINITIONS.]

Subdivision 1. [SCOPE OF APPLICATION.] For purposes of sections 1 to 8, the following terms have the meanings given.

Subd. 2. [ASSESSMENT YEAR.] "Assessment year" means the assessment year for purposes of general ad valorem property taxes.

Subd. 3. [CONTAMINANT.] "Contaminant" means a harmful substance as defined in section 115B.25, subdivision 7a.

Subd. 4. [CONTAMINATED MARKET VALUE.] "Contaminated market value" is the amount determined under section 3.

Subd. 5. [PRESENCE OF CONTAMINANTS.] "Presence of contaminants on the property" includes the release or threatened release, as defined in section 115B.02, subdivision 15, of contaminants on the property.

Subd. 6. [RESPONSE PLAN.] "Response plan" means either a development action response plan, as defined in section 469.174, subdivision 17, or a voluntary response action plan under section 115B.175, subdivision 3.

## Sec. 3. [270.93] [TAX BASE; CONTAMINATION VALUE.]

The contamination value of a parcel of property is the amount of the market value reduction, if any, that is granted for general ad valorem property tax

purposes for the assessment year because of the presence of contaminants. The contamination value for a property may be no greater than the cost of a reasonable response plan for the property. These reductions in market value include those granted by a court, by a board of review, by the assessor upon petition or request of a property owner, or by the assessor. Reductions granted by the assessor are included only if the assessor reduced the property's market value for the presence of contaminants using an appraisal method or methods that are specifically designed or intended to adjust for the valuation effects of the presence of contaminants. The contamination value for a parcel with a reduction in value of less than \$10,000 is zero.

#### Sec. 4. [270.94] [EXEMPTION.]

(a) The tax imposed by sections 1 to 8 does not apply to the contamination value of a parcel of property attributable to contaminants that were addressed by a response plan for the property, if the commissioner of the pollution control agency has certified that all the requirements of the plan have been satisfied. This exemption applies beginning for the first assessment year after the commissioner of the pollution control agency certifies that the response plan has been completed.

To qualify under this section, the property owner must provide the assessor with a copy of the certification by the commissioner of the pollution control agency of the completion of the response action plan.

(b) The tax imposed by sections 1 to 8 does not apply to the contamination value of a parcel of property if neither the owner nor operator of that parcel caused or contributed to the presence or possible presence of contaminants that resulted in the contamination value of the parcel of property.

#### Sec. 5. [270.95] [PAYMENT; ADMINISTRATION.]

The tax imposed under sections 1 to 8 is payable at the same time and manner as the regular ad valorem property tax. The tax is subject to the penalty, interest, lien, forfeiture, and any other rules for collection of the regular ad valorem property tax. If a reduction in market value that creates contamination value is granted after the ad valorem property tax has been paid, the contamination tax must be subtracted from the amount to be refunded to the property owner.

#### Sec. 6. [270.96] [DUTIES.]

Subdivision 1. [ASSESSORS.] Each assessor shall notify the county auditor of the contamination value under section 1, subdivisions 2 and 3, for each parcel of property within the assessor's jurisdiction. The assessor shall provide notice of the contamination value to the property owner by the later of (1) June 1 of the assessment year or (2) 30 days after the reduction in market value is finally granted.

Subd. 2. [AUDITOR.] The county auditor shall prepare separate lists of the contamination values for all property located in the county that are taxed under section 1, subdivision 2, and under section 1, subdivision 3. The commissioner shall prescribe the form of the listing. The auditor shall include the amount of the local and state contamination taxes on the contamination value for the assessment year on the regular ad valorem property tax statement under section 276.04.

*Subd. 3. [TREASURER.] The county treasurer shall pay the proceeds of the tax, less the amount retained by the county for the cost of administration under section 8, to the commissioner at the same times and in the same manner provided for the ad valorem property tax settlements.*

*Subd. 4. [COURT ORDERED REDUCTIONS IN VALUE.] If a court orders a reduction in market value for purposes of the ad valorem property tax because of the presence of contaminants on the property, the court shall include in its order an offset for payment of the state tax on contaminated value under section 1.*

**Sec. 7. [270.97] [DEPOSIT OF REVENUES.]**

*The commissioner shall deposit all revenues derived from the tax, interest, and penalties received from the county in the contaminated site cleanup and development account in the general fund.*

**Sec. 8. [270.98] [LOCAL ADMINISTRATIVE COSTS.]**

*The county shall retain five percent of the total revenues derived from the tax, including interest and penalties, as compensation for administering the tax. The county board may reimburse municipalities for the services provided by assessors employed by the municipality in administering sections 1 to 12.*

**Sec. 9. [APPROPRIATION.]**

*The first \$5,000,000 of tax proceeds collected annually from the state tax on contaminated value is appropriated to the pollution abatement development fund established by article 2, section 3. Any amounts collected in excess of \$5,000,000 shall be paid by the commissioner to the county treasurers in the same proportion as the collections from each county of the state tax on contaminated value, and shall be paid by the county treasurers to the local units of government in the same manner as ad valorem property taxes.*

**Sec. 10. Minnesota Statutes 1992, section 273.11, subdivision 1, is amended to read:**

**Subdivision 1. [GENERALLY.]** Except as provided in subdivisions 6, 8, 9, 11, and 14 this section or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. The assessor shall take into account the effect on the market value of property of environmental factors in the vicinity of the property. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, platted property shall be



assessed as provided in subdivision 14. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 11. Minnesota Statutes 1992, section 273.11, is amended by adding a subdivision to read:

*Subd. 15. [VALUATION OF CONTAMINATED PROPERTIES.] (a) In determining the market value of property containing contaminants, the assessor shall reduce the market value of the property by the contamination value of the property. The contamination value is the amount of the market value reduction that results from the presence of the contaminants, but it may not exceed the cost of a reasonable response plan for the property.*

*(b) For purposes of this subdivision, "contaminants" and "response plan" have the meanings given in section 2.*

Sec. 12. 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 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; and
- (6) *the contamination tax imposed on properties which received market value reductions for contamination.*

(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. 13. Minnesota Statutes 1992, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or

municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. *The amount of the state tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated.* The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: **"THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."**

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief";

(6) the net tax payable in the manner required in paragraph (a); and

(7) any additional amount of tax authorized under sections 124A.03, subdivision 2a, and 275.61. These amounts shall be listed as "voter approved referenda levies."

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

#### Sec. 14. [EFFECTIVE DATE.]

*Sections 1 to 13 are effective beginning with taxes assessed in 1994, payable in 1995, and apply to reductions in market value in effect for the year regardless of when they were granted.*

### ARTICLE 2

#### POLLUTION ABATEMENT LOAN AND GRANT PROGRAM

##### Section 1. [116J.987] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] In addition to the definitions in section 116J.03, the definitions in this section apply to sections 116J.987 to 116J.990.*

*Subd. 2. [MUNICIPALITY.] "Municipality" means a home rule charter or statutory city, town, county, school district, special taxing district, housing and redevelopment authority authorized to exercise powers under sections 469.001 to 469.047, port authority authorized to exercise powers under sections 469.048 to 469.089, economic development authority authorized to exercise powers under sections 469.090 to 469.1081, or municipal power agency governed by chapter 453.*

*Subd. 3. [POLLUTION ABATEMENT DEVELOPMENT GRANT.] "Pollution abatement development grant" means a grant to a municipality to be used by the municipality for the purposes of section 116J.990, subdivision 3, clause (6).*

*Subd. 4. [POLLUTION ABATEMENT DEVELOPMENT LOAN.] "Pollution abatement development loan" means a loan to a municipality to be used by the municipality for the purposes of section 116J.990, subdivision 3, clause (6).*

*Subd. 5. [RESPONSE PLAN.] "Response plan" means a development response action plan for removal, remedial, or corrective actions under section 469.174, subdivision 17, or a voluntary response action plan under section 115B.175.*

*Subd. 6. [TERMS DEFINED IN OTHER CHAPTERS.] "Facility," "federal Superfund Act," "hazardous substance," "pollutant or contaminant," "release," "remedy or remedial action," "removal action," and "response" have the meanings given in section 115B.02. "Corrective action" and "petroleum" have the meanings given in section 115C.02.*

##### Sec. 2. [116J.988] [ADDITIONAL POWERS OF COMMISSIONER.]

*For the purposes of sections 116J.987 to 116J.990, the commissioner may exercise the powers of the public facilities authority in section 446A.04 and may issue bonds under sections 446A.12 to 446A.20.*

**Sec. 3. [116J.989] [POLLUTION ABATEMENT DEVELOPMENT LOAN FUND.]**

*Subdivision 1. [ESTABLISHMENT.] A pollution abatement development fund is established in the state treasury and administered by the commissioner. The fund consists of money appropriated to it by the legislature, other public or private funding sources, and earnings on assets in the fund.*

*Subd. 2. [PURPOSES FOR WHICH MONEY MAY BE SPENT.] Money in the fund is appropriated for the following purposes:*

- (1) to make pollution abatement development grants;*
- (2) to make or buy pollution abatement development loans;*
- (3) to pay the costs incurred in making or buying grants and loans under section 116J.990;*
- (4) to provide a source of revenue or security for the payment of principal and interest on bonds issued by the department, provided all of the bond proceeds are credited to the fund and used pursuant to sections 116J.987 to 116J.990; or*
- (5) to subsidize the interest rate on loans under section 116J.990.*

*Subd. 3. [SEPARATE ACCOUNTS.] The commissioner may require the commissioner of finance to create separate accounts within the fund to account for any money subject to limitation on use.*

**Sec. 4. [116J.990] [POLLUTION ABATEMENT DEVELOPMENT LOANS AND GRANTS.]**

*Subdivision 1. [AUTHORIZATION.] The commissioner may make or buy pollution abatement development loans with money from the pollution abatement development fund to pay up to 40 percent of the cost of a response plan. The commissioner may make a grant with money from the fund to pay up to one-half of the cost of a response plan. Both a loan and grant may be used to provide 90 percent funding for a single response plan.*

*Subd. 2. [LOAN REPAYMENT OBLIGATIONS.] (a) A municipality's obligation to repay a pollution abatement development loan must be evidenced by a revenue agreement with the commissioner. Loan repayment obligations are payable as a general obligation backed by the full faith and credit of the municipality. Payments made by the municipality under the revenue agreement may be less than or equal to the principal amount of the loan as determined by the commissioner based on the available sources of payment under this section. The loan may be interest free for a maximum period of five years. Thereafter the interest on the loan is at a rate and on terms set by the commissioner.*

*(b) A municipality must provide a local match equal to ten percent of the cost of a response plan from unrestricted money available to the municipality, excluding tax increment.*

*Subd. 3. [LOAN AND GRANT APPLICATION.] To obtain a contamination cleanup development grant, the development authority shall apply to the commissioner. The governing body of the municipality must approve, by resolution, the application. The commissioner shall prescribe and provide the*

application form. The application must include at least the following information:

- (1) identification of the site;
- (2) the proposed or approved response action plan for the site;
- (3) the results of engineering and other tests showing the nature and extent of the release of contaminants on site or the threatened release of contaminants onto the site;
- (4) a detailed estimate, along with necessary supporting evidence, of the total cleanup costs for the site;
- (5) an appraisal of the current market value of the property, separately taking into account the effect of the contaminants on the market value, prepared by a qualified independent appraiser using accepted appraisal methodology;
- (6) an assessment of the immediate or long-term potential hazard to the public health and safety resulting from a failure to implement the response action plan;
- (7) an assessment of the development potential or likely use of the site after completion of the response action plan, including any specific commitments from third parties to construct improvements on the site;
- (8) the manner in which the municipality will meet the local match requirement;
- (9) any additional information or material that the commissioner prescribes;
- (10) if applicable, that the municipality has previously received a pollution abatement development grant or loan for the property and in the course of carrying out the response plan has determined that the response plan should be amended or supplemented to provide for additional removal, remedial, or corrective actions; and
- (11) if applicable, that the commissioner of the pollution control agency has reviewed and approved the amendment or supplement to the response plan reflecting the additional removal, remedial, or corrective actions taken under clause (10).

Subd. 4. [LOAN AND GRANT PRIORITY AND RESTRICTIONS.] (a) On receipt of a loan or grant application, the pollution control agency shall advise the commissioner on the application based on the following criteria:

- (1) the nature, desirability, and appropriateness of the applicant's proposed remedial action; and
  - (2) whether entry into the agreement will expedite undertaking a remedy or remedial action.
- (b) Complete or permanent remedial action is not required unless the pollution control agency determines that a failure to do so would:
- (i) interfere with the implementation of a future remedy or remedial action;
  - (ii) result in an action that would significantly contribute to the release or threat of release of a hazardous substance or pollutant or contaminant; or

(iii) pose health risks for persons in the vicinity of the real property or facility.

(c) The commissioner shall make a selection based on the following criteria:

(1) the recommendation of the pollution control agency;

(2) the recommendation of a municipality as to the desirability of the development or redevelopment;

(3) the location and importance of the real property or facility to the municipality and the state in terms of the desirability of the development or redevelopment;

(4) the amount of proposed new investment in the real property or facility;

(5) whether the municipality will create a tax increment district or subdistrict to fund repayment of the loan; and

(6) whether the proposed development or redevelopment will leverage state expenditures.

(d) The amount made available by the combination of loans and grants must not exceed a total of \$5,000,000 for a site.

(e) Loans and grants must be made quarterly to applicants. If the commissioner determines that money in the fund is insufficient to make all loans and grants properly applied for, preference must be given first to applicants that meet the criteria described in paragraph (f) and subdivision 3, clauses (10) and (11). Applicants who are otherwise qualified but are not awarded a loan or grant due to a lack of available funds must be given preference on the next award date when funds are available.

(f) The award of grants and loans is limited as follows:

(1) not more than 70 percent of the available funds may be allocated to municipalities located in the metropolitan area as defined in section 473.121, subdivision 2; and

(2) not more than 33-1/3 percent of the available funds may be allocated to a single municipality.

If the requests for funds for qualified projects from outside the metropolitan area or from municipalities having less than 33-1/3 percent of the available funds in any year are insufficient to utilize all available funds, the funds may be allocated without regard to the limitation in this section. Any allocation of these funds without regard to the limitation in this section does not affect a municipality's later application for a loan or grant.

(g) A pollution abatement development loan or grant may not be made, unless approved by the pollution control agency, for a site for which removal, remedial, or corrective actions are scheduled by the pollution control agency to be initially funded during the current or next fiscal year under the federal Superfund Act, the Leaking Underground Storage Tank Trust Fund, United States Code, title 42, section 6991b, the environmental response, compensation, and compliance account under section 115B.20, the petroleum tank release cleanup account under section 115C.08, or another state funding source.

(h) Pollution abatement loans and grants may be made only if the appraised value of the contaminated portion of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology is less than the estimated cleanup costs for the site or the cost of the response plan exceeds \$2 per square foot for the contaminated portion of the site.

Subd. 5. [LOAN OR GRANT APPROVAL.] (a) On approval of a loan or grant, the commissioner shall notify the municipality:

(1) of the amount of the loan or grant;

(2) that the approved amount is in a special account in the pollution abatement development loan fund established in section 116J.989; and

(3) that the loan or grant will be made when the terms for making and repaying the loan have been agreed to by the commissioner and the municipality.

(b) The loan must be evidenced by instruments prepared under this section and the law under which the municipality proposes to issue its obligation.

Subd. 6. [ACCOUNTING OF COSTS.] Upon completion of the response plan, the municipality shall submit to the commissioner an accounting of costs incurred and any unexpended loan or grant proceeds, including any unexpended investment earnings on proceeds, which must be applied to the payment of the obligation under the loan agreement.

Subd. 7. [AUTHORIZATION TO BORROW.] Notwithstanding any general or special law or charter to the contrary, a municipality may borrow from the fund by entering into a revenue agreement between the municipality and the commissioner. The commissioner may require the municipality to issue a note payable to the department or a fiduciary for the department consistent with the terms of the revenue agreement. The security for the repayment of the obligation evidenced by the revenue agreement or the note must be the full faith and credit of the municipality. The revenue agreement or note is an obligation under section 475.51, subdivision 3, but the issuance of the obligation is not otherwise subject to chapter 475.

Subd. 8. [RESPONSE PLAN EXPENSE RECOVERY ACTIONS.] (a) The commissioner shall notify the attorney general whenever the commissioner makes a loan or grant under sections 116J.987 to 116J.990. The attorney general shall review the expenditures for the response plan and the potential for cost recovery from the responsible parties and may:

(1) bring a civil action on behalf of the state and the municipality to recover the expenses, including administrative costs and litigation expenses, under section 115B.04 or other law; or

(2) assist the municipality in bringing an action as described in clause (1), by providing legal and technical advice, intervening in the action, or providing other appropriate assistance.

The decision to participate in an action is at the discretion of the attorney general.

(b) If the attorney general brings an action under paragraph (a), clause (1), the municipality shall certify its reasonable and necessary expenses to implement the response plan and shall cooperate with the attorney general as



required to effectively pursue the action. The certification by the municipality is prima facie evidence that the expenses are reasonable and necessary.

(c) The attorney general may deduct litigation expenses incurred by the attorney general from any amounts recovered in an action brought under paragraph (a), clause (1). Money recovered or paid to the attorney general for litigation expenses under this paragraph must be credited to the general fund. For the purposes of this section, "litigation expenses" means attorney fees and costs of discovery and other preparation for litigation.

Money recovered in an action brought under this subdivision in excess of the amounts paid to the attorney general for litigation expenses must be credited to the pollution abatement development fund established in section 116J.989.

Subd. 9. [RULES.] The commissioner may adopt rules to implement this section.

#### Sec. 5. [APPROPRIATION.]

\$..... is appropriated from the general fund for transfer to the pollution abatement development loan fund established in section 116J.989.

#### Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment.

### ARTICLE 3

#### TAX INCREMENT FINANCING

Section 1. Minnesota Statutes 1992, section 273.1399, subdivision 1, is amended to read:

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

(a) "Qualifying captured net tax capacity" means the following amounts:

(1) the captured net tax capacity of a new or the expanded part of an existing economic development or soils condition tax increment financing district, other than a qualified manufacturing district, for which certification was requested after April 30, 1990;

(2) the captured net tax capacity of a qualified manufacturing district, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district:

Number of Years	Percentage
1	0
2	20
3	40
4	60
5	80
6 or more	100;

(3) the captured net tax capacity of a new or the expanded part of an existing tax increment financing district, other than an economic development

of district, soils condition district, or a qualified pollution district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district.

Number of Years	Renewal and Renovation Districts	All other Districts
0 to 5	0	0
6	12.5	6.25
7	25	12.5
8	37.5	18.75
9	50	25
10	62.5	31.25
11	75	37.5
12	87.5	43.75
13	100	50
14	100	56.25
15	100	62.5
16	100	68.75
17	100	75
18	100	81.25
19	100	87.5
20	100	93.75
21 or more	100	100

In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured net tax capacity resulting from the reduction in the subdistrict's or site's original net tax capacity.

(b) The terms defined in section 469.174 have the meanings given in that section.

(c) "Qualified manufacturing district" means an economic development district that qualifies under section 469.176, subdivision 4c, paragraph (a), without regard to clauses (2) and (4), for which certification was requested after June 30, 1991, located in a home rule charter or statutory city that (1) has a population under 10,000 according to the last federal census and (2) is wholly located outside of a metropolitan statistical area as determined by the United States Office of Management and Budget.

(d) "Qualified pollution district" means a pollution district in which:

(1) the percentage increase in the sum of the market value of the parcels in the pollution district during the five years before the year of certification of the district is the same as or less than, for the same time period, the percentage increase in the sum of the market value of the parcels in the school districts in which any parcels in the pollution district are located; or

(2) there has been no increase in the sum of the market value of the parcels in the pollution district during the five years before the year of certification of the district.

Sec. 2. Minnesota Statutes 1992, section 469.174, subdivision 9, is amended to read:

Subd. 9. [TAX INCREMENT FINANCING DISTRICT.] "Tax increment financing district" or "district" means a contiguous or noncontiguous geographic area within a project delineated in the tax increment financing plan, as provided by section 469.175, subdivision 1, for the purpose of financing redevelopment, mined underground space development, housing or economic development, or the remediation of contamination in municipalities through the use of tax increment generated from the captured net tax capacity in the tax increment financing district.

Sec. 3. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 22. [POLLUTION DISTRICT.] "*Pollution district*" means a type of tax increment financing district:

(1) that meets the requirements of an economic development district, housing district, mined underground space development district, redevelopment district, renewal and renovation district, or soils condition district;

(2) that consists of a project, or portions of a project, within which the authority finds it to be in the public interest to provide for the remediation of contamination; and

(3) in which the estimated costs of remediating present contamination or preventing future contamination of the land within the eligible site equal or exceed: (i) the fair market value of the improved property included in the district unless the improvements will be demolished prior to development; or (ii) \$2 per square foot of the area of the pollution district.

Sec. 4. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 23. [REMEDICATION.] "*Remediation*" means any activity constituting "removal," "remedy," "remedial action," or "response," as those terms are defined in section 115B.02; environmental audits; pollution tests; acquisition and demolition necessary to accomplish remediation; soil removal, correction, disposal, or compaction necessary to accomplish remediation; preparation and implementation of environmental response plans; administrative, legal, financial, and other professional services; and other activities reasonably related to the prevention or amelioration of contamination.

Sec. 5. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 24. [CONTAMINATION.] "*Contamination*" means the presence of:

(1) a substance defined as a "hazardous substance" or "toxic substance" in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, United States Code, title 42, section 9061, et seq.;

(2) a substance defined as a "hazardous substance," "hazardous waste," or "pollutant or contaminant" in section 115B.02; or

(3) petroleum or its derivatives.

Sec. 6. Minnesota Statutes 1992, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] (a) A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a project;

(2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;

(3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;

(5) estimates of the following:

(i) cost of the project, including administration expenses;

(ii) amount of bonded indebtedness to be incurred;

(iii) sources of revenue to finance or otherwise pay public costs;

(iv) the most recent net tax capacity of taxable real property within the tax increment financing district;

(v) the estimated captured net tax capacity of the tax increment financing district at completion; and

(vi) the duration of the tax increment financing district's existence;

(6) statements of the authority's alternate estimates of the impact of tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, the authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district;

(7) identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and

(8) identification of all parcels to be included in the district.

(b) The authority may elect in the tax increment financing plan to delay receipt of the first tax increment from the district until the earlier of:

(1) the fourth anniversary of the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor; or

(2) the date the market value of the district, as determined by the assessor, has attained a minimum market value specified in the tax increment financing plan, a development agreement, or an assessment agreement.

(c) *With respect to a pollution district, the authority shall elect in the tax increment financing plan to impose the provisions of sections 469.174 to 469.179, applicable to an economic development district, housing district, mined underground space development district, redevelopment district, renewal and renovation district, or soils condition district; to the pollution district. The authority must make the election in the plan and, once made, the election is irrevocable. Thereafter, the provisions of sections 469.174 to 469.179 applicable to such district shall be applicable to the pollution district.*

Sec. 7. Minnesota Statutes 1992, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (g), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding. The municipality may, at the time of approval of the initial tax increment financing plan, provide for a shorter maximum duration limit than specified in paragraphs (b) to (g). The specified limit applies in place of the otherwise applicable limit.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor, unless within the three-year period (1) bonds have been issued in aid of the project containing the district pursuant to section 469.178, or any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority (1) after 25 years from date of receipt by the authority of the first tax increment for a mined underground space development district, redevelopment district, or housing district, (2) after 15 years after receipt by the authority of the first increment for a renewal and renovation district, (3) after 12 years from approval of the tax increment financing plan for a soils condition district, and (4) after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district, and (5) *except as provided in paragraph (f), after 25 years from date of receipt by the authority of the first tax increment for a pollution district.*

*(f) No tax increment derived from a pollution district, except tax increment attributable to the reduction in original net tax capacity pursuant to an election under section 469.177, subdivision 1, paragraph (i), shall be paid to the authority, unless such tax increment will be used for the remediation of contamination, (1) after 25 years from the date of receipt by the authority of the first tax increment from a pollution district that the authority has elected to be subject to the provisions applicable to a mined underground space development district, redevelopment district, or housing district, (2) after 15 years from the date of receipt by the authority of the first tax increment from a pollution district that the authority has elected to be subject to the provisions applicable to a renewal and renovation district, (3) after 12 years from the date of approval of the tax increment financing plan for a pollution district that the authority has elected to be subject to the provisions applicable to a soils condition district, and (4) after eight years from the date of receipt by the authority of the first tax increment, or ten years from the date of approval of the tax increment financing plan, whichever is less, for a pollution district that the authority has elected to be subject to the provisions applicable to an economic development district.*

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after April 1, 2001, or the term of a nondefeased bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district. If a district's termination date is extended beyond April 1, 2001, because bonds were outstanding on April 1, 1990, with maturities extending beyond April 1, 2001, the following restrictions apply. No increment collected from the district may be expended after April 1, 2001, except to pay or defease (i) bonds issued before April 1, 1990, or (ii) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded.

~~(f)~~ (g) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

~~(g)~~ (h) If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment begins on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.174, subdivision 7, paragraph (b). The extended period for collection of tax increment is the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

~~(h)~~ (i) If a parcel located in the district has delinquent property taxes when the district terminates under the duration limits under this subdivision, the payment of the parcel's delinquent taxes made after decertification of the district are tax increments to the extent the nonpayment of property taxes caused the outstanding bonds or contractual obligations pledged to be paid by the district to be paid by sources other than tax increments or to go unpaid.

The county auditor shall pay the appropriate amount to the district. The authority shall provide the county auditor with information regarding the payment of outstanding bonds or contractual obligations and any other information necessary to administer the payment, as requested by the county auditor.

Sec. 8. Minnesota Statutes 1992, section 469.176, subdivision 4, is amended to read:

Subd. 4. [LIMITATION ON USE OF TAX INCREMENT; GENERAL RULE.] All revenues derived from tax increment shall be used in accordance with the tax increment financing plan. The revenues shall be used solely for the following purposes: (1) to pay the principal of and interest on bonds issued to finance a project; (2) by a rural development financing authority for the purposes stated in section 469.142, by a port authority or municipality exercising the powers of a port authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.048 to 469.068, by an economic development authority to finance or otherwise pay the cost of redevelopment pursuant to sections 469.090 to 469.108, by a housing and redevelopment authority or economic development authority to finance or otherwise pay public redevelopment costs pursuant to sections 469.001 to 469.047, by a municipality or economic development authority to finance or otherwise pay the capital and administration costs of a development district pursuant to sections 469.124 to 469.134, by a municipality or authority to finance or otherwise pay the costs of the remediation of contamination in a project in which a pollution district is located, by a municipality or redevelopment agency to finance or otherwise pay premiums for insurance or other security guaranteeing the payment when due of principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, or to accumulate and maintain a reserve securing the payment when due of the principal of and interest on the bonds pursuant to chapter 462C, sections 469.152 to 469.165, or both, which revenues in the reserve shall not exceed, subsequent to the fifth anniversary of the date of issue of the first bond issue secured by the reserve, an amount equal to 20 percent of the aggregate principal amount of the outstanding and nondefeased bonds secured by the reserve.

Sec. 9. Minnesota Statutes 1992, section 469.176, is amended by adding a subdivision to read:

Subd. 4k. [POLLUTION DISTRICTS.] *The portion of the tax increment derived from a pollution district that is attributable to the reduction in original net tax capacity pursuant to an election under section 469.177, subdivision 1, paragraph (i), shall only be used to pay or reimburse the costs of the remediation of contamination in the project in which the pollution district is located. The remaining tax increment received from a pollution district may be used in accordance with subdivision 4, but subject to the restrictions imposed by sections 469.174 to 469.179 applicable to the type of district elected by the authority pursuant to section 469.175, subdivision 1, paragraph (c).*

Sec. 10. Minnesota Statutes 1992, section 469.1763, is amended by adding a subdivision to read:

Subd. 6. [POLLUTION DISTRICTS.] *Subdivisions 2 to 4 do not apply to a pollution district if:*

(1) the district is located within a project that meets the criteria of a targeted neighborhood under sections 469.201, subdivision 10; and 469.202, subdivisions 1 and 2, provided that the project does not exceed 50 acres and does not include additional area under section 469.202, subdivision 3;

(2) the authority has elected, under section 469.175, subdivision 1, paragraph (c), to impose the provisions of sections 469.174 to 469.179 applicable to a redevelopment district to the pollution district; or

(3) the authority has elected, under section 469.175, subdivision 1, paragraph (c), to impose the provisions of sections 469.174 to 469.179 applicable to a renewal and renovation district to the pollution district.

**Sec. 11. [469.1764] [GUARANTY OR INDEMNIFICATION FUND.]**

An authority may establish and maintain a guaranty or indemnification fund with respect to any contaminated parcel, or more than one such parcel, included within a pollution district. Funds held in the guaranty or indemnification fund must be available, upon terms and conditions determined by the authority through agreement or resolution, to an eligible person to indemnify and hold harmless the eligible person from liability for remediation costs arising under any state or federal environmental law, regulation, ruling, order, or decision with respect to the contaminated parcel or parcels by reason of the person's use, occupancy, ownership, or financing associated with the contaminated parcel. The authority may not indemnify or hold harmless an eligible person from liability for contamination of a parcel caused by the eligible person. Tax increments derived from a pollution district and any other funds available to the authority may be deposited in or otherwise used to secure payments from the guaranty or indemnification fund. The authority is liable under the guaranty or indemnification only to the extent of funds available to secure payments from the guaranty or indemnification fund. The maximum amount payable from the guaranty or indemnification fund with respect to any eligible parcel or group of parcels must not exceed 50 percent of the cost of remediation of the contamination present in the contaminated parcels at the time of final approval of the plan, which amount may be inflated each year according to an appropriate inflation index selected by the authority. The guaranty or indemnification fund must be held or maintained in or with a financial institution or corporate fiduciary eligible for the deposit of public money or eligible to act as a trustee or fiduciary for bonds or other obligations issued under chapter 475. The guaranty or indemnification fund must be held and maintained for the period agreed to by the authority, except that tax increments may be deposited in the fund only during the duration of the district. Upon termination of the period of guaranty or indemnification all unexpended money then held in the guaranty or indemnification fund must be considered excess tax increments and returned to the county auditor for redistribution. Investment earnings, net of investment losses, on money held in the guaranty or indemnification fund may, at the option of the authority, be retained in the fund or disbursed to the authority and applied to other eligible costs. Tax increments used or pledged to secure payments from the guaranty or indemnification fund may be irrevocably pledged for that purpose, and neither filing nor possession is required to perfect the security interest created by the pledge.

Sec. 12. Minnesota Statutes 1992, section 469.177, subdivision 1, is amended to read:



Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of a tax increment financing plan, the auditor of any county in which the district is situated shall, upon request of the authority, certify the original net tax capacity of the tax increment financing district as described in the tax increment financing plan and shall certify in each year thereafter the amount by which the original net tax capacity has increased or decreased as a result of a change in tax exempt status of property within the district, reduction or enlargement of the district or changes pursuant to subdivision 4.

(b) In the case of a mined underground space development district the county auditor shall certify the original net tax capacity as zero, plus the net tax capacity, if any, previously assigned to any subsurface area included in the mined underground space development district pursuant to section 272.04.

(c) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the classification under section 273.13 of property located in a district changes to a classification that has a different assessment ratio, the original net tax capacity of that property must be redetermined at the time when its use is changed as if the property had originally been classified in the same class in which it is classified after its use is changed.

(d) The amount to be added to the original net tax capacity of the district as a result of previously tax exempt real property within the district becoming taxable equals the net tax capacity of the real property as most recently assessed pursuant to section 273.18 or, if that assessment was made more than one year prior to the date of title transfer rendering the property taxable, the net tax capacity assessed by the assessor at the time of the transfer. If substantial taxable improvements were made to a parcel after certification of the district and if the property later becomes tax exempt, in whole or part, as a result of the authority acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement, the amount to be added to the original net tax capacity of the district as a result of the property again becoming taxable is the amount of the parcel's value that was included in original net tax capacity when the parcel was first certified. The amount to be added to the original net tax capacity of the district as a result of enlargements equals the net tax capacity of the added real property as most recently certified by the commissioner of revenue as of the date of modification of the tax increment financing plan pursuant to section 469.175, subdivision 4.

(e) For districts approved under section 469.175, subdivision 3, or parcels added to existing districts after May 1, 1988, if the net tax capacity of a property increases because the property no longer qualifies under the Minnesota agricultural property tax law, section 273.111; the Minnesota open space property tax law, section 273.112; or the metropolitan agricultural preserves act, chapter 473H, or because platted, unimproved property is improved or three years pass after approval of the plat under section 273.11, subdivision 1, the increase in net tax capacity must be added to the original net tax capacity.

(f) Each year the auditor shall also add to the original net tax capacity of each economic development district an amount equal to the original net tax capacity for the preceding year multiplied by the average percentage increase in the market value of all property included in the economic development district during the five years prior to certification of the district.

(g) The amount to be subtracted from the original net tax capacity of the district as a result of previously taxable real property within the district becoming tax exempt, or a reduction in the geographic area of the district, shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt or being removed from the district. If the net tax capacity of property located within the tax increment financing district is reduced by reason of a court-ordered abatement, stipulation agreement, voluntary abatement made by the assessor or auditor or by order of the commissioner of revenue, the reduction shall be applied to the original net tax capacity of the district when the property upon which the abatement is made has not been improved since the date of certification of the district and to the captured net tax capacity of the district in each year thereafter when the abatement relates to improvements made after the date of certification. The county auditor may specify reasonable form and content of the request for certification of the authority and any modification thereof pursuant to section 469.175, subdivision 4.

(h) If a parcel of property contained a substandard building that was demolished or removed and if the authority elects to treat the parcel as occupied by a substandard building under section 469.174, subdivision 10, paragraph (b), the auditor shall certify the original net tax capacity of the parcel using the greater of (1) the current net tax capacity of the parcel, or (2) the estimated market value of the parcel for the year in which the building was demolished or removed, but applying the class rates for the current year.

(i) *The original net tax capacity of a pollution district may be reduced by an amount up to 100 percent of the original net tax capacity of the pollution district at the election of the authority. The election must be made in writing and delivered to the county auditor of the county in which the pollution district is located. The change in original net tax capacity is effective as of the July 1 subsequent to the date of receipt of the election by the county auditor. The tax increment attributable to this reduction in original net tax capacity must be used only in accordance with section 469.176, subdivision 4. At any time after an election to reduce the original net tax capacity of a pollution district has been made pursuant to this subdivision, the authority may elect to forego the election. If the authority elects to forego the election, the original net tax capacity shall be changed to the original net tax capacity that would have been applicable to the pollution district without the application of this paragraph. The subsequent election must be made in writing and delivered to the county auditor of the county in which the pollution district is located. The change in original net tax capacity is effective as of the July 1 subsequent to the date of receipt of the election by the county auditor.*

#### Sec. 13. [EFFECTIVE DATE.]

*Section 1 is effective for aid payable in 1994 and thereafter. Sections 2 to 12 are effective for districts certified after May 31, 1993.*

### ARTICLE 4

#### MANUFACTURING DISTRICTS

Section 1. Minnesota Statutes 1992, section 273.1399, subdivision 1, is amended to read:

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

(a) "Qualifying captured net tax capacity" means the following amounts:

(1) the captured net tax capacity of a new or the expanded part of an existing economic development or soils condition tax increment financing district, other than a qualified manufacturing district, for which certification was requested after April 30, 1990;

(2) the captured net tax capacity of a qualified manufacturing district, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district:

Number of Years	Percentage
1	0
2	20
3	40
4	60
5	80
6 or more	100;

(3) the captured net tax capacity of a new or the expanded part of an existing tax increment financing district, other than an economic development or, soils condition district, or manufacturing district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the assessment year of the original net tax capacity. In no case may the final amounts be less than zero or greater than the total captured net tax capacity of the district.

Number of years	Renewal and Renovation Districts	All other Districts
0 to 5	0	0
6	12.5	6.25
7	25	12.5
8	37.5	18.75
9	50	25
10	62.5	31.25
11	75	37.5
12	87.5	43.75
13	100	50
14	100	56.25
15	100	62.5
16	100	68.75
17	100	75
18	100	81.25
19	100	87.5
20	100	93.75
21 or more	100	100

In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured net tax capacity resulting from the reduction in the subdistrict's or site's original net tax capacity.

(b) The terms defined in section 469.174 have the meanings given in that section.

(c) "Qualified Manufacturing district" means:

(1) an economic development district that qualifies under section 469.176, subdivision 4c, paragraph (a), without regard to clauses (2) and (4), for which certification was requested after June 30, 1991, located in a home rule charter or statutory city that (1) (i) has a population under 10,000 according to the last federal census, and (2) (ii) is wholly located outside of a metropolitan statistical area as determined by the United States Office of Management and Budget; or

(2) a manufacturing district under section 469.174, subdivision 22.

Sec. 2. Minnesota Statutes 1992, section 469.174, subdivision 9, is amended to read:

Subd. 9. [TAX INCREMENT FINANCING DISTRICT.] "Tax increment financing district" or "district" means a contiguous or noncontiguous geographic area within a project delineated in the tax increment financing plan, as provided by section 469.175, subdivision 1, for the purpose of financing redevelopment, mined underground space development, housing or economic development, or manufacturing in municipalities through the use of tax increment generated from the captured net tax capacity in the tax increment financing district.

Sec. 3. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 22. [MANUFACTURING DISTRICT.] "Manufacturing district" means a type of tax increment financing district that:

(1) meets the requirements of an economic development district; and

(2) consists of a project, or portions of a project, within which the authority finds it to be in the public interest to provide for the development of manufacturing facilities. The finding must be made in a resolution adopted by the authority on or before the date of approval of the plan for the district.

Sec. 4. Minnesota Statutes 1992, section 469.174, is amended by adding a subdivision to read:

Subd. 23. [MANUFACTURING FACILITY.] "Manufacturing facility" means property that is acquired, constructed, or rehabilitated, if at least 85 percent of the property is used:

(1) for the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the tangible personal property;

(2) for the warehousing, storage, and distribution of tangible personal property, excluding retail sales;

(3) for research and development activities related to the activities listed in clause (1) or (2); or

(4) space necessary for and related to the activities listed in clause (1), (2), or (3).

Sec. 5. Minnesota Statutes 1992, section 469.175, subdivision 1, is amended to read:

Subdivision 1. [TAX INCREMENT FINANCING PLAN.] (a) A tax increment financing plan shall contain:

(1) a statement of objectives of an authority for the improvement of a project;

(2) a statement as to the development program for the project, including the property within the project, if any, that the authority intends to acquire;

(3) a list of any development activities that the plan proposes to take place within the project, for which contracts have been entered into at the time of the preparation of the plan, including the names of the parties to the contract, the activity governed by the contract, the cost stated in the contract, and the expected date of completion of that activity;

(4) identification or description of the type of any other specific development reasonably expected to take place within the project, and the date when the development is likely to occur;

(5) estimates of the following:

(i) cost of the project, including administration expenses;

(ii) amount of bonded indebtedness to be incurred;

(iii) sources of revenue to finance or otherwise pay public costs;

(iv) the most recent net tax capacity of taxable real property within the tax increment financing district;

(v) the estimated captured net tax capacity of the tax increment financing district at completion; and

(vi) the duration of the tax increment financing district's existence;

(6) statements of the authority's alternate estimates of the impact of tax increment financing on the net tax capacities of all taxing jurisdictions in which the tax increment financing district is located in whole or in part. For purposes of one statement, the authority shall assume that the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district, and for purposes of the second statement, the authority shall assume that none of the estimated captured net tax capacity would be available to the taxing jurisdictions without creation of the district;

(7) identification and description of studies and analyses used to make the determination set forth in subdivision 3, clause (2); and

(8) identification of all parcels to be included in the district.

*(b) The authority may elect in the tax increment financing plan to provide that increment is first received by the authority when one year has elapsed from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor.*

Sec. 6. Minnesota Statutes 1992, section 469.175, is amended by adding a subdivision to read:

*Subd. 2a. [MANUFACTURING DISTRICTS.] In the case of a manufacturing district, in addition to the requirements of subdivision 2, at least 30 days before the publication of the notice for public hearing under subdivision 3, the authority shall deliver written notice of the proposed manufacturing district to the county board of the county in which the area proposed to be included in the manufacturing district is located. The notice must contain a general description of the boundaries of the proposed manufacturing district and the proposed activities to be financed by the manufacturing district, an offer by the authority to meet and discuss the proposed district with the county board, and a solicitation of the county board's comments with respect to the manufacturing district.*

Sec. 7. Minnesota Statutes 1992, section 469.175, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY APPROVAL.] A county auditor shall not certify the original net tax capacity of a tax increment financing district until the tax increment financing plan proposed for that district has been approved by the municipality in which the district is located. If an authority that proposes to establish a tax increment financing district and the municipality are not the same, the authority shall apply to the municipality in which the district is proposed to be located and shall obtain the approval of its tax increment financing plan by the municipality before the authority may use tax increment financing. The municipality shall approve the tax increment financing plan only after a public hearing thereon after published notice in a newspaper of general circulation in the municipality at least once not less than ten days nor more than 30 days prior to the date of the hearing. The published notice must include a map of the area of the district from which increments may be collected and, if the project area includes additional area, a map of the project area in which the increments may be expended. The hearing may be held before or after the approval or creation of the project or it may be held in conjunction with a hearing to approve the project. Before or at the time of approval of the tax increment financing plan, the municipality shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the proposed tax increment financing district is a redevelopment district, a renewal or renovation district, a mined underground space development district, a housing district, a soils condition district, a *manufacturing district*, or an economic development district; if the proposed district is a redevelopment district or a renewal or renovation district, the reasons and supporting facts for the determination that the district meets the criteria of section 469.174, subdivision 10, paragraph (a), clauses (1) and (2), or subdivision 10a, must be retained and made available to the public by the authority until the district has been terminated.

(2) that the proposed development or redevelopment, in the opinion of the municipality, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the use of tax increment financing is deemed necessary.

(3) that the tax increment financing plan conforms to the general plan for the development or redevelopment of the municipality as a whole.

(4) that the tax increment financing plan will afford maximum opportunity, consistent with the sound needs of the municipality as a whole, for the development or redevelopment of the project by private enterprise.

(5) that the municipality elects the method of tax increment computation set forth in section 469.177, subdivision 3, clause (b), if applicable.

*(6) in the case of a manufacturing district, that the use of tax increment financing is necessary either to retain a business that will expand within the municipality which would otherwise leave the state, or to induce a business to relocate to the municipality from another state.*

When the municipality and the authority are not the same, the municipality shall approve or disapprove the tax increment financing plan within 60 days of submission by the authority, or the plan shall be deemed approved. When the municipality and the authority are not the same, the municipality may not amend or modify a tax increment financing plan except as proposed by the authority pursuant to subdivision 4. Once approved, the determination of the authority to undertake the project through the use of tax increment financing and the resolution of the governing body shall be conclusive of the findings therein and of the public need for the financing.

Sec. 8. Minnesota Statutes 1992, section 469.176, subdivision 1, is amended to read:

Subdivision 1. [DURATION OF TAX INCREMENT FINANCING DISTRICTS.] (a) Subject to the limitations contained in paragraphs (b) to (g), any tax increment financing district as to which bonds are outstanding, payment for which the tax increment and other revenues have been pledged, shall remain in existence at least as long as the bonds continue to be outstanding. The municipality may, at the time of approval of the initial tax increment financing plan, provide for a shorter maximum duration limit than specified in paragraphs (b) to (g). The specified limit applies in place of the otherwise applicable limit.

(b) The tax increment pledged to the payment of the bonds and interest thereon may be discharged and the tax increment financing district may be terminated if sufficient funds have been irrevocably deposited in the debt service fund or other escrow account held in trust for all outstanding bonds to provide for the payment of the bonds at maturity or date of redemption and interest thereon to the maturity or redemption date.

(c) For bonds issued pursuant to section 469.178, subdivisions 2 and 3, the full faith and credit and any taxing powers of the municipality or authority shall continue to be pledged to the payment of the bonds until the principal of and interest on the bonds has been paid in full.

(d) No tax increment shall be paid to an authority for a tax increment financing district after three years from the date of certification of the original net tax capacity of the taxable real property in the district by the county auditor, unless within the three-year period (1) bonds have been issued in aid of the project containing the district pursuant to section 469.178, or any other law, except revenue bonds issued pursuant to sections 469.152 to 469.165, or (2) the authority has acquired property within the district, or (3) the authority has constructed or caused to be constructed public improvements within the district.

(e) No tax increment shall in any event be paid to the authority (1) after 25 years from date of receipt by the authority of the first tax increment for a mined underground space development district, redevelopment district, or housing district, (2) after 15 years after receipt by the authority of the first

increment for a renewal and renovation district, (3) after 12 years from approval of the tax increment financing plan for a soils condition district, and (4) after eight years from the date of the receipt, or ten years from approval of the tax increment financing plan, whichever is less, for an economic development district or a manufacturing district.

For tax increment financing districts created prior to August 1, 1979, no tax increment shall be paid to the authority after April 1, 2001, or the term of a nondefeased bond or obligation outstanding on April 1, 1990, secured by increments from the district or project area, whichever time is greater, provided that in no case will a tax increment be paid to an authority after August 1, 2009, from such a district. If a district's termination date is extended beyond April 1, 2001, because bonds were outstanding on April 1, 1990, with maturities extending beyond April 1, 2001, the following restrictions apply. No increment collected from the district may be expended after April 1, 2001, except to pay or defease (i) bonds issued before April 1, 1990, or (ii) bonds issued to refund the principal of the outstanding bonds and pay associated issuance costs, provided the average maturity of the refunding bonds does not exceed the bonds refunded.

(f) Modification of a tax increment financing plan pursuant to section 469.175, subdivision 4, shall not extend the durational limitations of this subdivision.

(g) If a parcel of a district is part of a designated hazardous substance site or a hazardous substance subdistrict, tax increment may be paid to the authority from the parcel for longer than the period otherwise provided by this subdivision. The extended period for collection of tax increment begins on the date of receipt of the first tax increment from the parcel that is more than any tax increment received from the parcel before the date of the certification under section 469.174, subdivision 7, paragraph (b), and received after the date of certification to the county auditor described in section 469.174, subdivision 7, paragraph (b). The extended period for collection of tax increment is the lesser of: (1) 25 years from the date of commencement of the extended period; or (2) the period necessary to recover the costs of removal actions or remedial actions specified in a development response action plan.

(h) If a parcel located in the district has delinquent property taxes when the district terminates under the duration limits under this subdivision, the payment of the parcel's delinquent taxes made after decertification of the district are tax increments to the extent the nonpayment of property taxes caused the outstanding bonds or contractual obligations pledged to be paid by the district to be paid by sources other than tax increments or to go unpaid. The county auditor shall pay the appropriate amount to the district. The authority shall provide the county auditor with information regarding the payment of outstanding bonds or contractual obligations and any other information necessary to administer the payment, as requested by the county auditor.

#### Sec. 9. [EFFECTIVE DATE.]

*Section 1 is effective for aids payable in 1993 and thereafter. Sections 2 to 8 are effective for districts certified after May 31, 1993."*

Delete the title and insert:



"A bill for an act relating to the financing of cleanup of polluted lands, and redevelopment; imposing a state tax on contaminated property; requiring deposit of the proceeds of the tax in an account to be used for cleanup and development of contaminated sites; creating a pollution abatement loan and grant program; authorizing municipalities to borrow funds for pollution abatement; authorizing and regulating the use of tax increment financing for pollution districts; authorizing establishment of guaranty or indemnification funds for contaminated parcels in pollution districts and permitting use of tax increments to provide money for the funds; modifying the computation of tax increments; reducing the maximum duration of redevelopment districts; providing means for operating manufacturing tax increment financing districts; appropriating money; amending Minnesota Statutes 1992, sections 273.11, subdivision 1, and by adding a subdivision; 273.1399, subdivision 1; 275.065, subdivision 3; 276.04, subdivision 2; 469.174, subdivision 9, and by adding subdivisions; 469.175, subdivisions 1, 3, and by adding a subdivision; 469.176, subdivisions 1, 4, and by adding a subdivision; 469.1763, by adding a subdivision; and 469.177, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116J; 270; and 469."

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. Merriam from the Committee on Finance, to which was referred

S.F. No. 1613: A bill for an act relating to the organization and operation of state government; appropriating money for the departments of labor and industry, public service, jobs and training, housing finance, and other purposes with certain conditions; establishing and modifying certain programs; providing penalties; amending Minnesota Statutes 1992, sections 16B.06, subdivision 2a; 116J.617; 116J.982; 179.02, by adding a subdivision; 239.011, subdivision 2; 239.10; 239.791, subdivisions 6 and 8; 268.022, subdivision 2; 268.12, subdivision 12; 268.975, subdivisions 3, 4, 6, 7, 8, and by adding subdivisions; 268.976, subdivision 2; 268.978, subdivision 1; 268.98; and 462A.21, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116J; 116M; 239; 268; and 462A; repealing Minnesota Statutes 1992, sections 116J.982, subdivisions 6a, 8, and 9; 239.05, subdivision 2c; 239.52; 239.78; 268.977; and 268.978, subdivision 3.

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

Page 2, after line 34, insert:

"\$5,000,000 the first year is for the Daedalus imaging systems project. This appropriation must not be allotted until the commissioner certifies that all information policy office requirements for this project have been met or will be met. This appropriation is available for either year of the biennium."

Page 4, after line 37, insert:

"This appropriation is to be used solely to preserve assets of the corporation. The

commissioner of finance shall release this appropriation in the amount that the commissioner determines is necessary to preserve those assets."

Page 15, after line 38, insert:

"The total amount accumulated during the biennium ending June 30, 1993, for potential back pay of salary and benefit for an employee of the state auditor who was discharged from employment on April 15, 1991, but who is contesting the discharge, shall be carried forward by the office of the state auditor for use in the biennium ending June 30, 1995."

Page 44, delete lines 8 to 12

Page 44, line 13, delete "3" and insert "2"

Pages 48 to 51, delete section 3

Page 64, line 15, delete "21" and insert "20"

Renumber the sections of article 6 in sequence

Amend the title as follows:

Page 1, lines 11 and 12, delete "268.12, subdivision 12;"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 693: A bill for an act relating to natural resources; clarifying, modifying, and expanding rulemaking authority and other powers and duties of the commissioner of natural resources relating to game and fish, wild rice, stromatolites, and cross-country ski passes; clarifying, modifying, and expanding provisions relating to the taking, purchase, sale, possession, and transportation of wild animals; regulating entry and uses on certain public lands and waters; providing for the expiration of certain commissioner's orders; providing an exemption from rulemaking requirements; authorizing emergency rules; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 84.14, subdivision 3; 84.1525, subdivision 2; 85.41, subdivision 2; 85.45; 97A.045, subdivision 4, and by adding a subdivision; 97A.055, by adding a subdivision; 97A.091, subdivisions 1 and 2; 97A.095, subdivision 2; 97A.105, subdivision 1, and by adding a subdivision; 97A.137; 97A.255, subdivision 2; 97A.401, subdivision 4; 97A.415, subdivision 2; 97A.431, subdivisions 1 and 4; 97A.433, subdivisions 1 and 4; 97A.435, subdivision 4; 97A.441, by adding a subdivision; 97A.475, by adding a subdivision; 97A.485, subdivision 6, and by adding a subdivision; 97A.505, subdivision 5, and by adding a subdivision; 97A.535, subdivision 2; 97A.545, subdivisions 1, 2, 4, and by adding a subdivision; 97A.551, by adding a subdivision; 97B.425; 97B.671, subdivisions 1 and 2; 97B.711, subdivision 2, and by adding a subdivision; 97B.721; 97B.811, by adding a subdivision; 97C.025; 97C.051, subdivision 1; 97C.081, subdivi-

sions 2, 3, and by adding a subdivision; 97C.205; 97C.311; 97C.331; 97C.345, subdivision 4, and by adding a subdivision; 97C.391, subdivision 1; 97C.405; 97C.505, subdivision 1; 97C.601, subdivision 6; 97C.805, subdivisions 1, 2, and 4; and 97C.865; Laws 1991, chapter 259, section 24; proposing coding for new law in Minnesota Statutes, chapters 97A; 97B; and 97C.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 329: A bill for an act relating to human services; allocating money to the child care basic sliding fee program; amending Minnesota Statutes 1992, section 256H.03, subdivision 4.

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

Page 1, delete lines 7 to 22 and insert:

“Section 1. [BASIC SLIDING FEE ALLOCATION.]”

Page 1, line 23, delete “(d)” and insert “*Notwithstanding Minnesota Statutes 1992, section 256H.03, subdivision 4,*”

Page 2, line 1, delete “*paragraphs (a) to (c)*” and insert “*Minnesota Statutes, section 256H.03, subdivision 4*”

Page 2, line 10, delete “*this*” and insert “*that*”

Page 2, line 13, before “*section*” insert “*Minnesota Statutes,*”

Amend the title as follows:

Page 1, line 3, delete “; amending” and insert a period

Page 1, delete lines 4 and 5

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

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which was referred

S.F. No. 1284: A bill for an act relating to the city of Garrison; establishing a dedicated fund to meet city expenses to pay for construction of a city sewer system; permitting a one percent local sales tax upon approval by the city council; providing for a sunset on the tax.

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

Page 1, after line 7, insert:

“Section 1. Minnesota Statutes 1992, section 471.15, is amended to read:  
471.15 [RECREATIONAL FACILITIES.]

Any home rule charter or statutory city or any town, county, school district, or any board thereof, or any incorporated post of the American Legion or any

other incorporated veterans' organization, may expend not to exceed \$800 in any one year; for the purchase of awards and trophies and may operate a program of public recreation and playgrounds; acquire, equip, and maintain land, buildings, or other recreational facilities, including an outdoor or indoor swimming pool; and expend funds for the operation of such program pursuant to the provisions of sections 471.15 to 471.19. The city, town, county or school district may issue bonds pursuant to chapter 475 for the purpose of carrying out the powers granted by this section. The city, town, county or school district may operate the program and facilities directly or establish one or more recreation boards to operate all or various parts of them. *A home rule charter or statutory city, town, county, or school district may conduct a raffle, as defined in section 349.12, subdivision 33, without complying with sections 349.11 to 349.213, for the purpose of carrying out the powers granted by this section.*"

Page 1, line 18, after "construction" insert "and maintenance"

Page 1, line 21, delete from "Subd." through page 2, line 3, to "city."

Page 2, line 4, delete "4" and insert "3"

Page 2, line 16, delete "5" and insert "4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "the city of Garrison" and insert "local government; providing for the use of raffles to provide funds for certain recreational property and facilities"

Page 1, line 3, after "fund" insert "in the city of Garrison"

Page 1, line 4, after "construction" insert "and maintenance"

Page 1, line 5, after "tax" insert "in the city of Garrison"

Page 1, line 6, before the period, insert "; amending Minnesota Statutes 1992, section 471.15"

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

S.F. No. 1208: A bill for an act relating to game and fish; limiting number of larger pike taken; amending Minnesota Statutes 1992, section 97C.401.

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 97A.551, is amended by adding a subdivision to read:

*Subd. 4. [WALLEYE; NORTHERN PIKE.] Walleye and northern pike may be possessed, transported, or shipped in a dressed or undressed condition."*

Page 1, line 8, strike "COMMISSIONER AUTHORIZED TO PRESCRIBE"

Page 1, line 9, before "LIMITS" insert "COMMISSIONER AUTHORIZED TO PRESCRIBE"

Page 1, delete lines 13 to 16 and insert:

*"Subd. 2. [WALLEYE; NORTHERN PIKE.] (a) Except as provided in paragraphs (b) and (c), a person may take no more than one walleye larger than 20 inches and one northern pike larger than 30 inches daily.*

*(b) The restrictions in paragraph (a) do not apply to boundary waters except Lake of the Woods.*

*(c) On Lake of the Woods, a person may take no more than one walleye larger than 19.5 inches and one northern pike larger than 30 inches daily.*

**Sec. 3. [MINNESOTA-WISCONSIN BOUNDARY WATERS COMMERCIAL REGULATION; EXPERIMENTAL PROGRAM.]**

*Subdivision 1. [DEFINITION.] For the purposes of this section, "Minnesota-Wisconsin boundary waters" means those portions of the Mississippi river that form the boundary of the state of Minnesota and the state of Wisconsin, including all sloughs, backwaters, bays, and newly extended water areas in Minnesota lying east of the Chicago, Milwaukee, St. Paul, and Pacific railroad tracks.*

*Subd. 2. [SET LINES.] During the 1993, 1994, and 1995 seasons, licensed commercial operators may use up to eight set lines containing no more than 50 hooks on each line in Minnesota-Wisconsin boundary waters. The commissioner of natural resources shall study the impacts of this subdivision on both the resource and the industry and shall report to the legislature by January 15, 1996.*

*Subd. 3. [HOOP NETS; BAIT NETS.] (a) The commissioner of natural resources shall conduct a five-year study of the effect of the use of hoop nets and bait nets by licensed commercial operators in the Minnesota-Wisconsin boundary waters. As a part of the study the commissioner may issue up to five permits to licensed commercial operators for the use of hoop nets and bait nets. The permits must require that the net mesh have no smaller than a three-inch stretch measure and that the nets be lifted in compliance with the permit.*

*(b) Operators permitted under this subdivision must provide the commissioner of natural resources with all data requested by the commissioner, including data on:*

- (1) harvest temperature;*
- (2) season of harvest;*
- (3) species composition;*
- (4) period and frequency between lifting of nets; and*
- (5) population characteristics of the species taken.*

*(c) The commissioner of natural resources shall study the impacts of this subdivision on both the resource and the industry and shall report to the legislature by January 15, 1998."*

Page 1, line 18, delete "*This act*" and insert "*Section 2*" and after the period, insert "*Section 3 is effective the day following final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing walleye and northern pike to be possessed and transported in a dressed or undressed condition; establishing an experimental program for commercial fishing in Minnesota-Wisconsin boundary waters;"

Page 1, line 3, delete "section" and insert "sections 97A.551, by adding a subdivision; and"

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

H.F. No. 1182: A bill for an act relating to state lands; providing for the release of a state interest in certain property in the city of Minneapolis.

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

Page 1, line 10, delete everything after "*purposes*" and insert a period

Page 1, delete lines 11 and 12 and insert:

*"As a condition of the release, the city must provide a new covenant that the land reverts to the state if it is not used for public purposes."*

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

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

S.F. No. 450: A bill for an act relating to human services; authorizing an enhanced recoupment level in AFDC cases involving welfare fraud; integrating a client release as an inclusion in the combined application form; adding the food stamp program to the coverage of the financial transaction card fraud provision; creating and authorizing the use of commissioner's subpoenas; establishing the offense of food stamp trafficking; prescribing penalties; amending Minnesota Statutes 1992, sections 256.73, subdivision 8; 256.983, subdivision 3; 393.07, subdivision 10; and 609.821, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1992, section 256.985.

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

Page 3, line 6, delete "*serve as a*" and insert "*include an authorization for*"

Page 3, line 8, after the period, insert "*The authorization for release would be effective until six months after public assistance benefits have ceased.*"

Page 3, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1992, section 388.23, subdivision 1, is amended to read:

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

Page 6, line 6, delete the comma

Page 7, line 14, delete "to 4, and 7" and insert "and 3"

Page 7, line 15, delete "5 and 6" and insert "4 to 7"

Page 7, line 16, delete "July" and insert "October"

Amend the title as follows:

Page 1, line 11, after "3;" insert "388.23, subdivision 1;"

Page 1, delete line 13

Page 1, line 14, delete "chapter 256;"

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

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

H.F. No. 461: A bill for an act relating to local government; authorizing cities to offer rewards for information leading to the apprehension, arrest, or conviction of alleged felons; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, line 13, delete " , arrest," and insert "and charging"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

S.F. No. 340: A bill for an act relating to the military; entering into the National Guard mutual assistance counterdrug activities compact; proposing coding for new law in Minnesota Statutes, chapter 192.

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

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

S.F. No. 34: A bill for an act relating to student exchange programs; regulating student exchange programs; imposing a penalty; proposing coding for new law as Minnesota Statutes, chapter 5A.

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

Page 2, delete line 3

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

Page 2, line 6, delete "(d)" and insert "(c)"

Page 3, line 3, delete everything after "(c)"

Page 3, line 13, delete "shall strive to" and insert "may"

Page 3, line 15, delete everything after "Travel"

Page 3, line 16, delete everything before the period

Page 3, line 26, after "\$50" insert "for each registration"

Page 3, line 27, after the period, insert "*Fees collected by the secretary of state under this provision shall be deposited in the state treasury and credited to the general fund.*"

Page 3, line 28, delete "The rules of" and delete "adopted under this"

Page 3, line 29, delete "section" and delete "include a requirement" and insert "require"

Page 3, line 31, delete "must" and delete "waiver"

Page 3, delete lines 32 to 36 and insert "*document complying with section 299C.62, subdivision 2, that gives the organization permission to conduct a background check on members of the host family. Sections 299C.60 to 299.64 apply to the background check, except that for purposes of this section the term "background check crime" includes any felony.*"

Page 4, delete line 1

Page 4, line 27, delete "violates" and insert "fails to register as required by"

Page 4, line 29, delete ", attorney general, or county prosecuting attorney"

Page 4, delete section 8 and insert:



"Sec. 8. Minnesota Statutes 1992, section 299C.61, subdivision 5, is amended to read:

Subd. 5. [CHILDREN'S SERVICE PROVIDER.] "Children's service provider" means a business or organization, whether public, private, for profit, nonprofit, or voluntary, that provides children's services; including a business or organization that licenses or certifies others to provide children's services. *"Children's service provider" includes an international student exchange visitor placement organization under chapter 5A.*

Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 3, 5, 6, and 8, are effective January 1, 1994. Section 4 is effective the day following final enactment. Section 7 is effective January 1, 1994, and applies to crimes committed on or after that date."*

Amend the title as follows:

Page 1, line 3, after the second semicolon, insert "amending Minnesota Statutes 1992, section 299C.61, subdivision 5;"

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

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

H.F. No. 1420: 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 institutionalized persons; amending Minnesota Statutes 1992, sections 525.54, subdivisions 1 and 3; 525.544, subdivision 2; 525.58, subdivision 4; and 525.703, subdivisions 2 and 3.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

H.F. No. 163: A bill for an act relating to campaign reform; limiting noncampaign disbursements to items specified by law; requiring lobbyists and political committees and funds to include their registration number on contributions; prohibiting certain "friends of" committees; requiring reports by certain solicitors of campaign contributions; limiting use of contributions carried forward; requiring unused postage to be carried forward as an expenditure; requiring certain notices; changing contribution limits; limiting contributions by political parties; prohibiting transfers from one candidate to another, with certain exceptions; limiting contributions by certain political committees, funds, and individuals; eliminating public subsidies to unopposed candidates; providing for a public subsidy to match in-district contributions; clarifying filing requirements for candidate agreements and the duration of the agreements; requiring return of public subsidies under certain conditions; imposing contribution limits on candidates for local offices; prohibiting political contributions by certain nonprofit corporations and partnerships; requiring a report of candidates on whose behalf political contributions have been refunded by the state; defining certain terms; clarifying certain language; appropriating money; amending Minnesota Stat-

utes 1992, sections 10A.01, subdivision 10c, and by adding a subdivision; 10A.04, by adding a subdivision; 10A.065, subdivision 1; 10A.14, subdivision 2; 10A.15, by adding subdivisions; 10A.19, subdivision 1; 10A.20, subdivision 3, and by adding a subdivision; 10A.25, by adding subdivisions; 10A.27, subdivisions 1, 2, 9, and by adding subdivisions; 10A.31, subdivisions 6, 8, and by adding a subdivision; 10A.322, subdivisions 1 and 2; 10A.324, subdivisions 1 and 3; 211B.15; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapters 10A; 211A; and 211B.

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

Amend the report from the Committee on Ethics and Campaign Reform, adopted by the Senate April 12, 1993, as follows:

Page 6, after line 36, insert:

“Sec. 13. Minnesota Statutes 1992, section 10A.20, subdivision 2, is amended to read:

Subd. 2. The reports shall be filed with the board on or before January 31 of each year and additional reports shall be filed as required and in accordance with clauses (a) and (b).

(a) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed ten days before a primary and a general election, seven days before a special primary and a special election, and ~~30~~ ten days after a special election cycle. The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.

(b) In each general election year political committees and political funds other than principal campaign committees shall file reports ten days before a primary and general election.

If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.”

Page 10, line 35, strike “following” and insert “before”

Page 20, line 35, delete “\$200” and insert “\$100”

Page 21, line 2, delete “\$200” and insert “\$100”

Page 22, line 1, after the headnote, insert “(a)”

Page 22, after line 8, insert:

“(b) The amount necessary to make the payments required by this section is appropriated from the general fund to the board.”

Pages 32 and 33, delete section 45 and insert:

“Sec. 46. [APPROPRIATION.]

*Subdivision 1. \$1,904,000 is appropriated from the general fund to the agencies and for the purposes indicated in this section, to be available for the fiscal year ending June 30 in the years indicated.*

1994

1995

*Subd. 2. ETHICAL PRACTICES BOARD*

<i>(a) Public Subsidies under Minnesota Statutes, section 10A.312</i>	1,600,000	
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*This appropriation is available until June 30, 1995.*

<i>(b) Public Subsidies under Minnesota Statutes, section 10A.25, subdivisions 10 and 11</i>	200,000	
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*This appropriation is available until June 30, 1995.*

<i>(c) Administrative Costs</i>	35,000	30,000
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*Subd. 3. DEPARTMENT OF REVENUE*

<i>Administrative Costs</i>	35,000	4,000"
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Renumber the sections in sequence

Amend the title amendment as follows:

Page 34, line 1, delete "subdivision 3" and insert "subdivisions 2, 3"

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 referred

H.F. No. 270: A bill for an act relating to the city of St. Paul; authorizing payment of refunds to the estates of certain deceased firefighters.

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. 900: 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; 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.05, 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 subdivisions; 62J.23, by adding a subdivision; 62J.30, subdivisions 1, 6, 7, and 8; 62J.32, subdivision 4; 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; 169.685, subdivision 5; 169.686, subdivision 1; 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, and by adding a subdivision; 295.50, subdivisions 3, 4, 7, 14, and by adding subdivisions; 295.51, subdivision 1; 295.52, by adding subdivisions; 295.53, subdivisions 1 and 2; 295.55, subdivision 4; 295.57; 295.58; and 295.59; proposing coding for new law in Minnesota Statutes, chapters 16B; 62J; 137; 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, subdivisions 5 and 10; and 295.51, subdivision 2; Laws 1992, chapter 549, article 9, section 19, subdivision 2.

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

Pages 2 to 30, delete sections 1 to 31 and insert:

“Section 1. Minnesota Statutes 1992, section 62J.04, is amended by adding a subdivision to read:

*Subd. 8. [IMPLEMENTATION PLAN.] (a) The commissioner, in consultation with the commission, shall develop and submit to the legislature and the governor by January 15, 1994, a detailed implementation plan, including proposed rules and legislation, to implement the cost containment plan recommended by the commission as described in the summary report of the commission issued on January 25, 1993, as further modified by this act. The goal of the implementation plan must be to allow integrated service networks to form beginning July 1, 1994, and to begin a phased-in implementation of an all-payor system over a two-year period beginning July 1, 1994.*

*(b) To ensure a wide range of choices for purchasers, consumers, and providers, the rules and legislation must encourage and facilitate the formation of locally controlled integrated service networks, in addition to networks sponsored by statewide health plan companies.*

*(c) Financial solvency, net worth, and reserve requirements for integrated service networks must facilitate the formation of new networks, including networks sponsored by providers, employers, community organizations, local governments, and other locally based organizations, while protecting enrollees from undue risk of financial insolvency. The rules and legislation may authorize alternative financial solvency, net worth, and reserve requirements for networks sponsored by providers that are based on the capacity and ability of the participating providers to serve enrollees, provided the requirements are based on sound actuarial, financial, and accounting principles.*

*(d) The implementation plan must include technical assistance and financial assistance to promote the creation of locally controlled networks to serve rural areas and special populations. The commissioner and the commission shall consider including in the implementation plan the establishment of a management cooperative that will provide planning, organization, adminis-*

tration, billing, legal, and support services to integrated service networks that are members of the cooperative.

(e) The implementation plan must address problems of provider recruitment and retention in rural areas. Rules and legislation must be designed to improve the ability of rural communities to maintain an effective local delivery system.

(f) The implementation plan must include a method to create an option for health care providers and health care plans who meet or fall below the limits set by the commissioner under section 62J.04 to obtain a waiver from the applicability of the all-payor rules.

## Sec. 2. [62N.01] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] Sections 62N.01 to 62N.16 may be cited as the "Minnesota integrated service network act."

Subd. 2. [PURPOSE.] Sections 62N.01 to 62N.16 allow the creation of integrated service networks that will be responsible for arranging for or delivering a full array of health care services, from routine primary and preventive care through acute inpatient hospital care, to a defined population for a fixed price from a purchaser.

Each integrated service network is accountable to keep its total revenues within the limit of growth set by the commissioner of health under section 62N.05, subdivision 2, clause (1). Integrated service networks can be formed by health care providers, health maintenance organizations, insurance companies, employers, or other organizations. Competition between integrated service networks on the quality and price of health care services is encouraged.

## Sec. 3. [62N.02] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 62N.01 to 62N.16.

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

Subd. 6. [INTEGRATED SERVICE NETWORK.] "Integrated service network" means a formal arrangement permitted by this chapter and licensed by the commissioner for providing health services under this chapter to enrollees for a fixed payment per time period.

Subd. 7. [NETWORK.] "Network" means an integrated service network as defined in subdivision 6.

## Sec. 4. [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. 5. [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. 6. [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 and pharmacists;
- (21) provisions regarding permissible and impermissible underwriting criteria applicable to the standard set of benefits;
- (22) a method or methods to ensure 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. The rules must allow the phasing in of reserve requirements and other requirements relating to financial solvency.*

(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, allied health care practitioners, and pharmacists, and eliminate inappropriate barriers to their participation. The rules must encourage and facilitate the participation of disproportionate share providers in integrated service networks and eliminate inappropriate barriers to this participation.*

(g) [RURAL COMMUNITIES.] *The rules must permit a variety of forms of integrated service networks to be developed in rural areas in response to the needs, preferences, and conditions of rural communities utilizing, to the greatest extent possible, existing health care providers and hospitals.*

(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. 7. [62N.06] [PERMITTED NETWORK STRUCTURE.]**

*Subdivision 1. [SEPARATE ORGANIZATION REQUIRED.] An integrated service network must be organized as a separate not for profit corporation under chapter 317A or as a cooperative under chapter 308A.*

*Subd. 2. [GOVERNMENT EXEMPTION.] A political subdivision may operate an integrated service directly, without forming a chapter 317A corporation. Unless otherwise specified, an integrated service network formed by a political subdivision must comply with all other provisions regarding integrated service networks.*

*Subd. 3. [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. 8. [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.*

*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. [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.*

**Sec. 9. [62N.07] [PURPOSE.]**

*The legislature finds that previous cost containment efforts have focused on reducing benefits and services, eliminating access to certain provider groups, and otherwise reducing the level of care available. Under a system of overall spending controls, these cost containment approaches will, in the absence of controls on cost shifting, shift costs from the payor to the consumer, to government programs, and to providers in the form of uncompensated care. The legislature further finds that the integrated service network benefit package should be designed to promote coordinated, cost-effective delivery of all health services an enrollee needs without cost shifting. The legislature further finds that affordability of health coverage is a high priority and that lower cost coverage options should be made available through the use of copayments, coinsurance, and deductibles to reduce premium costs rather than through the exclusion of services or providers.*

**Sec. 10. [62N.075] [COVERED SERVICES.]**

(a) An integrated service network must provide to each person enrolled a set of appropriate and necessary health services. For purposes of this chapter, "appropriate and necessary" means services needed to maintain the enrollee in good health including as a minimum, but not limited to, emergency care, inpatient hospital and physician care, outpatient health services, preventative health services, and preventative and basic restorative dental services. The commissioner may modify this definition to reflect changes in community standards, development of practice parameters, new technology assessments, and other medical innovations. These services must be delivered by authorized practitioners acting within their scope of practice. An integrated service network is not responsible for health services that are not appropriate and necessary.

(b) A network may define benefit levels through the use of consumer cost sharing but remains financially accountable for the cost of the set of required health services.

(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 sections 62A.047, 62A.27, and any other coverage of newborn infants, dependent children who do not reside with a covered person, handicapped children and dependents, and adopted children. A network providing dependent coverage must comply with section 62A.302.

(f) Networks must comply with the equal access requirements of section 62A.15, subdivision 2.

#### Sec. 11. [62N.08] [AVAILABILITY OF SERVICES.]

(a) An integrated service network is financially responsible to provide to each person enrolled all appropriate and necessary health services required by statute, by the contract of coverage, or otherwise required under sections 62N.075 to 62N.085.

(b) The commissioner shall require that networks provide all appropriate and necessary health services within a reasonable geographic distance for enrollees. The commissioner may adopt rules providing a more detailed requirement, consistent with this paragraph.

#### Sec. 12. [62N.085] [ESTABLISHMENT OF STANDARDIZED BENEFIT PLANS.]

The commissioner of health shall adopt permanent rules and may adopt emergency rules to establish not more than five standardized benefit plans which must be offered by integrated service networks. The plans must comply with the requirements of sections 62N.07 to 62N.08 and the other requirements of this chapter. The plans must encompass a range of cost sharing options from (1) lower premium costs combined with higher enrollee cost sharing, to (2) higher premium costs combined with lower enrollee cost sharing.

**Sec. 13. [62N.086] [ADDITIONAL BENEFIT OPTIONS.]**

*The commissioner of health shall adopt permanent rules and may adopt emergency rules to establish not more than three standardized benefit riders which may be offered by integrated service networks. An integrated service network may not provide benefit options other than the standard benefit package and one or more of the standardized riders.*

**Sec. 14. [62N.087] [COST SHARING.]**

*(a) A network may define benefit levels through the use of consumer cost sharing. For the purposes of this chapter, "consumer cost sharing" means copayments, deductibles, coinsurance, and other out-of-pocket expenses paid by the individual consumer of health care services.*

*(b) The following principles apply to cost sharing in an integrated service network:*

*(1) consumers must have a voice in decisions regarding cost sharing, and the process for establishing consumer cost sharing should have consumer representation and input;*

*(2) consumer cost sharing must be administratively feasible and consistent with efforts to reduce the overall administrative burden of the health care system;*

*(3) cost sharing must be based on income and an enrollee's ability to pay for services and should not create a barrier to access to appropriate and effective services;*

*(4) cost sharing must be capped at a predetermined annual limit to protect individuals and families from financial catastrophe and to protect individuals with substantial health care needs;*

*(5) child health supervision services, immunizations, prenatal care, and other prevention services must not be subjected to cost sharing;*

*(6) additional requirements for networks should be established to assist enrollees for whom an inducement in addition to the elimination of cost sharing is necessary in order to encourage them to use cost-effective preventive services. These requirements may include the provision of educational information, assistance or guidance, and opportunities for responsible decision making by enrollees that minimize potential out-of-pocket costs;*

*(7) cost-sharing requirements and benefit or service limitations for outpatient mental health services must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services; and*

*(8) cost-sharing requirements and benefit or service limitations for inpatient hospital mental health services must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.*

**Sec. 15. [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.] The commissioner shall develop recommendations that include mechanisms requiring integrated service networks to participate in the medical assistance, general assistance medical care, and MinnesotaCare programs.

Subd. 5. [APPLICATION.] Each application for an integrated service network license must be in a form prescribed by the commissioner.

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. 16. [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. The commissioner shall adopt rules specifying the requirements for contracts and evidence of coverage. "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.

#### Sec. 17. [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 commissioner shall adopt rules specifying enrollee rights and required disclosures to enrollees.

#### Sec. 18. [62N.13] [ENROLLEE COMPLAINT SYSTEM.]

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. The commissioner shall adopt rules specifying requirements relating to enrollee complaints.*

**Sec. 19. [62N.16] [UNDERWRITING AND RATING.]**

*Subdivision 1. [APPLICABILITY.] Except as provided in subdivision 3, this section applies to the standard benefit plans under section 62N.085 and does not apply to supplemental coverage described in section 62N.086. 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. Rates for managed care plans as described in section 256.9363 shall be determined through contract between the department of human services and the integrated service network.*

*Subd. 3. [SMALL EMPLOYERS.] To provide services to employees of a small employer as defined in section 62L.02, integrated service networks shall comply with chapter 62L.*

*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-payor system patients.*

**Sec. 20. 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.16 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. 21. [BORDER COMMUNITIES.]**

*The commissioner of health shall monitor the effects of integrated service networks and the regulated all-payor 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. 22. [ASSOCIATIONS STUDY.]**

*The health care commission shall study the role of associations in purchasing health care. The health care commission shall determine the role that associations should play in allowing purchasers to cooperate in purchasing health care. The health care commission shall determine the role associations may play in the small group and integrated service network markets. The health care commission shall report to the legislature by January 15, 1994.*

**Sec. 23. [PHARMACY SERVICES STUDY.]**

*The Minnesota health care commission shall study whether an integrated service network should be required to provide to each enrollee access to pharmacy services that includes, but is not limited to:*

- (1) a review of the enrollee's drug therapy to:
  - (i) ensure use of appropriate prescription drugs;*
  - (ii) ensure safe and appropriate dosage;*
  - (iii) limit the potential for drug interactions and adverse reactions; and*
  - (iv) discourage the presence of duplicate or unnecessary drug therapy;**
- (2) provision of objective and unbiased drug information to enrollees and to other providers; and*
- (3) appropriate follow-up care for prescription drug therapy.*

*The commission must report to the legislature its findings.*

**Sec. 24. [EFFECTIVE DATE.]**

*Sections 1 to 23 are effective the day following final enactment."*

*Pages 32 to 34, delete sections 3 and 4 and insert:*

**"Sec. 3. [62O.04] [EXPENDITURE LIMITS FOR HEALTH CARRIERS.]**

*Subdivision 1. [DEFINITION.] (a) For purposes of this section, the following definitions apply.*

*(b) "Health carrier" has the definition provided in section 62A.011.*

*(c) "Total expenditures" mean incurred claims or expenditures on health care services, plus administrative expenses.*

*Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish expenditure limits for total expenditures by health carriers, for calendar years 1994 and 1995. The expenditure limits must be consistent with and developed as part of the annual rate of growth in health care spending established under section 62J.04, subdivision 1.*

*Subd. 3. [DETERMINATION OF EXPENDITURES.] Health carriers shall submit to the commissioner of health, by April 1, 1994, for calendar year 1993, and by April 1, 1995, for calendar year 1994, all information the commissioner determines to be necessary to implement and enforce this section. The information must be submitted in the form specified by the commissioner. The information must include, but is not limited to, expendi-*

tures per member per month or cost per employee per month, and detailed information on revenues and reserves. The commissioner, to the extent possible, shall coordinate the submittal of the information required under this section with the submittal of the financial data required under chapter 62J, to minimize the administrative burden on health carriers. Health carriers may adjust final expenditure figures for demographic changes, risk selection, changes in basic benefits, and legislative initiatives that materially change health care costs, as long as these adjustments are approved in advance by the commissioner as actuarially justified and consistent with the methodology and assumptions used by the health carrier. The methodology to be used for adjustments must be submitted to the commissioner by September, 1, 1993.

**Subd. 4. [MONITORING OF RESERVES.]** The commissioner of health shall monitor health carrier reserves, to ensure that savings resulting from the establishment of expenditure limits are passed on to consumers in the form of lower premium rates. The commissioner shall establish the following upper and lower limits on health carrier reserves:

(a) All health carriers, except those licensed under chapter 60A to sell accident and sickness insurance under chapter 62A, whose volume was \$50 million or over during the most recent calendar year must maintain a reserve of at least  $8\frac{1}{3}$  percent but not greater than  $16\frac{2}{3}$  percent of the sum of all health service claims incurred, plus administrative expenses in connection therewith, during the most current calendar year.

(b) All health carriers, except those licensed under chapter 60A to sell accident and sickness insurance under chapter 62A whose volume was under \$50 million during the most recent calendar year must maintain a reserve of at least  $16\frac{2}{3}$  percent but not greater than 25 percent of the sum of all health service claims incurred, plus administrative expenses in connection therewith, during the most current calendar year.

(c) Health carriers licensed under chapter 60A to sell accident and sickness insurance under chapter 62A shall fully reflect in the premium rates the savings generated by the expenditure limits and the health care provider revenue limits. No premium rate increase may be approved for those health carriers unless the health carrier establishes to the satisfaction of the commissioner of commerce, that the proposed new rate would comply with this paragraph.

**Subd. 5. [NOTICE.]** The commissioner of health shall publish in the State Register and make available to the public, by May 1, 1995, a list of all health carriers that exceeded their expenditure target for the 1994 calendar year. The commissioner shall publish in the State Register and make available to the public, by May 1, 1996, a list of all health carriers that exceeded their combined expenditure target for calendar years 1994 and 1995. The commissioner shall notify each health carrier that the commissioner has determined that the carrier exceeded its expenditure target, at least 30 days before publishing the list, and shall provide each carrier with 10 days to provide an explanation for exceeding the expenditure target. The commissioner shall review the explanation, and may change a determination if the commissioner determines the explanation to be valid.

**Subd. 6. [ASSISTANCE BY THE COMMISSIONER OF COMMERCE.]** The commissioner of commerce shall provide assistance to the commissioner of health in monitoring health carriers regulated by the commissioner of

commerce. The commissioner of commerce, in consultation with the commissioner of health, shall enforce compliance by those health carriers.

Subd. 7. [ENFORCEMENT.] The commissioners of health and commerce shall enforce the reserve limits established in subdivision 4, with respect to the health carriers that each commissioner respectively regulates. Each commissioner shall require health carriers under the commissioner's jurisdiction to submit plans of corrective action when the reserve requirement is not met. Each commissioner has under this section all enforcement and rulemaking authority that the commissioner otherwise has with respect to the health carrier. Carriers that exceed the expenditure limits based on two-year average expenditure data shall be required by the appropriate commissioner to pay back the amount overspent through an assessment on the carrier. The appropriate commissioner may approve a different repayment method to take into account the carrier's financial condition.

Subd. 8. [STUDY.] The commissioner of commerce shall study and report to the legislature, no later than December 15, 1993, as to whether the concept of a reserves corridor for purposes of monitoring revenues is adaptable for use with indemnity health insurers that do business in multiple states and that must comply with their domiciliary state's reserves requirement.

Sec. 4. [62O.05] [HEALTH CARE PROVIDER REVENUE LIMITS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "health care provider" has the definition given in section 62J.03, subdivision 8.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish revenue limits for health care providers, for calendar years 1994 and 1995. The revenue limits must be consistent with and developed as part of the annual limits on the rate of growth in health care spending established under section 62J.04, subdivision 1.

Subd. 3. [MONITORING OF REVENUE.] The commissioner of health shall monitor health care provider revenue, to ensure that savings resulting from the establishment of revenue limits are passed on to consumers in the form of lower charges. The commissioner shall monitor hospital revenue by examining revenue per adjusted admission. The commissioner shall monitor the revenue of physicians and other health care providers by examining revenue per patient per year or revenue per encounter. If this information is not available, the commissioner may enforce an annual limit on the rate of growth of the provider's current fees based on the limits on the rate of growth established for calendar years 1994 and 1995.

Subd. 4. [MONITORING AND ENFORCEMENT.] Health care providers shall submit to the commissioner of health, in the form and at the times required by the commissioner, all information the commissioner determines to be necessary to implement and enforce this section. Health care providers shall submit to audits conducted by the commissioner. The commissioner shall audit all health clinics employing or contracting with over 100 physicians. The commissioner shall also audit a sample of smaller clinics, hospitals, and other health care providers. The commissioner shall recover the amount overspent during a calendar year, by health care providers not subject to fee limits established by the commissioner, during the following calendar year. The commissioner may approve a different repayment schedule for a health care provider, that takes into account the provider's financial condition. For those providers subject to fee limits established by the commissioner, the



*commissioner may adjust the percentage increase in the fee schedule to account for changes in utilization, and may also recover overspending by other methods."*

Renumber the sections of article 2 in sequence

Page 51, delete section 1

Renumber the sections of article 5 in sequence

Page 57, after line 21, insert:

**"Sec. 2. [62A.095] [DISCLOSURE OF METHODS USED BY HEALTH PLANS TO DETERMINE USUAL AND CUSTOMARY FEES.]**

*(a) A health carrier or health plan which bases reimbursement to health care providers upon a usual and customary fee must maintain in its offices a copy of a description of the methodology used to calculate fees including at least the following:*

*(1) the frequency of the determination of usual and customary fees;*

*(2) a general description of the methodology used to determine usual and customary fees; and*

*(3) the percentile of usual and customary fees that determines the maximum allowable reimbursement.*

*(b) A health carrier or health plan must provide a copy of the information described in paragraph (a) to a provider, group purchaser, or enrollee upon request.*

*(c) At the request of a provider, group purchaser, or enrollee, the commissioners of health and commerce may require health carriers and health plans to provide the information required under this section and may use any powers granted under other laws relating to the regulation of health carriers and health plans to enforce compliance.*

*(d) For purposes of this section, "health carrier" and "health plan" have the meanings given in section 62A.011, and "group purchaser" has the meaning given in section 62J.03."*

Page 58, line 7, delete "and" and after "Sherburne" insert ", and Wright"

Page 58, line 28, after "form" insert "and the National Council of Prescription Drug Providers 3.2 electronic version"

Page 63, after line 15, insert:

**"Sec. 13. [MEDICAL CARE SAVINGS ACCOUNTS.]**

*(a) The department of health, in consultation with the departments of employee relations, commerce, and revenue and the Minnesota health care commission, shall conduct a study to determine the feasibility of establishing a medical and health care benefits plan such as one to help provide incentives for persons in Minnesota whose employers pay all or part of the cost of medical and health care benefits for their employees to forego unnecessary medical treatment and to shop for the best value in cases where treatment is necessary. The study must address, at a minimum, the advantages and*

*disadvantages of establishing a medical and health care benefits plan and may contain the components and criteria in paragraphs (b) to (f).*

*(b) Employers each year shall set aside in an account for each of their employees a substantial percentage of the amount that the employers currently or would otherwise spend for medical and health care benefits for each employee. The account is an allowance for medical and health care for the employee during that year.*

*(c) Employers shall use the remaining percentage amount to purchase or self fund major medical and health care benefits for all employees, which shall pay 100 percent of the cost of any portion of an employee's medical and health care that exceeds the amount in the employee's medical and health care account.*

*(d) Any amount in an employee's medical and health care account that is unspent belongs to the employee with no restrictions on the purposes for which it may be used.*

*(e) The amount in an employee's medical and health care account is not subject to state income taxation while it remains in the account. Any amount spent from the account on medical and health care is totally exempt from state income taxation. Any amount spent from the account for any purpose other than medical and health care is subject to state income taxation.*

*(f) Employers that provide medical and health care benefits to their employees in accordance with the plan shall receive state tax credits against their income for each year that the benefits are provided.*

*(g) The results of the study must be submitted to the legislature by January 15, 1994."*

Page 63, line 17, delete "Section 2 is" and insert "Sections 2 and 3 are"

Renumber the sections of article 6 in sequence

Page 66, line 23, after the period, insert "The appointing authorities under each paragraph for which there is to be chosen more than one member shall consult prior to appointments being made to ensure that, to the extent possible, the board includes a representative from each county within the region."

Page 89, line 10, after the comma, insert "including the expansion of community rating and the phasing out of underwriting restrictions,"

Page 95, after line 35, insert:

"Sec. 8. Minnesota Statutes 1992, section 62L.08, subdivision 8, is amended to read:

Subd. 8. [FILING REQUIREMENT.] No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates. *The rates shall not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the*

*commissioner shall consider the growth rate established by the commissioner, actuarially valid changes in risk associated with the enrollee population, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549."*

Page 96, after line 22, insert:

**"Sec. 10. [PHASE-IN.]**

*Subdivision 1. [COMPLIANCE.] No health carrier as defined in chapter 62L shall renew any small employer insurance as defined under chapter 62L, without compliance with this section.*

*Subd. 2. [PREMIUM INCREASE.] Any increase in premiums by a health carrier that is caused by Minnesota Statutes, section 62L.08, and that exceeds 30 percent shall be subject to the premium adjustments in subdivision 3.*

*Subd. 3. [PREMIUM ADJUSTMENTS.] A health carrier shall renew any coverage under subdivision 1 that meets the conditions in subdivision 2 as follows:*

*(1) one-half of the premium increase may be charged upon the renewal of the coverage on or after July 1, 1993; and*

*(2) the remaining half of the premium increase may be charged upon the renewal of the coverage one year from that date."*

Page 96, line 27, delete "9" and insert "11"

Renumber the sections of article 8 in sequence

Page 104, after line 16, insert:

**"Sec. 8. [PHASE-IN.]**

*Subdivision 1. [COMPLIANCE.] No health carrier as defined in Minnesota Statutes, chapter 62L, shall renew any individual policy of accident and health insurance coverage, as defined in Minnesota Statutes, section 62A.01, subdivision 1, any individual subscriber contract regulated under Minnesota Statutes, chapter 62C, any individual health maintenance contract as regulated under Minnesota Statutes, chapter 62D, any individual health benefit certificate regulated under Minnesota Statutes, chapter 64B, or any individual health coverage provided by a multiple employer welfare arrangement without compliance with this section.*

*Subd. 2. [PREMIUM INCREASE.] Any increase in premiums by a health carrier that is caused by Minnesota Statutes, section 62A.65, and that exceeds 30 percent shall be subject to the premium adjustments in subdivision 3.*

*Subd. 3. [PREMIUM ADJUSTMENTS.] A health carrier shall renew any coverage under subdivision 1 that meets the conditions in subdivision 2 as follows:*

*(1) one-half of the premium increase may be charged upon the renewal of the coverage on or after July 1, 1993; and*

*(2) the remaining half of the premium increase may be charged upon the renewal of the coverage one year from that date."*

Page 104, line 18, delete "and 6" and insert "6, and 8"

Renumber the sections of article 9 in sequence

Page 105, line 26, after "agency" insert "*or managed care plan under contract with the department of human services*"

Page 106, after line 23, insert:

*"Subd. 4. [HOSPICE.] Beginning July 1, 1993, covered health services shall include hospice services."*

Page 106, line 24, strike "4" and insert "5"

Page 106, line 27, strike "5" and insert "6"

Page 106, line 33, strike "6" and insert "7"

Page 108, line 9, after the period, insert "*Persons who are potentially eligible for medical assistance shall be enrolled pursuant to subdivision 6.*"

Page 108, line 10, after the stricken "plan" insert "*MinnesotaCare*"

Page 108, line 11, reinstate the stricken language and delete the new language

Page 108, line 12, delete the new language

Page 108, lines 15, 16, 17, and 21, strike "*the health right plan*" and insert "*MinnesotaCare*"

Page 108, after line 22, insert:

"Sec. 5. Minnesota Statutes 1992, section 256.9354, subdivision 5, is amended to read:

Subd. 5. [ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.] Beginning July 1, 1994, "*eligible persons*" means all families and individuals who are not ~~eligible for currently recipients of~~ medical assistance under chapter 256B. *Persons who are potentially eligible for medical assistance shall be enrolled pursuant to subdivision 6. These persons are eligible for coverage through the health right plan MinnesotaCare but must pay a premium as determined under sections 256.9357 and 256.9358. Individuals and families whose income is greater than the limits established under section 256.9358 may not enroll in the health right plan MinnesotaCare.*

Sec. 6. Minnesota Statutes 1992, section 256.9354, is amended by adding a subdivision to read:

Subd. 6. [APPLICANTS POTENTIALLY ELIGIBLE FOR MEDICAL ASSISTANCE.] *Individuals who apply for MinnesotaCare, but who are potentially eligible for medical assistance shall be allowed to enroll in MinnesotaCare for a period of 60 days, so long as the applicant meets all other conditions of eligibility. The commissioner shall identify such individuals and shall complete the application for medical assistance. The enrollee must cooperate with the state in determining medical assistance eligibility within the 60-day enrollment period. The commissioner shall redetermine payments made under MinnesotaCare to the appropriate medical assistance payments for those enrollees who subsequently become eligible for medical assistance."*

Page 110, lines 15 and 23; after "rate" insert "minus any copayment required under section 256.9353, subdivision 6."

Page 110, line 28, delete "the greater of:"

Page 110, delete lines 29 and 30

Page 110, line 31, delete "(ii)"

Page 110, after line 36, insert:

"Sec. 11. [256.9363] [MANAGED CARE.]

*Subdivision 1. [PURPOSE.] In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall, where possible, contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for managed care plans which may include: prepaid capitation programs, competitive bidding programs, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Managed care plans may include integrated service networks as defined in section 62N.02.*

*Subd. 2. [GEOGRAPHIC AREA.] The commissioner shall designate the geographic areas in which eligible individuals must receive services through managed care plans.*

*Subd. 3. [LIMITATION OF CHOICE.] Persons enrolled in the MinnesotaCare program who reside in the designated geographic areas must enroll in a managed care plan to receive their health care services. Enrollees must receive their health care services from health care providers who are part of the managed care plan provider network, unless authorized by the managed care plan, in cases of medical emergency, or when otherwise required by law or by contract.*

*If only one managed care option is available in a geographic area, enrollees must designate a primary care physician or clinic from which to receive their health care. Enrollees will be permitted to change their designated primary care provider upon request to the managed care plan. Requests to change primary care providers may be limited to once annually. If more than one managed care plan is offered in a geographic area, enrollees will be enrolled in a managed care plan for up to one year from the date of enrollment, but shall have the right to change to another managed care plan once within the first year of initial enrollment. Enrollees may also change to another managed care plan during an annual 30 day open enrollment period. Enrollees shall be notified of the opportunity to change to another managed care plan before the start of each annual open enrollment period.*

*Enrollees may change managed care plans or primary care providers at other than the above designated times for cause as determined through an appeal pursuant to section 256.045.*

*Subd. 4. [EXCEPTIONS.] (a) All contracts between the department of human services and prepaid health plans or integrated service networks to serve medical assistance, general assistance medical care, and MinnesotaCare recipients must comply with the requirements of United States Code, title 42, section 1396(a)(23).*

(b) Medical assistance recipients enrolled in managed care programs including integrated service networks shall have free choice of personal care assistants who meet the managed care plan's administrative and quality assurance requirements, except for persons identified as needing personal care assistant services after enrollment in the managed care plan may be limited to personal care assistants under contract with the managed care plan. Persons who require personal care assistant services prior to enrollment may retain the personal care assistants they were using at the time of enrollment provided that those personal care assistants meet the managed care plan's administrative and quality assurance requirements.

Subd. 5. [ELIGIBILITY FOR OTHER STATE PROGRAMS.] MinnesotaCare enrollees who become eligible for medical assistance or general assistance medical care will remain in the same managed care plan. Contracts between the department of human services and managed care plans must include MinnesotaCare, and medical assistance and may also include general assistance medical care.

Subd. 6. [COPAYMENTS AND BENEFIT LIMITS.] Enrollees are responsible for all copayments in section 256.9353, subdivision 6, and shall pay copayments to the managed care plan or to its participating providers. The enrollee is also responsible for payment of inpatient hospital charges which exceed the MinnesotaCare benefit limit to the managed care plan or its participating providers.

Subd. 7. [MANAGED CARE PLAN VENDOR REQUIREMENTS.] The following requirements apply to all counties or vendors who contract with the department of human services to serve MinnesotaCare recipients. Managed care plan contractors:

(1) shall authorize and arrange for the provision of the full range of services listed in section 256.9353 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee copayments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D;

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

(9) shall submit to the commissioner claims in the format specified by the commissioner of human services for all hospital services provided to enrollees for the purpose of determining whether enrollees meet medical assistance spenddown requirements and shall provide to the enrollee, upon the enrollee's request, information on the cost of services provided to the enrollee by the managed care plan for the purpose of establishing whether the enrollee has medical assistance spenddown requirements.

Subd. 8. [CHEMICAL DEPENDENCY ASSESSMENTS.] *The managed care plan shall be responsible for assessing the need and placement for chemical dependency services according to criteria set forth in Minnesota Rules, parts 9530.6600 to 9530.6660.*

Subd. 9. [RATE SETTING.] *Rates will be prospective, per capita, where possible and will include payment for only the covered benefit package. The commissioner shall consult with an independent actuary to determine appropriate rates.*

Subd. 10. [CHILDHOOD IMMUNIZATION.] *A contract with a managed care plan shall require the plan to notify all enrolled families with children of coverage for childhood immunizations. The plan must provide the families with a recommended immunization schedule. At regular intervals the plan must notify the public health nurse in the county of residence of families that do not follow the recommended schedule.*

Sec. 12. Minnesota Statutes 1992, section 256B.04, subdivision 1, is amended to read:

Subdivision 1. The state agency shall: Supervise the administration of medical assistance for eligible recipients by the county agencies hereunder, except that the state agency shall complete the medical assistance eligibility determinations for pregnant women and families with children born on or after October 1, 1983, when other family members are eligible for MinnesotaCare."

Page 111, line 9, after the period, insert "For purposes of this subdivision, "countable family income" means the amount of income considered available using the methodology of the AFDC program, except for the earned income disregard and employment deductions. An amount equal to the difference between the amount of earned income exceeding 275 percent of the federal poverty guideline and the combined total of 185 percent of the federal poverty guideline plus the earned income disregards and deductions of the AFDC program will be deducted for pregnant women and infants less than 18 months of age."

Page 111, line 22, after the first "for" insert "medical assistance"

Page 111, after line 25, insert:

"Sec. 15. Minnesota Statutes 1992, section 256B.057, subdivision 2, is amended to read:

Subd. 2. [CHILDREN.] *A child one 18 months through five years of age in a family whose countable income is less than 133 percent of the federal poverty guidelines for the same family size, is eligible for medical assistance. A child six through 18 years of age, who was born after September 30, 1983, in a family whose countable income is less than 100 percent of the federal poverty guidelines for the same family size is eligible for medical assistance.*

Eligibility for children under this subdivision must be determined without regard to asset standards established in section 256B.056, subdivision 3.

Sec. 16. Minnesota Statutes 1992, section 256B.057, subdivision 2a, is amended to read:

Subd. 2a. [NO ASSET TEST FOR CHILDREN AND THEIR PARENTS.] Eligibility for medical assistance for a ~~person~~ persons under age 21 and their parents living in the same household must be determined without regard to asset standards established in section 256B.056.

Sec. 17. Minnesota Statutes 1992, section 256B.0644, is amended to read:

256B.0644 [PARTICIPATION REQUIRED FOR REIMBURSEMENT UNDER OTHER STATE HEALTH CARE PROGRAMS.]

A vendor of medical care, as defined in section 256B.02, subdivision 7, and a health maintenance organization, as defined in chapter 62D, must participate as a provider or contractor in the medical assistance program, general assistance medical care program, and the health right plan MinnesotaCare as a condition of participating as a provider in health insurance plans or contractor for state employees established under section 43A.18, the public employees insurance plan under section 43A.316, for health insurance plans offered to local statutory or home rule charter city, county, and school district employees, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.17. For providers other than health maintenance organizations, participation in the medical assistance program means that (1) the provider accepts new medical assistance patients or (2) at least 20 percent of the provider's patients are covered by medical assistance, general assistance medical care, or the health right plan MinnesotaCare as their primary source of coverage. The commissioner shall establish participation requirements for health maintenance organizations. The commissioner shall provide lists of participating medical assistance providers on a quarterly basis to the commissioner of employee relations, the commissioner of labor and industry, and the commissioner of commerce. Each of the commissioners shall develop and implement procedures to exclude as participating providers in the program or programs under their jurisdiction those providers who do not participate in the medical assistance program.

Sec. 18. Minnesota Statutes 1992, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.]

(a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spend-down of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. *There is no asset test for children and their parents living in the same household.* Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the



trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The

period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application."

Page 111, line 28, before "allow" insert ": (1)"

Page 111, line 29, delete "10" and insert "14; (2) increase the income standard to 275 percent of the federal poverty guideline; and (3) continue eligibility without redetermination for infants 13 to 18 months of age"

Page 111, line 31, delete "9" and insert "10, 12, 16, and 18" and delete "Section 10 is" and insert "Sections 13 to 15 are"

Page 111, line 33, delete "11" and insert "19" and after the period, insert "Sections 11, 17, and 19 are effective the day following final enactment."

Renumber the sections of article 10 in sequence

Page 116, after line 33, insert:

"Sec. 6. Minnesota Statutes 1992, section 136A.1356, subdivision 4, is amended to read:

Subd. 4. [LOAN FORGIVENESS.] The higher education coordinating board may accept up to ~~eight~~ 12 applicants per year for participation in the loan forgiveness program. Applicants are responsible for securing their own loans. Applicants chosen to participate in the loan forgiveness program may designate for each year of midlevel practitioner study, up to a maximum of two years, an agreed amount, not to exceed \$7,000, as a qualified loan. For each year that a participant serves as a midlevel practitioner in a designated rural area, up to a maximum of four years, the higher education coordinating board shall annually repay an amount equal to one-half a qualified loan. Participants who move their practice from one designated rural area to another remain eligible for loan repayment."

Page 117, delete sections 7 and 8 and insert:

"Sec. 8. Minnesota Statutes 1992, section 136A.1357, is amended to read:

136A.1357 [EDUCATION ACCOUNT FOR NURSES WHO AGREE TO PRACTICE IN A NURSING HOME OR AN INTERMEDIATE CARE FACILITY FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

Subdivision 1. [CREATION OF THE ACCOUNT.] An education account in the ~~general~~ health care access fund is established for a loan forgiveness program for nurses who agree to practice nursing in a nursing home or an intermediate care facility for persons with mental retardation or related conditions. The account consists of money appropriated by the legislature and repayments and penalties collected under subdivision 4. Money from the account must be used for a loan forgiveness program.

Subd. 2. [ELIGIBILITY.] To be eligible to participate in the loan forgiveness program, a person planning to enroll or enrolled in a program of study designed to prepare the person to become a registered nurse or licensed

practical nurse must submit a letter of interest to the board before ~~completing the first year of study~~ completion of a nursing education program. Before ~~completing the first year of study~~ completion of the program, the applicant must sign a contract in which the applicant agrees to practice nursing for at least one of the first two years following completion of the nursing education program providing nursing services in a licensed nursing home or an intermediate care facility for persons with mental retardation or related conditions.

Subd. 3. [LOAN FORGIVENESS.] The board may accept up to ten applicants a year. Applicants are responsible for securing their own loans. For each year of nursing education, for up to two years, applicants accepted into the loan forgiveness program may designate an agreed amount, not to exceed \$3,000, as a qualified loan. For each year that a participant practices nursing in a nursing home or an intermediate care facility for persons with mental retardation or related conditions, up to a maximum of two years, the board shall annually repay an amount equal to one year of qualified loans. Participants who move from one nursing home or an intermediate care facility for persons with mental retardation or related conditions to another remain eligible for loan repayment.

Subd. 4. [PENALTY FOR NONFULFILLMENT.] If a participant does not fulfill the service commitment required under subdivision 3 for full repayment of all qualified loans, the ~~commissioner~~ 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 board shall deposit the collections in the ~~general~~ health care access fund to be credited to the account established in subdivision 1. The board may grant a waiver of all or part of the money owed as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the required service commitment.

Subd. 5. [RULES.] The board shall adopt rules to implement this section.

Sec. 9. [136A.1358] [RURAL CLINICAL SITES FOR NURSE PRACTITIONER EDUCATION.]

*Subdivision 1. [DEFINITION.] For purposes of this section, "rural" means any area of the state outside of the seven metropolitan counties, as defined in section 473.121, subdivision 4.*

*Subd. 2. [ESTABLISHMENT.] A grant program is established under the authority of the higher education coordinating board to provide grants to colleges or schools of nursing located in Minnesota that operate programs of study designed to prepare registered nurses for advanced practice as nurse practitioners.*

*Subd. 3. [PROGRAM GOALS.] Colleges and schools of nursing shall use grants received to provide rural students with increased access to programs of study for nurse practitioners, by:*

- (1) developing rural clinical sites;*
- (2) allowing students to remain in their rural communities for clinical rotations; and*
- (3) providing faculty to supervise students at rural clinical sites.*

*The overall goal of the grant program is to increase the number of graduates of nurse practitioner programs who work in rural areas of the state.*

**Subd. 4. [RESPONSIBILITY OF NURSING PROGRAMS.]** (a) *Colleges or schools of nursing interested in participating in the grant program must apply to the higher education coordinating board, according to the policies established by the board. Applications submitted by colleges or schools of nursing must include a detailed proposal for achieving the goals listed in subdivision 3, a plan for encouraging sufficient applications from rural applicants to meet the requirements of paragraph (b), and any additional information required by the board.*

(b) *Each college or school of nursing, as a condition of accepting a grant, shall make at least 25 percent of the openings in each nurse practitioner entering class available to applicants who live in rural areas and desire to practice as a nurse practitioner in rural areas. This requirement is effective beginning with the fall 1994 entering class and remains in effect for each biennium thereafter for which a college or school of nursing is awarded a grant renewal. The board may exempt colleges or schools of nursing from this requirement if the college or school can demonstrate, to the satisfaction of the board, that the nurse practitioner program did not receive enough applications or acceptance letters from qualified rural applicants to meet the requirement.*

(c) *Colleges or schools of nursing participating in the grant program shall report to the higher education coordinating board on their program activity as requested by the board.*

**Subd. 5. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.]** (a) *The board shall establish an application process for interested colleges and schools of nursing, and shall require colleges and schools of nursing to submit grant applications to the board by November 1, 1993. The board may award up to two grants for the biennium ending June 30, 1995.*

(b) *In selecting grant recipients, the board shall consider:*

(1) *the likelihood that an applicant's grant proposal will be successful in achieving the program goals listed in subdivision 3;*

(2) *the potential effectiveness of the college's or school's plan to encourage applications from rural applicants; and*

(3) *the academic quality of the college's or school's program of education for nurse practitioners.*

(c) *The board shall notify grant recipients of an award by December 1, 1993, and shall disburse the grants by January 1, 1994. The board may renew grants if a college or school of nursing demonstrates that satisfactory progress has been made during the past biennium toward achieving the goals listed in subdivision 3."*

Page 120, after line 7, insert:

**"Sec. 17. [NURSE PRACTITIONER PROMOTION TEAMS.]**

*The commissioner of health, through the office of rural health, shall establish nurse practitioner promotion teams, consisting of one nurse practitioner and one physician who are practicing jointly. The promotion teams*

*shall travel to rural communities and provide physicians, medical clinic administrators, and other interested parties with information on: the benefits of joint practices between nurse practitioners and physicians and methods of establishing and maintaining joint practices. The office of rural health shall contract with promotion teams to visit up to 20 rural communities during the biennium ending June 30, 1995. The office of rural health shall provide members of promotion teams with stipends for their time and travel expenses not to exceed the amount specified in Minnesota Statutes, section 15.059, subdivision 3."*

Renumber the sections of article 12 in sequence

Page 124, after line 16, insert:

"Section 1. Minnesota Statutes 1992, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from the Minnesota Medical Association and the Minnesota Pharmacists Association, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. The formulary committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the

quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Nutritional products needed for the treatment of a combined allergy to human milk, cow's milk, and soy formula require prior authorization. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary; and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug ~~may~~ shall be estimated by the commissioner, *at average wholesale price minus 8.6 percent effective January 1, 1994*. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The

commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(c) Until January 4, 1993, or the date the Medicaid Management Information System (MMIS) upgrade is implemented, whichever occurs last, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan."

Page 125, line 31, after the first comma, insert "and" and delete " , and"

Page 125, line 32, delete everything before the period

Page 130, line 10, delete everything after the first comma

Page 130, line 11, delete "surcharges" and reinstate the stricken "and"

Page 130, line 16, delete " ; and"

Page 130, delete line 17

Page 130, line 18, delete "Minnesota"

Page 130, after line 32, insert:

"Sec. 15. Minnesota Statutes 1992, section 295.53, subdivision 3, is amended to read:

Subd. 3. [RESTRICTION ON ITEMIZATION.] A hospital, *surgical center*, or health care provider must not separately state the tax obligation under section 295.52 on bills provided to individual patients.

Sec. 16. Minnesota Statutes 1992, section 295.54, is amended to read:

295.54 [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

A resident hospital, *resident surgical center*, or resident health care provider who is liable for taxes payable to another state or province or territory of

Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions."

Page 133, line 2, delete "is" and insert "are"

Page 133, delete line 8 and insert:

"Sections 2; 4; 5, clauses (1) to (9); 7; 10 to 13; 15; 16; and 17"

Page 133, line 11, delete "4" and insert "5" and delete "14" and insert "17"

Page 133, line 13, delete "2, 5, 17, 18, and 19" and insert "1, 3, 6, 20, 21, and 22"

Re-number the sections of article 14 in sequence

Page 134, after line 23, insert:

*"\$..... is appropriated from the health care access fund to the higher education coordinating board for the biennium ending June 30, 1995, to implement the loan forgiveness and rural clinical nurse practitioner education grant program under article 12.*

*\$..... is appropriated from the health care access fund to the commissioner of health for the biennium ending June 30, 1995, to provide stipends to members of nurse practitioner promotion teams under article 12."*

Amend the title as follows:

Page 1, lines 18 and 19, delete "a subdivision" and insert "subdivisions"

Page 1, line 27, after the first semicolon, insert "62L.08, subdivision 8;"

Page 1, line 29, after "2" insert ", 4,"

Page 1, line 30, delete ", subdivisions 1 and 4"

Page 1, line 36, delete "and 4" and insert ", 4, 5, and by adding a subdivision"

Page 1, line 37, delete everything after the first semicolon and insert "256B.04, subdivision 1;"

Page 1, line 38, delete "subdivision 1" and insert "subdivisions 1, 2, 2a" and after the semicolon, insert "256B.0625, subdivision 13; 256B.0644; 256D.03, subdivision 3;"

Page 1, line 41, delete "and 2" and insert "; 2, and 3; 295.54"

Page 1, line 44, delete "16B" and insert "62A" and before "137" insert "136A;"

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

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



S.F. No. 29: A bill for an act relating to education; establishing a comprehensive youth apprenticeship system; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 126B.

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

Page 2, line 1, delete everything before the second "*the*" and insert "*composed of*"

Page 2, line 7, before the comma, insert "*selected by the board*"

Page 2, line 8, before the second comma, insert "*appointed by the governor*"

Page 2, line 9, before the comma, insert "*appointed by the governor*"

Page 2, line 10, after the period, insert "*, appointed by Minnesota Technology, Inc.*"

Page 2, line 36, after "*policies*" insert "*including chapter 178 as it applies to youth apprenticeship*"

Page 3, lines 25 and 31, delete "*shall*" and insert "*must*"

Page 4, line 3, delete "*shall*" and insert "*must*"

Page 4, line 7, delete "*they establish*" and insert "*it establishes*"

Page 5, line 9, delete "*By September 1, 1993,*"

Page 5, lines 12, 18, and 31, delete "*shall*" and insert "*must*"

Page 5, line 22, delete "*shall*"

Page 5, line 23, delete "*must*" and insert "*may*"

Page 6, after line 16, insert:

"Sec. 10. [DEVELOPMENT OF CRITERIA.]

*The commissioner of education shall develop the criteria required by section 5 by September 1, 1993.*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1503: A bill for an act relating to the organization and operation of state government; appropriating money for criminal justice, corrections; and related purposes; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; amending Minnesota Statutes 1992, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 241.01, subdivision 5; 242.195, subdivision 1; 242.51; 401.13; 611.20; 611.25, subdivision 3; and 626.861, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1992, sections 241.43, subdivision 2 and 611.20, subdivision 3.

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

Page 1, delete line 20 and insert:

“General \$630,000      \$248,228,000      \$258,657,000      \$507,515,000”

Page 1, delete line 24 and insert:

“TOTAL 630,000      253,838,000      264,268,000      518,736,000”

Page 2, delete line 7 and insert:

“General              \$221,642,000      \$232,410,000      \$454,052,000”

Page 2, delete line 9 and insert:

“TOTAL              225,778,000      236,546,000      462,324,000”

Page 2, line 54, delete “25,651,000” and insert “25,701,000” and delete “25,825,000” and insert “25,775,000”

Page 3, line 17, delete “21,724,000” and insert “21,774,000” and delete “21,812,000” and insert “21,762,000”

Page 3, line 26, delete “\$872,000” and insert “\$822,000”

Page 3, line 27, delete “\$912,000” and insert “\$862,000”

Page 3, after line 32, insert:

“\$100,000 the first year is for Indian child welfare defense corporation grants under Minnesota Statutes, section 611.216, subdivision 1a, as added by this act, to be available until June 30, 1995.”

Page 3, after line 35, insert:

“Subd. 5. Transfers

The board of public defense may transfer unencumbered balances among the programs specified in this section after getting the approval of the commissioner of finance. The commissioner of finance shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the house of representatives ways and means committee.”

Page 3, line 36, delete “192,985,000” and insert “195,160,000” and delete “204,450,000” and insert “205,875,000”

Page 3, delete lines 49 to 51

Page 4, line 8, delete “131,761,000” and insert “133,936,000” and delete “139,133,000” and insert “141,308,000”

Page 4, after line 26, insert:

"Of this appropriation, \$375,000 each year is for adult correctional institutions."

Page 4, after line 39, insert:

"(n) Inmate Contracts	1,800,000	1,800,000
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This appropriation is available only to the extent of contract receipts."

Page 4, line 41, delete "50,325,000" and insert "49,575,000"

Page 4, delete lines 42 to 46

Page 4, line 49, delete "28,078,000" and insert "27,328,000"

Page 5, after line 14, insert:

"Subd. 4. Transfers

The commissioner of corrections may transfer unencumbered balances among the programs specified in this section after getting the approval of the commissioner of finance. The commissioner of finance shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the house of representatives ways and means committee."

Page 13, after line 32, insert:

"Sec. 16. Minnesota Statutes 1992, section 611.216, is amended by adding a subdivision to read:

*Subd. 1a. [INDIAN CHILD WELFARE DEFENSE CORPORATION GRANTS.] (a) The board of public defense shall establish procedures for accepting applications for funding from an Indian child welfare defense corporation located in the American Indian community. The board must consult with the Minnesota Indian affairs council before making a grant to an Indian child.*

*(b) An "Indian child welfare defense corporation" refers to an American Indian nonprofit law corporation, having an American Indian majority on its board of directors, specializing primarily in providing culturally appropriate legal services to indigent clients or tribal representatives involved in a case governed by the Indian Child Welfare Act, United States Code, title 25, section 1901 et seq., or the Minnesota Indian family preservation act, sections 257.35 to 257.3579.*

*(c) An Indian child welfare defense corporation is a "public defense corporation" for the purposes of sections 611.14 to 611.271."*

Page 17, line 4, delete "13" and insert "11"

Page 17, line 5, delete "14" and insert "13"

Renumber the sections of article 2 in sequence

Page 18, line 29, delete "\$376,000" and insert "\$366,000" in both places

Page 20, after line 1, insert:

"Subd. 11. Transfers

The commissioner of public safety may transfer unencumbered balances among the programs specified in this section after getting the approval of the commissioner of finance. The commissioner of finance shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the house of representatives ways and means committee."

Page 20, delete lines 32 to 36

Pages 20 and 21, delete section 4

Page 21, lines 20 and 21, delete "\$250,000" and insert "\$450,000"

Renumber the sections of article 4 in sequence

Amend the title as follows:

Page 1, line 11, after the second semicolon, insert "611.216, by adding a subdivision;"

Page 1, line 14, after "2" insert a semicolon

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. 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.

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

Page 1, line 20, delete "shall" and insert "must"

Page 2, after line 20, insert:

*"The council shall consult with representatives of the telecommunications industry in implementing this subdivision."*

Page 3, line 3, after the semicolon, insert "and"

Page 3, line 5, delete the semicolon and insert a period

Page 3, delete lines 6 to 11

Page 4, line 10, delete "shall" and insert "must"

Page 4, line 35, before "*how*" insert "*proposals must indicate*"

Page 5, line 25, delete the first "*shall*" and insert "*must*" and delete the second "*shall*" and insert "*may*"

Page 5, line 30, delete "*shall*" and insert "*must*"

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

Mrs. Adkins from the Committee on Metropolitan and Local Government, to which was re-referred

S.F. No. 1546: A bill for an act relating to financing and operation of government in Minnesota; changing property tax classifications and class rates; modifying the property tax refund for homeowners and renters; restructuring various state aids; changing the local government aid formula; providing state financing of court administrators; providing for three property tax installment payments; allowing cities to impose certain service charges on certain tax exempt property; eliminating the local government trust fund; appropriating money; amending Minnesota Statutes 1992, sections 43A.02, subdivision 25; 43A.24, subdivision 2; 97A.065, subdivision 2; 124.226, subdivision 1; 124A.23, subdivision 1; 145A.13, subdivision 2; 256E.06, subdivisions 5 and 12; 273.1316, subdivisions 1, 6, and 7; 273.1381; 273.1392; 274.19, subdivision 3; 275.065, subdivision 3; 275.07, subdivision 1; 275.08, subdivision 1b; 276.04, subdivision 3; 276.09; 276.10; 276.11; 276.111; 278.03; 278.05, subdivision 5; 279.01, by adding subdivisions; 289A.18, subdivision 5; 289A.56, subdivision 6; 290A.01; 290A.03, subdivisions 6 and 13; 290A.04, subdivision 2; 290A.07; 290A.23; 297A.44, subdivision 1; 299D.03, subdivision 5; 466.01, subdivision 6; 477A.011, subdivisions 1a, 20, 25, and by adding subdivisions; 477A.012, by adding a subdivision; 477A.013, subdivisions 1 and 2; 477A.014, subdivisions 1 and 3; 477A.03, subdivision 1; 480.181, subdivision 1; 485.01; 485.018, subdivisions 2a, 5, and 6; 485.021; 487.31, subdivision 1; 487.32, subdivision 3; and 574.34, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 257; 273; 275; 429; and 477A; repealing Minnesota Statutes 1992, sections 16A.711; 16A.712; 256E.06, subdivision 2; 273.124; 273.13; 273.1398; 275.07, subdivision 3; 275.08, subdivisions 1c and 1d; 279.01, subdivisions 1 and 3; 290A.04, subdivisions 2a, 2b, 2h, and 2i; 290A.23, subdivision 2; 297A.44, subdivision 4; 297B.09, subdivision 3; 477A.011, subdivisions 1b, 15, 16, 17, 18, 19, 22, 23, 28, and 29; 477A.012; 477A.013, subdivisions 3, 5, and 6; 477A.0132, subdivisions 1, 2, and 3; 477A.014, subdivision 1a; 485.018, subdivisions 1, 2, 4, and 8; 485.03; 485.05; and 485.11.

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

Page 9, line 22, delete "*two*" and insert "*1.5*"

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. 1201: A bill for an act relating to occupations and professions; modifying reciprocity licensing requirement; providing for disciplinary ac-

tions; imposing penalties; amending Minnesota Statutes 1992, sections 148.905, subdivision 1; 148.921, subdivision 3; 148.925, subdivision 1; and 148.98; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1992, section 148.95.

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 103I.345, subdivision 1, is amended to read:

Subdivision 1. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state treasury and credited to a special account:

- (1) all money recovered by the commissioner under section 103I.341;
- (2) all money paid under section ~~103I.705~~ 144.99 or under any agreement, stipulation, or settlement resolving an enforcement action brought by the commissioner;
- (3) all interest attributable to investment of money credited to the account; and
- (4) all money received in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purposes of the account.

Sec. 2. Minnesota Statutes 1992, section 116.75, is amended to read:

116.75 [CITATION.]

Sections 116.76 to ~~116.83~~ 116.82 may be cited as the "infectious waste control act."

Sec. 3. Minnesota Statutes 1992, section 116.76, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 116.76 to ~~116.83~~ 116.82.

Sec. 4. Minnesota Statutes 1992, section 116.77, is amended to read:

116.77 [COVERAGE.]

Sections 116.75 to ~~116.83~~ 116.82 and 609.671, subdivision 10, cover any person, including a veterinarian, who generates, treats, stores, transports, or disposes of infectious or pathological waste but not including infectious or pathological waste generated by households, farm operations, or agricultural businesses. Except as specifically provided, sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious or pathological waste.

Sec. 5. Minnesota Statutes 1992, section 116.82, subdivision 3, is amended to read:

Subd. 3. [LOCAL ENFORCEMENT.] Sections 116.76 to 116.81 may be enforced by a county by delegation of enforcement authority granted to the commissioner of health and the agency in section ~~116.83~~ 144.99. Separate

enforcement actions may not be brought by a state agency and a county for the same violations. The state or county may not bring an action that is being enforced by the federal Office of Safety and Health Administration.

Sec. 6. Minnesota Statutes 1992, section 144.71, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY.] The purpose of sections 144.71 to ~~144.76~~ 144.74 is to protect the health and safety of children in attendance at children's camps.

Sec. 7. [144.989] [TITLE; CITATION.]

Sections 144.989 to 144.993 may be cited as the "health enforcement consolidation act of 1993."

Sec. 8. [144.99] [ENFORCEMENT.]

Subdivision 1. [REMEDIES AVAILABLE.] The provisions of chapters 103I and 157 and sections 115.71 to 115.82; 116.76 to 116.81; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.121; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.491; 144.495; 144.71 to 144.76; 144.871 to 144.878; 144.992; 326.37 to 326.45; 326.57 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

Subd. 2. [ACCESS TO INFORMATION AND PROPERTY.] The commissioner or an employee or agent authorized by the commissioner, upon presentation of credentials, may:

(a) examine and copy any books, papers, records, memoranda, or data of any person subject to regulation under the statutes listed in subdivision 1; and

(b) enter upon any property, public or private, for the purpose of taking any action authorized under statutes, rules, or other actions listed in subdivision 1 including obtaining information from a person who has a duty to provide information under the statutes listed in subdivision 1, taking steps to remedy violations, or conducting surveys or investigations.

Subd. 3. [CORRECTION ORDERS.] (a) The commissioner may issue correction orders that require a person to correct a violation of the statutes, rules, and other actions listed in subdivision 1. The correction order must state the deficiencies that constitute the violation; the specific statute, rule, or other action; and the time by which the violation must be corrected.

(b) If the person believes that the information contained in the commissioner's correction order is in error, the person may ask the commissioner to reconsider the parts of the order that are alleged to be in error. The request must be in writing, delivered to the commissioner by certified mail within seven calendar days after receipt of the order, and:

(1) specify which parts of the order for corrective action are alleged to be in error;

(2) explain why they are in error; and

(3) provide documentation to support the allegation of error.

*The commissioner must respond to requests made under this paragraph within 15 calendar days after receiving a request. A request for reconsideration does not stay the correction order; however, after reviewing the request for reconsideration, the commissioner may provide additional time to comply with the order if necessary. The commissioner's disposition of a request for reconsideration is final.*

**Subd. 4. [ADMINISTRATIVE PENALTY ORDERS.]** *The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations of the statutes, rules, and other actions listed in subdivision 1. The procedures in section 144.991 must be followed when issuing administrative penalty orders. Except in the case of repeated or serious violations, the penalty assessed in the order must be forgiven if the person who is subject to the order demonstrates in writing to the commissioner before the 31st day after receiving the order that the person has corrected the violation or has developed a corrective plan acceptable to the commissioner. The maximum amount of administrative penalty orders is \$10,000 for all violations identified in an inspection or review of compliance.*

**Subd. 5. [INJUNCTIVE RELIEF.]** *In addition to any other remedy provided by law, the commissioner may bring an action for injunctive relief in the district court in Ramsey county or, at the commissioner's discretion, in the district court in the county in which a violation of the statutes, rules, or other actions listed in subdivision 1 has occurred to enjoin the violation.*

**Subd. 6. [CEASE AND DESIST.]** *The commissioner, or an employee of the department designated by the commissioner, may issue an order to cease an activity covered by subdivision 1 if continuation of the activity would result in an immediate risk to public health. An order issued under this paragraph is effective for a maximum of 72 hours. The commissioner must seek an injunction or take other administrative action authorized by law to restrain activities for a period beyond 72 hours. The issuance of a cease and desist order does not preclude the commissioner from pursuing any other enforcement action available to the commissioner.*

**Subd. 7. [PLAN FOR USE OF ADMINISTRATIVE PENALTIES AND CEASE AND DESIST AUTHORITY.]** *The commissioner of health shall prepare a plan for using the administrative penalty and cease and desist authority in this section. The commissioner shall provide a 30-day period for public comment on the plan. The plan must be finalized by December 1, 1993.*

**Subd. 8. [DENIAL OR REFUSAL TO REISSUE PERMITS, LICENSES, REGISTRATIONS, OR CERTIFICATES.]** *(a) The commissioner may deny or refuse to renew an application for a permit, license, registration, or certificate required under the statutes or rules cited in subdivision 1, if the applicant has any unresolved violations related to the activity for which the permit, license, registration, or certificate was issued.*

*(b) The commissioner may also deny or refuse to renew a permit, license, registration, or certificate required under the statutes or rules cited in subdivision 1 if the applicant has a persistent pattern of violations related to the permit, license, registration, or certificate, or if the applicant submitted false material information to the department in connection with the application.*



(c) *The commissioner may condition the grant or renewal of a permit, license, registration, or certificate on a demonstration by the applicant that actions needed to ensure compliance with the requirements of the statutes listed in subdivision 1 have been taken, or may place conditions on or issue a limited permit, license, registration, or certificate as a result of previous violations by the applicant.*

**Subd. 9. [SUSPENSION OR REVOCATION OF PERMITS, LICENSES, REGISTRATIONS, OR CERTIFICATES.]** *The commissioner may suspend, place conditions on, or revoke a permit, license, registration, or certificate issued under the statutes or rules cited in subdivision 1 for serious or repeated violations of the requirements in the statutes, rules, or other actions listed in subdivision 1 that apply to the permit, license, registration, or certificate, or if the applicant submitted false material information to the department in connection with the permit, license, registration, or certificate.*

**Subd. 10. [HEARINGS RELATED TO DENIAL, REFUSAL TO RENEW, SUSPENSION, OR REVOCATION OF A PERMIT, LICENSE, REGISTRATION, OR CERTIFICATE.]** *If the commissioner proposes to deny, refuses to renew, suspends, or revokes a permit, license, registration, or certificate under subdivision 8 or 9, the commissioner must first notify the person against whom the action is proposed to be taken and provide the person an opportunity to request a hearing under the contested case provisions of chapter 14. If the person does not request a hearing by notifying the commissioner within 20 days after receipt of the notice of proposed action, the commissioner may proceed with the action without a hearing.*

**Subd. 11. [MISDEMEANOR PENALTIES.]** *A person convicted of violating a statute or rule listed in subdivision 1 is guilty of a misdemeanor.*

**Sec. 9. [144.991] [ADMINISTRATIVE PENALTY ORDER PROCEDURE.]**

**Subdivision 1. [AMOUNT OF PENALTY; CONSIDERATIONS.]** (a) *In determining the amount of a penalty under section 144.99, subdivision 4, the commissioner may consider:*

- (1) *the willfulness of the violation;*
- (2) *the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;*
- (3) *the history of past violations;*
- (4) *the number of violations;*
- (5) *the economic benefit gained by the person by allowing or committing the violation; and*
- (6) *other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.*

(b) *For a violation after an initial violation, the commissioner shall, in determining the amount of a penalty, consider the factors in paragraph (a) and the:*

- (1) *similarity of the most recent previous violation and the violation to be penalized;*
- (2) *time elapsed since the last violation;*

(3) number of previous violations; and

(4) response of the person to the most recent previous violation identified.

**Subd. 2. [CONTENTS OF ORDER.]** An order assessing an administrative penalty under section 144.99, subdivision 4, must include:

(1) a concise statement of the facts alleged to constitute a violation;

(2) a reference to the section of the statute, rule, variance, order, stipulation agreement, or term or condition of a permit that has been violated;

(3) a statement of the amount of the administrative penalty to be imposed and the factors upon which the penalty is based; and

(4) a statement of the person's right to review of the order.

**Subd. 3. [CORRECTIVE ORDER.]** (a) The commissioner may issue an order assessing a penalty and requiring the violations cited in the order to be corrected within 30 calendar days from the date the order is received.

(b) The person to whom the order was issued shall provide information to the commissioner before the 31st day after the order was received demonstrating that the violation has been corrected or developed a corrective plan acceptable to the commissioner. The commissioner shall determine whether the violation has been corrected and notify the person subject to the order of the commissioner's determination.

**Subd. 4. [PENALTY.]** (a) Except as provided in paragraph (b), if the commissioner determines that the violation has been corrected or developed a corrective plan acceptable to the commissioner, the penalty must be forgiven. Unless the person requests review of the order under subdivision 5 before the penalty is due, the penalty in the order is due and payable:

(1) on the 31st day after the order was received, if the person subject to the order fails to provide information to the commissioner showing that the violation has been corrected or that appropriate steps have been taken toward correcting the violation; or

(2) on the 20th day after the person receives the commissioner's determination under paragraph (b), if the person subject to the order has provided information to the commissioner that the commissioner determines is not sufficient to show the violation has been corrected or that appropriate steps have been taken toward correcting the violation.

(b) For repeated or serious violations, the commissioner may issue an order with a penalty that will not be forgiven after the corrective action is taken. The penalty is due by 31 days after the order was received unless review of the order under subdivision 5 has been sought.

(c) Interest at the rate established in section 549.09 begins to accrue on penalties under this subdivision on the 31st day after the order with the penalty was received.

**Subd. 5. [EXPEDITED ADMINISTRATIVE HEARING.]** (a) Within 30 days after receiving an order or within 20 days after receiving notice that the commissioner has determined that a violation has not been corrected or appropriate steps have not been taken, the person subject to an order under this section may request an expedited hearing, utilizing the procedures of Minnesota Rules, parts 1400.8510 to 1400.8612, to review the commission-

er's action. The hearing request must specifically state the reasons for seeking review of the order. The person to whom the order is directed and the commissioner are the parties to the expedited hearing. The commissioner must notify the person to whom the order is directed of the time and place of the hearing at least 20 days before the hearing. The expedited hearing must be held within 30 days after a request for hearing has been filed with the commissioner unless the parties agree to a later date.

(b) All written arguments must be submitted within ten days following the close of the hearing. The hearing shall be conducted under Minnesota Rules, parts 1400.8510 to 1400.8612, as modified by this subdivision. The office of administrative hearings may, in consultation with the agency, adopt rules specifically applicable to cases under this section.

(c) The administrative law judge shall issue a report making recommendations about the commissioner's action to the commissioner within 30 days following the close of the record. The administrative law judge may not recommend a change in the amount of the proposed penalty unless the administrative law judge determines that, based on the factors in subdivision 2, the amount of the penalty is unreasonable.

(d) If the administrative law judge makes a finding that the hearing was requested solely for purposes of delay or that the hearing request was frivolous, the commissioner may add to the amount of the penalty the costs charged to the agency by the office of administrative hearings for the hearing.

(e) If a hearing has been held, the commissioner may not issue a final order until at least five days after receipt of the report of the administrative law judge. The person to whom an order is issued may, within those five days, comment to the commissioner on the recommendations and the commissioner will consider the comments. The final order may be appealed in the manner provided in sections 14.63 to 14.69.

(f) If a hearing has been held and a final order issued by the commissioner, the penalty shall be paid by 30 days after the date the final order is received unless review of the final order is requested under sections 14.63 to 14.69. If review is not requested or the order is reviewed and upheld, the amount due is the penalty, together with interest accruing from 31 days after the original order was received at the rate established in section 549.09.

Subd. 6. [MEDIATION.] In addition to review under subdivision 5, the commissioner is authorized to enter into mediation concerning an order issued under this section if the commissioner and the person to whom the order is issued both agree to mediation.

Subd. 7. [ENFORCEMENT.] (a) The attorney general may proceed on behalf of the state to enforce penalties that are due and payable under this section in any manner provided by law for the collection of debts.

(b) The attorney general may petition the district court to file the administrative order as an order of the court. At any court hearing, the only issues parties may contest are procedural and notice issues. Once entered, the administrative order may be enforced in the same manner as a final judgment of the district court.

(c) If a person fails to pay the penalty, the attorney general may bring a civil action in district court seeking payment of the penalties, injunctive, or other

appropriate relief including monetary damages, attorney fees, costs, and interest.

**Subd. 8. [REVOCAION AND SUSPENSION OF PERMIT, LICENSE, REGISTRATION, OR CERTIFICATE.]** *If a person fails to pay a penalty owed under this section, the agency has grounds to revoke or refuse to reissue or renew a permit, license, registration, or certificate issued by the department.*

**Subd. 9. [CUMULATIVE REMEDY.]** *The authority of the agency to issue a corrective order assessing penalties is in addition to other remedies available under statutory or common law, except that the state may not seek civil penalties under any other provision of law for the violations covered by the administrative penalty order. The payment of a penalty does not preclude the use of other enforcement provisions, under which penalties are not assessed, in connection with the violation for which the penalty was assessed.*

**Sec. 10. [144.992] [FALSE INFORMATION.]**

*A person subject to any of the requirements listed in section 144.99, subdivision 1, may not make a false material statement, representation, or certification in; omit material information from; or alter, conceal, or fail to file or maintain a notice, application, record, report, plan, or other document required under the statutes, rules, or other actions listed in section 144.99, subdivision 1.*

**Sec. 11. [144.993] [RECOVERY OF LITIGATION COSTS AND EXPENSES.]**

*In any judicial action brought by the attorney general for civil penalties, injunctive relief, or an action to compel performance pursuant to the authority cited in section 144.99, subdivision 1, if the state finally prevails, and if the proven violation was willful, the state, in addition to other penalties provided by law, may be allowed an amount determined by the court to be the reasonable value of all or part of the litigation expenses incurred by the state. In determining the amount of the litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.*

**Sec. 12.** Minnesota Statutes 1992, section 145A.07, subdivision 1, is amended to read:

**Subdivision 1. [AGREEMENTS TO PERFORM DUTIES OF COMMISSIONER.]** (a) The commissioner of health may enter into an agreement with any board of health to delegate all or part of the licensing, inspection, reporting, and enforcement duties authorized under sections 144.12; 144.381 to 144.387; 144.411 to 144.417; 144.71 to ~~144.76~~ 144.74; 145A.04, subdivision 6; provisions of chapter 156A pertaining to construction, repair, and abandonment of water wells; chapter 157; and sections 327.14 to 327.28.

(b) Agreements are subject to subdivision 3.

(c) This subdivision does not affect agreements entered into under Minnesota Statutes 1986, section 145.031, 145.55, or 145.918, subdivision 2.

**Sec. 13.** Minnesota Statutes 1992, section 148.89, is amended by adding a subdivision to read:

**Subd. 2a. [CLIENT.]** "Client" means a person or entity that receives, received, or should have received services from a person regulated under

sections 148.88 to 148.98. For the purposes of sections 148.88 to 148.98, "client" includes patient and resident.

Sec. 14. Minnesota Statutes 1992, section 148.905, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The board shall:

(1) adopt and enforce rules for licensing psychologists and for regulating their professional conduct. The rules must include, but are not limited to, standards for training, supervision, the practice of psychology, and any other areas covered by sections 148.88 to 148.98;

(2) adopt rules that provide for examinations and establish a code of professional ethics and requirements for continuing education;

(3) hold examinations at least once a year to assess applicants' knowledge and skills. The examinations may be written or oral or both, and may be administered by the board or by institutions or individuals designated by the board;

(4) issue licenses to individuals qualified under section 148.91, according to the procedures for licensing in Minnesota Rules;

(5) issue copies of the rules for licensing to all applicants;

(6) establish and maintain annually a register of current licenses;

(7) establish reasonable fees for the issuance and renewal of licenses and other services by the board. Fees must be set to defray the cost of administering the provisions of sections 148.88 to 148.98 including applications, examinations, enforcement, and the cost of maintaining the operations of the board;

(8) educate the public about the requirements for licensing of psychologists and about the code of professional ethics, to allow consumers to file complaints against licensees who may have violated licensing requirements or professional ethics; and

(9) establish or approve programs that qualify for professional psychology continuing educational credit. The board may hire consultants, agencies, or professional psychological associations to establish and approve continuing education courses; and

(10) establish and implement, by January 1, 1992, a process for certifying psychologists' competencies in specialty areas, including but not limited to the area of supervision. The process shall include steps to verify that a psychologist has had adequate education and experience in a specialty area to be considered competent to practice in that area. Recertification of competencies declared prior to August 1, 1991, shall not be required.

Sec. 15. Minnesota Statutes 1992, section 148.921, subdivision 2, is amended to read:

Subd. 2. [PERSONS PREVIOUSLY QUALIFIED.] (a) The board shall grant a license for a licensed psychologist without further examination to a person who:

(1) before November 1, 1991, entered a graduate program granting a master's degree with a major in psychology at an educational institution

meeting the standards the board has established by rule and earned a master's degree or a master's equivalent in a doctoral program;

(2) before ~~November 1~~ December 31, 1992 1993, filed with the board a written declaration of intent to seek licensure under this subdivision;

(3) complied with all requirements of section 148.91, subdivisions 2 to 4, before December 31, 1997; and

(4) completed at least two full years or their equivalent of post-master's supervised psychological employment before December 31, 1998.

*(b) Notwithstanding paragraph (a), the board shall not grant a license for a licensed psychologist under this subdivision to a person who files a written declaration of licensure after October 31, 1992, unless the applicant demonstrates that the applicant was a resident of Minnesota on October 31, 1992, and meets all other requirements for licensure under this subdivision.*

Sec. 16. Minnesota Statutes 1992, section 148.921, subdivision 3, is amended to read:

Subd. 3. [RECIPROCITY.] The board may grant a license without an examination to a diplomate of the American Board of Professional Psychology or to any person who at the time of application is licensed or certified by a ~~similar~~ board of another state whose standards, in the judgment of the board, ~~are not lower than those required by~~ and who meets the licensure requirements under section 148.91. The board, at its discretion, may not require the skills assessment and the examination in psychology under section 148.91, subdivision 2, if the person was licensed in another state before the examination was required for licensure in that state. An applicant for reciprocity shall pass a written, objective examination on the rules of the board of psychology and sections 148.88 to 148.98.

Sec. 17. Minnesota Statutes 1992, section 148.925, subdivision 1, is amended to read:

Subdivision 1. [PERSONS QUALIFIED TO PROVIDE SUPERVISION.]

(a) Only the following persons are qualified to provide supervision for master's degree level applicants for licensure as a licensed psychologist:

(1) a licensed psychologist with a competency in supervision in professional psychology and in the area of practice being supervised; and

(2) a person who either is eligible for licensure as a licensed psychologist under section 148.91 or is eligible for licensure by reciprocity, and who, in the judgment of the board, is competent or experienced in supervising professional psychology and in the area of practice being supervised.

(b) Professional supervision of a doctoral level applicant for licensure as a licensed psychologist must be provided by a person:

(1) who meets the requirements of paragraph (a), clause (1) or (2), and

(2)(i) who has a doctorate degree with a major in psychology, or

(ii) who was licensed by the board as a psychologist before August 1, 1991, and is certified by the board as competent in supervision of applicants for licensure ~~in accord with section 148.905, subdivision 1, clause (10), by August 1, 1993.~~

Sec. 18. [148.941] [DENIAL, REVOCATION, AND SUSPENSION OF LICENSES; DISCIPLINARY ACTION.]

*Subdivision 1. [GENERALLY.] Except as otherwise described in this section, all hearings shall be conducted under chapter 14.*

*Subd. 2. [GROUNDS FOR DISCIPLINARY ACTION; FORMS OF DISCIPLINARY ACTION.] (a) The board may impose disciplinary action as described in paragraph (b) against an applicant or licensee whom the board, by a preponderance of the evidence, determines:*

*(1) has violated a statute, rule, or order that the board issued or is empowered to enforce;*

*(2) has engaged in fraudulent, deceptive, or dishonest conduct, whether or not the conduct relates to the practice of psychology, that adversely affects the person's ability or fitness to practice psychology;*

*(3) has engaged in unprofessional conduct or any other conduct which has the potential for causing harm to the public, including any departure from or failure to conform to the minimum standards of acceptable and prevailing practice without actual injury having to be established;*

*(4) has been convicted of or has pled guilty or nolo contendere to a felony or crime, an element of which is dishonesty or fraud, or has been shown to have engaged in acts or practices tending to show that the applicant or licensee is incompetent or engaged in conduct reflecting adversely on the applicant's or licensee's ability or fitness to engage in the practice of psychology;*

*(5) has employed fraud or deception in obtaining or renewing a license, or in passing the examination;*

*(6) has had a psychology license, certificate, right to examine, or other similar authority revoked, suspended, canceled, limited, or not renewed for cause in any state, commonwealth, or territory of the United States, the District of Columbia, or any foreign country;*

*(7) has failed to meet any requirement for the issuance or renewal of the person's license;*

*(8) has failed to cooperate with an investigation of the board as required under subdivision 4; or*

*(9) has violated the code of ethics adopted by the board.*

*For the purposes of clause (7), the burden of proof is on the applicant to demonstrate the qualifications or satisfy the requirements for a license under sections 148.88 to 148.98.*

*(b) If grounds for disciplinary action exist under paragraph (a), the board may take one or more of the following actions:*

*(1) refuse to grant or renew a license;*

*(2) revoke a license;*

*(3) suspend a license;*

(4) impose limitations or conditions on a licensee's practice of psychology, including limiting the scope of practice to designated competencies, imposing retraining or rehabilitation requirements, requiring the licensee to practice under supervision, or conditioning continued practice on the demonstration of knowledge or skill by appropriate examination or other review of skill and competence;

(5) censure or reprimand the licensee; or

(6) refuse to permit an applicant to take the licensure examination or refuse to release an applicant's examination grade if the board finds that it is in the public interest.

(c) In lieu of or in addition to paragraph (b), the board may require, as a condition of continued licensure, termination of suspension, reinstatement of license, examination, or release of examination grades, that the applicant or licensee:

(1) submit to a quality review, as specified by the board, of the applicant's or licensee's ability, skills, or quality of work; and

(2) complete to the satisfaction of the board educational courses specified by the board.

(d) Service of the order is effective if the order is served on the applicant, licensee, or counsel of record personally or by mail to the most recent address provided to the board for the licensee, applicant, or counsel of record. The order shall state the reasons for the entry of the order.

Subd. 3. [TEMPORARY SUSPENSION OF LICENSE.] (a) In addition to any other remedy provided by law, the board may temporarily suspend the credentials of a licensee after conducting a preliminary inquiry to determine if the board reasonably believes that the licensee has violated a statute or rule that the board is empowered to enforce and continued practice by the licensee would create an imminent risk of harm to others.

(b) The order may prohibit the licensee from engaging in the practice of psychology in whole or in part and may condition the end of a suspension on the licensee's compliance with a statute, rule, or order that the board has issued or is empowered to enforce.

(c) The order shall give notice of the right to a hearing pursuant to this subdivision and shall state the reasons for the entry of the order.

(d) Service of the order is effective when the order is served on the licensee personally or by certified mail which is complete upon receipt, refusal, or return for nondelivery to the most recent address provided to the board for the licensee.

(e) At the time the board issues a temporary suspension order, the board shall schedule a hearing to be held before its own members which shall begin no later than 60 days after issuance of the temporary suspension order or within 15 working days of the date of the board's receipt of a request for hearing by a licensee on the sole issue of whether there is a reasonable basis to continue, modify, or lift the temporary suspension. This hearing is not subject to chapter 14. Evidence presented by the board or the licensee shall be in affidavit form only. The licensee or counsel of record may appear for oral argument.



(f) Within five working days of the hearing, the board shall issue its order and, if the suspension is continued, schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding chapter 14, the administrative law judge shall issue a report within 30 days after closing the contested case hearing record. The board shall issue a final order within 30 days of receipt of the administrative law judge's report.

Subd. 4. [COOPERATION OF APPLICANT OR LICENSEE FOR INVESTIGATIONS.] (a) An applicant or licensee of the board who is the subject of an investigation or who is questioned in connection with an investigation by or on behalf of the board shall cooperate fully with the investigation. Cooperation includes responding fully to any question raised by or on behalf of the board relating to the subject of the investigation, executing all releases requested by the board, providing copies of client records, as reasonably requested by the board to assist it in its investigation, and appearing at conferences or hearings scheduled by the board or its staff. The board shall pay reasonable costs for copies requested. An applicant or licensee who is questioned in connection with an investigation shall respond within two weeks, unless the request for information is made pursuant to a subpoena in which a shorter time period is indicated. In its discretion, the board or its designee may grant a time extension if the request for an extension is in writing and states the reason why more time is necessary.

(b) If the board does not have a written consent from a client permitting access to the client's records, the licensee may delete any data in the record which identifies the client before providing it to the board. The board shall maintain any records obtained pursuant to this section as investigative data pursuant to chapter 13.

Sec. 19. Minnesota Statutes 1992, section 148.98, is amended to read:

148.98 [CODE OF ETHICS.]

The board shall adopt a code of ethics to govern ~~appropriate an applicant's or licensee's practices or behavior, as referred to in section 148.89.~~ The board shall publish the code in the State Register and file the code with the secretary of state at least 30 days prior to the effective date of the code. The code of ethics shall include, but is not limited to, the principles in paragraphs (a) to (c).

(a) The psychologist shall recognize the boundaries of the psychologist's competence and the limitation of the psychologist's techniques and shall not offer services or use techniques that fail to meet usual and customary professional standards.

(b) The psychologist who engages in practice shall assist clients in obtaining professional help for all important aspects of their problems that fall outside the boundaries of the psychologist's competence.

(c) A psychologist shall not claim either directly or by implication professional qualifications that differ from the psychologist's actual qualifications, nor shall the psychologist misrepresent the psychologist's affiliation with any institution, organization, or individual, nor lead others to assume an affiliation that does not exist.

Sec. 20. Minnesota Statutes 1992, section 326.37, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. ~~Violation of the rules shall be a misdemeanor.~~

The commissioner shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 21. Minnesota Statutes 1992, section 327.16, subdivision 6, is amended to read:

Subd. 6. [DENIAL OF CONSTRUCTION.] If the application to construct or make alterations upon a manufactured home park or recreational camping area and the appurtenances thereto or a primary license to operate and maintain the same is denied by the state commissioner of health, the commissioner shall so state in writing giving the reason or reasons for denying the application. If the objections can be corrected the applicant may amend the application and resubmit it for approval, and if denied the applicant may appeal from the decision of the state commissioner of health as provided in section ~~327.18~~ 144.99, subdivision 10.

Sec. 22. Minnesota Statutes 1992, section 327.20, subdivision 2, is amended to read:

Subd. 2. [HEALTH AND SAFETY.] The state department of health may prescribe such rules for the operation and maintenance of manufactured home parks or recreational camping areas and for safeguarding the health and safety of persons occupying licensed manufactured home parks and recreational camping areas as the department shall deem to be necessary and expedient. Such rules pertaining to health and safety shall have the force and effect of law; ~~and any violation thereof shall constitute a misdemeanor; and upon conviction therefor the offender may be punished as otherwise provided by law.~~

Sec. 23. [MODEL ORDINANCE.]

*The department of health, in consultation with the attorney general, must by August 1, 1994, develop and make available to local governments who manage delegated environmental health programs a model ordinance for an administrative penalty order process similar to the process established in Minnesota Statutes, sections 144.99 and 144.991.*

Sec. 24. [NOTICE.]

*Before September 1, 1993, the board shall notify all Minnesota educational institutions which grant a master's degree with a major in psychology, and all individuals it knows to have missed the November 1, 1992, deadline under Minnesota Statutes, section 148.921, subdivision 2, that the deadline for filing the declaration of intent to seek licensure is extended to December 31, 1993.*

Sec. 25. [REPEALER.]

*Minnesota Statutes 1992, sections 103I.701; 103I.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 157.081; 326.43; 326.53, subdivision 2; 326.63; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2, are repealed.*

**Sec. 26. [EFFECTIVE DATE.]**

*Sections 15 and 24 are effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to health occupations and professions; board of psychology; extending deadline by which previously qualified persons may file a declaration of intent to seek licensure as a licensed psychologist without further examination; requiring the board to issue notices of extension; modifying reciprocity licensing requirement; providing for disciplinary actions; consolidating and modifying enforcement remedies; providing penalties; amending Minnesota Statutes 1992, sections 103I.345, subdivision 1; 116.75; 116.76, subdivision 1; 116.77; 116.82, subdivision 3; 144.71, subdivision 1; 145A.07, subdivision 1; 148.89, by adding a subdivision; 148.905, subdivision 1; 148.921, subdivisions 2 and 3; 148.925, subdivision 1; 148.98; 326.37, subdivision 1; 327.16, subdivision 6; and 327.20, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; and 148; repealing Minnesota Statutes 1992, sections 103I.701; 103I.705; 116.83; 144.1211; 144.386, subdivision 4; 144.73, subdivisions 2, 3, and 4; 144.76; 157.081; 326.43; 326.53, subdivision 2; 326.63; 326.78, subdivisions 4, 6, 7, and 8; 326.79; 326.80; 327.18; and 327.24, subdivisions 1 and 2."

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

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

S.F. No. 480: A bill for an act relating to workers' compensation; requiring appointment of guardians and conservators for minors and incapacitated persons; amending Minnesota Statutes 1992, sections 176.091; 176.111, subdivision 5; and 176.521, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 176; and 525.

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

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

S.F. No. 338: A bill for an act relating to economic development; creating Minnesota Business Finance, Inc. to provide capital for commercial borrowers through the Small Business Administration; providing for powers and duties of a board of directors and employees; transferring funds from the certified development company established under the department of trade and economic development to the new corporation; proposing coding for new law as Minnesota Statutes, chapter 116S; repealing Minnesota Statutes 1992, sections 41A.065 and 116J.985.

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

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

*Subd. 27a. [MINNESOTA BUSINESS FINANCE, INC.] Certain data of Minnesota Business Finance, Inc., are classified under section 3."*

Page 2, line 15, delete "4" and insert "5"

Page 2, line 28, before "Board" insert "Except as provided in subdivision 7," and delete the comma and insert a period

Page 2, delete line 29

Page 2, line 33, delete everything after "meeting"

Page 2, line 34, delete everything before "if"

Page 2, line 35, delete "would be" and insert "is"

Page 2, line 36, delete "at a" and insert "for the"

Page 3, line 4, delete "authorized under subdivision 6" and insert "for purposes of discussing data described in subdivision 8 or security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1"

Page 3, line 9, delete everything after "recorded" and insert a period

Page 3, delete lines 10 to 25 and insert "The data on the tape are nonpublic data or private data on individuals as defined in section 13.02, subdivision 9 or 12, whichever is applicable."

*Subd. 8. [APPLICATION AND INVESTIGATIVE DATA.] Financial data, statistics, and information furnished to the corporation in connection with assistance or proposed assistance, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records are private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9."*

Page 3, after line 32, insert:

*"Subd. 11. [DATA PRACTICES AND RECORDS MANAGEMENT.] The corporation is subject to chapter 13 and sections 15.17 and 138.163 to 138.226."*

Page 4, line 18, delete "2" and insert "3"

Page 5, line 11, delete "2" and insert "3"

Page 6, line 23, delete "9" and insert "10"

Page 6, line 26, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "appropriating money; amending Minnesota Statutes 1992, section 13.99, by adding a subdivision;"

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

S.F. No. 403: A bill for an act relating to housing and hotels; amending reasons for innkeeper ejection and refusal to admit persons; establishing parent or guardian responsibility for guests who are minors; establishing liability for damage to hotel or personal property or injury to persons; increasing the penalty for setting fire to hotel belongings; requiring notice; amending Minnesota Statutes 1992, sections 327.70, subdivision 3, and by adding a subdivision; 327.73, subdivisions 1 and 2; and 327.74, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 327.

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

Page 1, delete section 2

Page 4, after line 17, insert:

"Sec. 6. [EFFECTIVE DATE.]

*Section 5 is effective October 1, 1993, and applies to crimes committed on or after that date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 9 and 10, delete " , and by adding a subdivision"

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. 1570: A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resources, and agricultural purposes; regulating the amounts, impositions, and processing of various fees prescribed for various licenses issued and activities regulated by the departments of agriculture and natural resources; amending Minnesota Statutes 1992, sections 28A.08; 84B.11, subdivision 1; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 90.031, subdivision 4; 90.101, subdivision 1; 90.121; 92.46, subdivision 1; 97A.055, subdivision 1, and by adding a subdivision; 97A.071, subdivision 2; 97A.075, subdivision 4; 103F.725, by adding a subdivision; 115A.96, by adding a subdivision; and 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 89.

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

Delete everything after the enacting clause and insert:

**"Section 1. [ENVIRONMENT AND NATURAL RESOURCES; APPROPRIATIONS.]**

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another fund named, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1993," "1994," and "1995," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1993, June 30, 1994, or June 30, 1995, respectively.

**SUMMARY BY FUND**

	1993	1994	1995	TOTAL
General	\$120,000	\$144,780,000	\$141,517,000	\$286,417,000
Environmental		26,172,000	26,432,000	52,604,000
Metro Landfill				
Contingency Trust		797,000	797,000	1,594,000
Special Revenue		10,296,000	10,331,000	20,627,000
Natural Resources		17,259,000	17,025,000	34,284,000
Game and Fish		51,044,000	50,869,000	101,913,000
Permanent				
School Trust	120,000	386,000	104,000	610,000
Minnesota Resources		14,662,000		14,662,000
Environmental Trust		24,600,000		24,600,000
Oil Overcharge		2,012,000		2,012,000
TOTAL	240,000	292,008,000	247,075,000	539,323,000

**APPROPRIATIONS**  
Available for the Year  
Ending June 30  
1994 1995

**Sec. 2. POLLUTION CONTROL AGENCY**

Subdivision 1. Total Appropriation 35,165,000 33,138,000

**Summary by Fund**

General	8,898,000	6,541,000
Environmental	24,635,000	24,965,000
Metro Landfill		
Contingency	797,000	797,000
Special Revenue	835,000	835,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

**Subd. 2. Water Pollution Control**

7,865,000 5,468,000

## Summary by Fund

General	5,873,000	3,476,000
Environmental	1,992,000	1,992,000

\$1,946,000 the first year is for grants to local units of government for the clean water partnership program. Any unencumbered balance remaining in the first year does not cancel and is available for the second year of the biennium.

## Subd. 3. Air Pollution Control

6,627,000      6,673,000

## Summary by Fund

Environmental	5,792,000	5,838,000
Special Revenue	835,000	835,000

\$425,000 the first year and \$295,000 the second year are from the environmental fund for the toxic substance air monitoring and inventory program under Minnesota Statutes, section 116.454.

## Subd. 4. Groundwater and Solid Waste Pollution Control

9,337,000      9,329,000

## Summary by Fund

Environmental	8,548,000	8,540,000
Metro Landfill		
Contingency	789,000	789,000

All money in the environmental response, compensation, and compliance account in the environmental fund not otherwise appropriated is appropriated to the commissioners of the pollution control agency and the department of agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (4), (11), (12), and (13). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance that maximizes the utilization of resources and appropriately allocates the money between the two agencies. This appropriation is available until June 30, 1995.

\$3,800,000 the first year and \$4,000,000 the second year is from the landfill

cleanup account in the environmental fund for the purposes specified in Minnesota Statutes, section 115B.42.

All money in the metropolitan landfill abatement account in the environmental fund not otherwise appropriated is appropriated to the pollution control agency for payment to the metropolitan council and may be used by the council for the purposes of Minnesota Statutes, section 473.844. The council shall report to the legislative commission on waste management its budget and work program for spending this appropriation.

Any unencumbered balance from the metropolitan landfill contingency action trust fund remaining in the first year does not cancel but is available for the second year.

The commissioner of the pollution control agency shall evaluate the feasibility of using a 900 telephone number as a means of ensuring that the agency recovers its costs for the property transfer program under Minnesota Statutes, section 115B.17, subdivision 14.

Subd. 5. Hazardous Waste Pollution Control

5,056,000      5,096,000

Summary by Fund

General	1,663,000	1,703,000
Environmental	3,393,000	3,393,000

\$250,000 the first year and \$250,000 the second year is from the environmental fund for the purposes of the hazardous waste generator loan program established in section 115B.223.

The commissioner of the pollution control agency shall evaluate the feasibility of using a 900 telephone number as a means of ensuring that the agency recovers its costs of providing assistance under Minnesota Statutes, section 115C.03, subdivision 9.

Subd. 6. Regional Support

52,000      52,000



This appropriation is from the environmental fund.

Subd. 7. General Support

6,228,000      6,520,000

Summary by Fund

General	1,362,000	1,362,000
Environmental	4,858,000	5,150,000
Metro Landfill		
Contingency	8,000	8,000

Sec. 3. OFFICE OF WASTE MANAGEMENT

20,236,000      20,456,000

Summary by Fund

General	19,196,000	19,286,000
Environmental	1,040,000	1,170,000

\$14,008,000 the first year and \$14,008,000 the second year are for SCORE block grants to counties.

\$1,327,000 the first year and \$1,332,000 the second year are for grants for market development, source reduction, and pollution prevention. Of these amounts, \$103,000 the first year and \$190,000 the second year from the environmental fund, and \$47,000 the first year and \$50,000 the second year from the general fund, are for pollution prevention grants. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$50,000 the first year and \$90,000 the second year are from the environmental fund for payment of a grant to the Minnesota technical assistance program.

Notwithstanding Minnesota Statutes, chapter 115A, money from this appropriation may, at the discretion of the director, be used for demonstration or pilot programs for farm animal waste management techniques or facilities. This money may not be used for these programs unless the director has notified the chairs of the legislative committees or divisions with jurisdiction over appropriations for environmental and natural resources activities.

Sec. 4. ZOOLOGICAL BOARD

5,048,000      5,051,000

## Sec. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation	148,783,000	147,238,000
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## Summary by Fund

General	80,094,000	79,240,000
Game and Fish	51,044,000	50,869,000
Natural Resources	17,259,000	17,025,000
Permanent School	386,000	104,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

## Subd. 2. Mineral Resources Management

4,611,000	4,589,000
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\$311,000 the first year and \$311,000 the second year are for iron ore cooperative research, of which \$200,000 the first year and \$200,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

\$355,000 the first year and \$355,000 the second year are for mineral diversification. Any unencumbered balance remaining in the first year does not cancel but is available for the second year. The commissioner is authorized one position in the unclassified service for minerals diversification.

## Subd. 3. Water Resources Management

7,991,000	7,740,000
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## Summary by Fund

General	7,894,000	7,643,000
Natural Resources	97,000	97,000

\$35,000 the first year is for reimbursement of the cost of emergency flood damage repairs to the dike on the Root river in Hokah township, section 32. The commissioner of natural resources shall pursue any federal funds that might be available for this project.

\$230,000 is for payment of a grant to the metropolitan council for development of a mathematical, state-of-the-art groundwater model for the seven-county metropol-

itan area. The funds are available for the biennium ending June 30, 1995. This appropriation is available only if matched by \$100,000 from nonstate sources.

#### Subd. 4. Forest Management

27,223,000      25,995,000

##### Summary by Fund

General	26,590,000	25,362,000
Game and Fish	312,000	312,000
Natural Resources	321,000	321,000

\$735,000 the first year and \$735,000 the second year are for presuppression and suppression costs of emergency fire fighting. If these appropriations are insufficient to cover all costs of suppression, the amount necessary to pay for emergency firefighting expenses during the biennium is appropriated from the general fund.

\$114,000 the first year and \$114,000 the second year from the general fund under Minnesota Statutes, section 89.04, are for grants to the board of water and soil resources for cost-sharing with landowners in the state forest improvement program. This appropriation is not subject to any budget reductions made in the agency.

The commissioner of natural resources shall continue the oak regeneration technical assistance program described in Laws 1991, chapter 254, article 1, section 14, subdivision 7, paragraph (e).

#### Subd. 5. Parks and Recreation Management

22,448,000      22,906,000

##### Summary by Fund

General	21,861,000	22,319,000
Natural Resources	587,000	587,000

\$587,000 the first year and \$587,000 the second year are from the water recreation account in the natural resources fund for state park development projects. If the appropriation in either year is insufficient, the appropriation for the other year is available for it.

\$2,238,000 the first year and \$2,238,000 the second year are for payment of a grant to the metropolitan council for metropolitan area regional parks maintenance and operation.

As cash flow permits, \$200,000 the first year and \$200,000 the second year are transferred from the state parks working capital account in the special revenue fund to the general fund and are appropriated for state park resource management and interpretive programs. No money shall be spent on the resource management or interpretive programs until all expenses attributable to the revenue producing program have been covered.

The commissioner of natural resources shall study the management and operational costs of the state park system and evaluate alternative funding approaches for the system. Results of the study must be reported to the legislature by July 1, 1994, and must include a review of the size, type, and number of units within the system; alternative management strategies and organizational structures; revenue generating alternatives; potential stable funding sources; and potential alternatives for reducing costs and improving self-sufficiency.

Any increase in general fund appropriations for state parks for each year of the biennium ending June 30, 1995, above the amount appropriated for fiscal year 1993 must be used only for state park field operations.

#### Subd. 6. Trails and Waterways

10,403,000      10,595,000

#### Summary by Fund

General	1,125,000	1,163,000
Game and Fish	814,000	814,000
Natural Resources	8,464,000	8,618,000

\$2,249,000 the first year and \$2,249,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid.

## Subd. 7. Fish and Wildlife Management

35,717,000      35,730,000

## Summary by Fund

General	2,444,000	2,460,000
Game and Fish	31,556,000	31,551,000
Natural Resources	1,717,000	1,719,000

\$874,000 the first year and \$874,000 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and are not subject to transfer.

\$950,000 the first year and \$951,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year. The commissioner of natural resources shall submit to the legislature by January 15, 1994, a budget request to spend any excess receipts from the nongame checkoff.

\$1,310,000 the first year and \$1,310,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2. Any unencumbered balance for the first year does not cancel but is available for use the second year.

\$810,000 the first year and \$2,618,000 the second year are from the fish management intensification account and \$1,440,000 the first year is from the game and fish fund for only the purposes specified in Minnesota Statutes, section 97A.065, subdivision 3.

\$1,342,000 the first year and \$1,342,000 the second year are from the wildlife acquisition account for only the purposes specified in Minnesota Statutes, section 97A.071, subdivision 3. Of these amounts, \$540,000 the first year and \$360,000 the second year are for acquisition, \$360,000 the first year and \$540,000 the second year are for development, and \$120,000 each year is for ditch assessments. \$322,000 each year is

for development work performed by participants in youth programs.

\$975,000 the first year and \$1,041,000 the second year are from the deer habitat improvement account, and \$225,000 the first year and \$159,000 the second year are from the game and fish fund, for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$554,000 the first year and \$554,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$222,000 the first year and \$485,000 the second year are from the waterfowl habitat improvement account, and \$486,000 the first year and \$224,000 the second year are from the game and fish fund, for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$531,000 the first year and \$531,000 the second year are from the trout stream management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$605,000 the first year and \$605,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4.

\$390,000 the first year and \$370,000 the second year are from the game and fish fund for activities relating to reduction and prevention of property damage by wildlife. Of these amounts, \$110,000 and two full-time equivalent positions each year is for technical assistance, \$95,000 and two full-time equivalent positions each year is for continued development of the geographic information system for wildlife management, and \$100,000 each year is for emergency damage abatement materials.

Subd. 8. Enforcement

15,635,000      15,475,000

## Summary by Fund

General	2,713,000	2,683,000
Game and Fish	10,322,000	10,195,000
Natural Resources	2,600,000	2,597,000

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

\$80,000 the first year and \$50,000 the second year are for costs related to the 1837 Treaty with the Chippewa.

## Subd. 9. Operations Support

24,755,000      24,208,000

## Summary by Fund

General	12,856,000	13,021,000
Game and Fish	8,040,000	7,997,000
Natural Resources	3,473,000	3,086,000
Permanent School	386,000	104,000

\$386,000 the first year and \$104,000 the second year are for land sale costs under Minnesota Statutes, section 92.67, subdivision 3. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

Any unencumbered balance remaining in the appropriation under Minnesota Statutes, section 92.46, subdivision 1, paragraph (d), in the first year does not cancel and is available for the second year.

\$95,000 the first year and \$95,000 the second year are for a grant to the Mississippi headwaters board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$17,000 the first year and \$17,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

The commissioner of natural resources shall have the authority to contract with and make grants to nonprofit agencies to carry out the purposes, plans, and pro-

grams of the office of youth programs, Minnesota conservation corps.

The commissioner of natural resources shall complete a study of the payment in lieu of taxes program. The commissioner shall compare the amount of payments that would be made under an ad valorem system to the current payments to counties. The findings of the study must be reported by January 15, 1994, to the environment and natural resources and finance committees of the senate and the environment and natural resources and ways and means committees of the house of representatives.

The commissioner of natural resources shall prepare a report on the support service costs incurred by each department program by fund. The report must include a history of these costs for the past four years and measures the department has taken to reduce and manage these costs. The report must be submitted to the senate environment and natural resources finance division and the house of representatives committee on environment and natural resources finance by December 31, 1993.

The appropriation in Laws 1991, chapter 254, article 1, section 5, subdivision 9, from the land acquisition account is available until expended.

For 1993 - \$240,000

Of this amount, \$120,000 is from the permanent school fund suspense account and is to be added to the appropriation in, and used for the purposes of, Laws 1991, chapter 254, article 1, section 5, subdivision 9, and \$120,000 is to pay legal costs of litigation and settlement of disputes relating to the 1837 Treaty.

#### Sec. 6. BOARD OF WATER AND SOIL RESOURCES

11,824,000      11,826,000

\$5,103,000 the first year and \$5,103,000 the second year are for natural resources block grants to local governments.

Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water



planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.

\$1,599,000 the first year and \$1,599,000 the second year are for grants to soil and water conservation districts for general purposes and for implementation of the RIM conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts.

\$2,220,000 the first year and \$2,220,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. This appropriation is available until expended.

Any unencumbered balance in the board's program of grants to soil and water conservation districts and counties does not cancel at the end of the first year and is available for the second year for the same grant program.

Funds may not be used by the board for providing assistance for individual on-site household waste treatment systems.

\$189,000 the first year and \$189,000 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

## Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	21,859,000	21,762,000
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### Summary by Fund

General	12,126,000	11,994,000
Environmental	272,000	272,000
Special Revenue	9,461,000	9,496,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

### Subd. 2. Protection Service

15,309,000	15,344,000
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## Summary by Fund

General	5,759,000	5,759,000
Environmental	272,000	272,000
Special Revenue	9,278,000	9,313,000

\$272,000 the first year and \$272,000 the second year are from the environmental response, compensation, and compliance account in the environmental fund.

\$4,500,000 the first year and \$4,500,000 the second year are appropriated from the pesticide regulatory account established under Minnesota Statutes, section 18B.05 for administration and enforcement of Minnesota Statutes, chapter 18B.

\$650,000 the first year and \$650,000 the second year are appropriated from the fertilizer inspection account established under Minnesota Statutes, section 18C.131 for administration and enforcement of Minnesota Statutes, chapter 18C.

\$400,000 the first year and \$400,000 the second year are appropriated from the seed potato inspection fund established under Minnesota Statutes, section 21.115 for administration and enforcement of Minnesota Statutes, sections 21.111 to 21.122.

\$600,000 the first year and \$600,000 the second year are appropriated from the seed inspection fund established under Minnesota Statutes, section 21.92 for administration and enforcement of Minnesota Statutes, sections 21.80 to 21.92.

\$650,000 the first year and \$650,000 the second year are appropriated from the commercial feed inspection account established under Minnesota Statutes, section 25.39, subdivision 4 for administration and enforcement of Minnesota Statutes, sections 25.35 to 25.44.

\$620,000 the first year and \$620,000 the second year are appropriated from the fruit and vegetables inspection account established under Minnesota Statutes, section 27.07, subdivision 6 for administration and enforcement of Minnesota Statutes, section 27.07.

\$1,345,000 the first year and \$1,380,000 the second year are appropriated from the milk inspection service account established under Minnesota Statutes, section 32.394, subdivision 9 for the purpose of milk inspections under Minnesota Statutes, chapter 32.

\$218,000 the first year and \$218,000 the second year are appropriated from the dairy industry unfair trade practices account established under Minnesota Statutes, section 32A.05, subdivision 4 for administration and enforcement of Minnesota Statutes, chapter 32a.

\$295,000 the first year and \$295,000 the second year are appropriated from the livestock weighing fund established under Minnesota Statutes, section 17A.11 for the purpose of livestock weighing costs under Minnesota Statutes, chapter 17A.

#### Subd. 3. Promotion and Marketing

1,047,000      1,047,000

#### Summary by Fund

General	864,000	864,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed \$6,900,000 in fiscal year 1994 and \$9,900,000 in fiscal year 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to \$981,024 for eligible, unpaid claims accumulated through June 30, 1993.

\$100,000 the first year and \$100,000 the second year are for ethanol promotion and public education.

\$71,000 the first year and \$71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

\$100,000 the first year and \$100,000 the second year must be spent for the WIC coupon program.

\$183,000 the first year and \$183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Subd. 4. Administration and Financial Service

5,503,000      5,371,000

\$389,000 the first year and \$389,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1994 or 1995.

\$199,000 the first year and \$199,000 the second year are to manage the family farm advocacy program.

\$77,000 the first year and \$77,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$25,000, the amount above \$25,000 must be cost-shared at a state-applicant ratio of one to one. Priorities must be given for projects involving multiple parties. Up to \$20,000 each year may be used for dissemination of information about the demonstration grant projects. If the appropriation for either year is insufficient, the appropriation for the other is available.

\$66,000 the first year and \$66,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment and are available until spent.

\$150,000 the first year and \$150,000 the second year are for grants to agriculture information centers. The grants are only available on a match basis. The funds may be released at the rate of two state dollars for each \$1 of matching nonstate money that is raised.

\$43,000 the first year and \$43,000 the second year are for payment of claims relating to livestock damaged by endangered animal species and agricultural crops damaged by elk. If the appropriation for either year is insufficient, the

appropriation for the other year is available for it.

\$76,000 the first year and \$76,000 the second year are for the seaway port authority of Duluth.

\$19,000 the first year and \$19,000 the second year is for a grant to the Minnesota livestock breeder's association.

Money from this appropriation may, at the discretion of the commissioner, be used for demonstration or pilot programs for farm animal waste management techniques or facilities. This money may not be used for these programs unless the commissioner has notified the chairs of the legislative committees or divisions with jurisdiction over appropriations for environmental and natural resources activities.

The unencumbered balance on June 1, 1993, of amounts authorized under Laws 1992, chapter 513, article 2, section 6, subdivision 5, for legal challenges to discriminatory aspects of the federal milk market order system are transferred to the supreme court for the same purposes.

#### Sec. 8. BOARD OF ANIMAL HEALTH

2,027,000      2,066,000

This appropriation includes \$25,000 the first year and \$25,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

\$150,000 the first year and \$150,000 the second year are for an integrated pseudorabies control and research program. The board of animal health must consult with the pseudorabies advisory council about how this money should be spent. The appropriation is available only as matched, dollar for dollar, by money from nonstate sources.

#### Sec. 9. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

129,000      130,000

This appropriation is only available to the extent it is matched by an equal amount from the state of Wisconsin.

Sec. 10. CITIZEN'S COUNCIL ON  
VOYAGEURS NATIONAL PARK

72,000 72,000

Notwithstanding Minnesota Statutes, section 15.059, subdivision 5, the existence of the citizen's council on Voyageurs National Park terminates June 30, 1995.

Sec. 11. SCIENCE MUSEUM OF MINNESOTA

1,108,000 1,053,000

Sec. 12. MINNESOTA ACADEMY OF  
SCIENCE

36,000 36,000

Sec. 13. MINNESOTA HORTICUL-  
TURAL SOCIETY

72,000 72,000

Sec. 14. MINNESOTA RESOURCES

Subdivision 1. Total Appropriation

41,274,000

Summary by Fund

Minnesota Future Resources Fund 14,662,000

Minnesota Environment and  
Natural Resources Trust Fund 24,600,000

Of this appropriation \$10,298,000 is for  
trust fund acceleration.

Oil Overcharge  
Money in the Special  
Revenue Fund

2,012,000

The appropriations in this section are  
available until June 30, 1995.

In this section:

(a) "Future resources fund" means the  
Minnesota future resources fund referred  
to in Minnesota Statutes, section 116P.13.

(b) "Trust fund" means the Minnesota  
environment and natural resources trust  
fund referred to in Minnesota Statutes,  
section 116P.02, subdivision 6.

(c) "Trust fund acceleration" means the  
Minnesota environment and natural re-  
sources trust fund to be expended only for  
capital investments in parks and trails  
referred to in Minnesota Statutes, section  
116P.11, paragraph (b), clause (3).

(d) "Oil overcharge money" means the  
money referred to in Minnesota Statutes,  
section 4.071, subdivision 2.

Subd. 2. Legislative Commission on Min-  
nesota Resources

695,000

\$425,000 of this appropriation is from the future resources fund and \$270,000 is from the trust fund pursuant to Minnesota Statutes, section 116P.09, subdivision 5.

For the biennium ending June 30, 1995, the commission shall monitor the programs in this section; assess the status of the state's natural resources; convene a state resource congress; establish priorities for, request, review, and recommend programs for the 1995-1997 biennium from the future resources fund, environment and natural resources trust fund, and oil overcharge money, and for support of the citizen advisory committee activities.

### Subd. 3. Agriculture

#### (a) Biological Control of Plant and Animal Pests

880,000

This appropriation is from the oil overcharge money to the commissioner of administration for transfer to the commissioner of agriculture to develop, test, and implement biological control agents to reduce the use of petroleum-based chemicals. A grant request to supplement this appropriation must be submitted to the United States Department of Agriculture and the results reported to the legislative commission on Minnesota resources.

#### (b) Cover Crops in a Corn and Soybean Rotation

150,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota for the development of economic management strategies of cover crops for corn and soybean rotations to reduce soil erosion, nitrate leaching, and pesticide use.

#### (c) Increasing Utilization of Federal Cost Share Feedlot Funds

480,000

This appropriation is from the future resources fund to the commissioner of agriculture to provide technical assistance for the rehabilitation of priority feedlots with water quality concerns.

#### (d) Demonstration of Production Scale Waste Collection in Aquaculture

100,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with Minnesota aquafarms to evaluate operational efficiencies of a fish waste collection system and to evaluate the potential for the waste collection system to meet state water quality requirements.

(e) Reinvest in Minnesota – Conservation Reserve Easements

1,377,000

\$500,000 of this appropriation is from the trust fund and \$877,000 of this appropriation is from the future resources fund to the board of water and soil resources to accelerate the RIM program to acquire perpetual conservation easements on marginal agricultural lands. Up to \$100,000 may be used to implement conservation practices on the easements. None of this appropriation may be used for administrative costs.

(f) Alternative Aquaculture Methods

230,000

This appropriation is from the future resources fund to the commissioner of agriculture to develop and evaluate alternative methods of raising fish, focusing on water conservation through waste removal, and collection involving recirculating aquaculture systems. Grant requests to supplement this appropriation must be submitted to the United States Department of Agriculture and the national Sea Grant program and the results reported to the legislative commission on Minnesota resources.

(g) Minnesota Aquaculture Development Program

230,000

This appropriation is from the future resources fund to the commissioner of agriculture to conduct a grant program for the evaluation and development of environmentally sound aquaculture systems.

(h) Managing Agricultural Environments of North-Central Minnesota Sandy Soils

480,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to develop improved management strategies for water, nitrogen,



and herbicide use on sandy soils in north central Minnesota.

(i) Nutrient Availability From Land-Applied Manure

280,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to determine nutrient availability from manure/soil/crop systems to improve manure utilization by crops, reduce environmental impacts on water resources, and provide best management practices (BMPs) to guide manure management decisions.

(j) Effective Manure Management in Conservation Tillage Systems for Karst Areas

500,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to investigate factors that influence losses of contaminants to surface and groundwater. The emphasis will be on soil, crop residue, and manure management to maximize crop recovery of nitrogen and minimize losses to surface and groundwater.

(k) Nutrient Recycling Through Plants and Animals

260,000

This appropriation is from the future resources fund to the commissioner of agriculture for a contract with the University of Minnesota to improve techniques to predict nitrogen mineralization from manure and soil organic matter in west central Minnesota.

(l) Developing Soil Specific Nitrogen Management as a Best Management Practice (BMP)

294,000

This appropriation is from the oil overcharge money to the commissioner of administration for transfer to the commissioner of agriculture for development of new soil specific, variable rate nitrogen applications that will increase operating efficiency and reduce applied nitrogen without reducing yield.

Subd. 4. Energy

(a) Reducing Energy and CO2

230,000

This appropriation is from the oil over-charge money to the commissioner of administration for a contract with the center for energy and urban environment to develop a comprehensive action plan that will focus on energy efficiency, alternative energy, and fuel switching through an assessment of opportunities for the reduction of CO2 and other greenhouse gases.

**(b) Operational Implications of Alternate Transit Bus Fuels**

78,000

This appropriation is from the oil over-charge money to the commissioner of administration for a contract with the metropolitan transit commission to test alternate bus fuels to evaluate their potential for reduced fuel consumption and increased operational efficiency.

**(c) The Bus, Bike, or Car Pool (B-BOP) Challenge**

150,000

This appropriation is from the oil over-charge money to the commissioner of administration for a contract with the center for energy and urban environment to reduce energy use by the delivery of an employer-based program that cost effectively reduces the use of single occupant vehicles by commuters who pledge to B-BOP or telecommute regularly during the summer.

**(d) Tree and Grass Production for Ethanol**

380,000

This appropriation is from the oil over-charge money to the commissioner of administration for a contract with the agricultural utilization research institute to implement a program to supply biomass feedstock derived from trees and grass to a national renewable energy laboratory (NREL), United States Department of Energy Engineering Development facility for converting biomass to ethanol and thermochemical fuels. This appropriation is contingent on a NREL agreement by January 1, 1994, to purchase biomass.

**Subd. 5. Forestry**

**(a) Development of Tree Seed Orchard Complex**

80,000

This appropriation is from the future resources fund to the commissioner of natural resources for production of genetically improved forest tree seed.

(b) Como Park Replanting Program

93,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the city of St. Paul to replant areas in Como Park that have lost trees due to disease, age, or other causes.

(c) Reforestation in Ramsey County Parks and Open Space

50,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Ramsey county to accelerate the reforestation program in Ramsey county regional and county parks to replace trees lost to storm damage, drought, and disease and begin establishment of new plantings. None of this appropriation is to be used for administration.

(d) Developing Quality Hardwood Forests

210,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the University of Minnesota to conduct research on the effects of different canopy gap sizes and site preparation methods on natural hardwood regeneration.

Subd. 6. General

(a) Minnesota County Biological Survey  
– Continuation

900,000

This appropriation is from the trust fund to the commissioner of natural resources to continue the Minnesota county biological survey of systematic collection (\$432,000) and management of data on the distribution of rare plants, animals, and natural habitats (\$288,000) and to provide for distribution and integration of rare features information (\$180,000).

(b) Minnesota's Forest-Bird Diversity Initiative – Continuation

500,000

This appropriation is from the trust fund to the commissioner of natural resources

to monitor forest songbird populations and to utilize geographic information system tools to correlate forest bird populations with dynamics of the forest landscape.

(c) Description and Evaluation of Minnesota Old Growth Forests - Continuation

250,000

This appropriation is from the future resources fund to the commissioner of natural resources to accelerate the evaluation of old growth candidate stands (\$90,000), develop detailed descriptions of old growth forest types (\$110,000), and determine habitat relations of forest fungi in old growth forests (\$50,000) for completion of the implementation of the department of natural resources old growth guidelines.

(d) Mississippi Headwaters River Inquiry and Education Project

75,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Mississippi headwaters board to provide for the investigation of river corridor biology, hydrology, and cultural issues, training of local government officials, and public education on river protection strategies.

(e) Anadromous Fish Monitoring

137,000

This appropriation is from the future resources fund to the commissioner of natural resources for biologic monitoring to improve the management of the steelhead population on the north shore of Lake Superior.

(f) Land and Water Conservation Fund Administration

80,000

This appropriation is from the future resources fund to the commissioner of natural resources for administration of the federal land and water conservation program and other contract administration activities assigned to the commissioner in this section.

Subd. 7. Information/Education

(a) Quantify Pesticide and Fertilizer Run-off from Golf Courses

49,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with suburban Hennepin Regional Park district for a study of the quantity of pesticide and fertilizer runoff water from golf courses and an assessment of the impact of these contaminants on downstream waterbodies. This appropriation must be matched by \$49,000 of nonstate funds.

(b) Developing Multi-Use Urban Green Space

220,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Minneapolis park and recreation board to develop city tax forfeited lands into neighborhood gardens, orchards, alternative landscape demonstration areas, and tree nurseries.

(c) The On-Line Museum: Computer and Interactive Video

260,000

This appropriation is from the trust fund to the commissioner of education for a contract with the science museum of Minnesota to create an interactive video data base of selected cultural and natural history collections as a prototype for a unique learning experience in environmental education for museum visitors and school children.

(d) Environmental Education Outreach Program

215,000

This appropriation is from the future resources fund to the commissioner of education for a contract with metropolitan waste control commission (MWCC) to develop a multidisciplinary environmental science and math curriculum for grades K-12 and team-taught by private sector volunteers, teachers, and MWCC volunteer staff. A grant request to supplement this appropriation must be submitted to the United States Environmental Protection Agency and the results reported to the legislative commission on Minnesota resources. This appropriation must be matched by an equal amount of nonstate funds.

## (e) Summer Youth History Program

100,000

This appropriation is from the future resources fund to the Minnesota state historical society to provide summer employment for high school students of at least 50 percent minority or disadvantaged at historic sites.

## (f) The Ecology of Minnesota - Book

51,000

This appropriation is from the future resources fund to the University of Minnesota for a grant to the university press to assist in the preparation and production of a book presenting a comprehensive overview of Minnesota's natural environment.

## (g) Green Street: An Urban Environmental Awareness Project

550,000

This appropriation is from the trust fund to the commissioner of education for a contract with the science museum of Minnesota to develop a comprehensive, coordinated urban environmental education project, which will be a core exhibit and outreach program focused on revealing the links between modern lifestyles and major environmental issues.

## (h) Nicollet Conservation Club Swan Lake Interpretive Room

18,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Nicollet conservation club to equip a Swan Lake interpretive center at the Nicollet conservation club. Facilities will be open for use by local school groups and state agencies for interpretive programs and meetings at no charge. This appropriation must be matched by an equal amount of nonstate funds.

## (i) Project City Camp: Experiential Urban Environmental Education

130,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Pillsbury Neighborhood Services, Inc., to implement Project City Camp, to help inner city poor and minority youth and adults understand the urban environment and its impact on human development.

- (j) Granite Quarry Park and Interpretive Center Planning 50,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Stearns county to study the features of the quarry sites and plan for the development of an interpretive and recreational regional park. This appropriation must be matched by \$50,000 of nonstate funds.

- (k) Expanded Crosby Farm Park Nature Program 91,000

This appropriation is from the future resources fund to the commissioner of education for a contract with the city of St. Paul to accelerate the nature study program established at Crosby Farm Park utilizing the Como zoo, Como conservatory, and Crosby Farm Nature Park.

- (l) Multiple-Use Forest Management Learning Kit 15,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Deep Portage environmental learning center to develop a multiple use forest management learning kit. This appropriation must be matched by \$5,500 of nonstate funds.

- (m) An Outdoor Classroom to Improve Rural Environmental Education 60,000

This appropriation is from the future resources fund to the commissioner of education for a contract with the Faribault County Environmental Learning Center, Inc., in cooperation with area 4-H, communities and schools, for an outdoor classroom project using native Minnesota vegetation, to train instructors, educate youth and community members, and evaluate changes in environmental awareness.

#### Subd. 8. Land

- (a) Base Maps for 1990s - Continuation 710,000

This appropriation is from the trust fund to the commissioner of administration to provide the state share of a 50/50 match program with the United States Geological Survey to continue statewide coverage of orthophoto maps, update mapping for

the state major urban areas, and plan for future cooperative mapping and air photos programs.

(b) Rural County Use of National Aerial Photography Program Flight

90,000

This appropriation is from the future resources fund to the commissioner of administration for a contract with Houston county to evaluate the quality of digital planimetric map products and the effectiveness of national aerial photography program products in meeting the needs of Houston county users and to assist other counties in the future use of the products. This project must comply with the data compatibility requirements set forth in subdivision 14.

(c) Recreational Resource Planning in the Metro Mississippi Corridor

175,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the University of Minnesota to investigate the potential for enhancing and enriching the recreational opportunities along the Mississippi river in the metropolitan corridors of the Mississippi National River and Recreation Area (MNRRA). This appropriation must be matched by \$25,000 of nonstate funds.

Subd. 9. Minerals

Mitigating Concrete Aggregate Problems in Minnesota

179,000

This appropriation is from the future resources fund to the commissioner of transportation for a contract with the University of Minnesota to study means of mitigating concrete aggregate problems in southern Minnesota.

Subd. 10. Recreation

The appropriations in items (a) to (l) are for trust fund acceleration.

(a) State Park Betterment

3,000,000

This appropriation is from the trust fund to the commissioner of natural resources to develop, improve, and rehabilitate state park facilities to meet growing user demand as well as prevent further deterio-



ration of outstanding historically significant structures.

(b) Americans With Disabilities Act: Retrofitting Regional Parks

220,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council to make subgrants to regional park implementing agencies to retrofit existing facilities to meet federal Americans with Disabilities Act (ADA) requirements.

(c) Trail Linkages, Metropolitan Regional Network

2,327,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council to make subgrants to acquire and improve regional trails which link existing and planned regional, local, and state parks and trails.

(d) Initiate Gateway Segment of the Willard Munger State Trail into Downtown St. Paul

200,000

This appropriation is from the trust fund to the commissioner of natural resources for acquisition and development of the trail right-of-way of the gateway segment of the Willard Munger state trail into downtown St. Paul. This appropriation is for acquisition and development only and must be done in cooperation with the city of St. Paul.

(e) Birch Lake Regional Bikeway/Walkway

450,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to Ramsey county which shall cooperate with the city of White Bear Lake to develop a bikeway/walkway linking trunk highway 96 regional bikeway with Tamarack nature center and business centers, and a trailside interpretive program. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(f) Cedar Lake Trail Development

610,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to plan and construct Cedar Lake recreational and nonmotorized commuter trail from Highway 100 to downtown Minneapolis intersecting with the chain of lakes. This appropriation must be matched by \$200,000 of nonstate funds. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(g) State Trail Development

2,327,000

This appropriation is from the trust fund to the commissioner of natural resources to start development of the Paul Bunyan state trail, the development of an abandoned railroad grade located between Barnum and Carlton, and provide for the acquisition and development of a trail connection from Harmony to the Root river state trail.

(h) Shingle Creek Trail Improvement

130,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to develop the Shingle Creek trail connection between Minneapolis and Hennepin county regional trail.

(i) Lilydale/Harriet Island Regional Park Trail

246,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a contract with the city of St. Paul to plan and construct a pedestrian bicycle trail in the Lilydale/Harriet Island Regional Park.

(j) Como Park East Lakeshore Reclamation

163,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the city of St. Paul to provide site improvements for reclama-

tion and restoration of severely eroded areas on east lakeshore in Como Park.

(k) Grain Belt Mississippi Riverfront Development

300,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board, which shall cooperate with the Minneapolis community development agency to create riverfront recreational park and marina facilities through acquisition and development of Mississippi riverfront property. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(l) Acquisition of Palace Restaurant Site on Mississippi River

325,000

This appropriation is from the trust fund to the commissioner of natural resources for a contract with the metropolitan council for a subgrant to the Minneapolis park and recreation board to acquire the Palace Restaurant property located on the east bank of the Mississippi for open space and recreational opportunities. This appropriation is contingent on this facility being designated part of the metropolitan regional park and open space system.

(m) Access to Lakes and Rivers - Continuation

1,000,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate access to lakes and rivers statewide. \$500,000 is for boat access to lakes and rivers and \$500,000 is for shoreline access and fishing piers statewide.

(n) Saint Louis River Land Acquisition

1,000,000

This appropriation is from the trust fund to the commissioner of natural resources to acquire and protect undeveloped lands known for their resource and recreation values located along the Saint Louis, Cloquet, and Whiteface rivers.

(o) Lake Minnetonka Water Access Acquisition

944,000

This appropriation is from the future resources fund to the commissioner of natural resources to acquire land for a water access site on Maxwell and Crystal Bays in Lake Minnetonka.

(p) Lake Superior Safe Harbors – Continuation

1,000,000

This appropriation is from the future resources fund to the commissioner of natural resources to acquire a site not to exceed 25' acres and construct a Lake Superior safe harbor site at Silver Bay in cooperation with the north shore management board. This appropriation is contingent on additional funding being requested from the IRRRB, the United States Army Corps of Engineers and other federal/local sources as described in the north shore harbors plan.

(q) Cooperative Trails Grant Program

800,000

This appropriation is from the future resources fund to the commissioner of natural resources for a grant program to assist in the acquisition and development of local connections to planned and existing state trails and other public recreation facilities.

(r) Agassiz Recreational Trails (ART)

650,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Agassiz Recreational Trail Joint Powers Board to plan, purchase, and develop Agassiz recreational trails and improve up to five local parks.

(s) Mesabi Trail Acquisition, Planning and Development

700,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the St. Louis and Lake county regional rail authority to plan and begin acquiring and developing a 132-mile multipurpose trail linking the Mesabi iron range between Grand Rapids and Ely. This appropriation must be matched by \$350,000 cash from IRRRB or nonstate funds.

(t) Recreational Programming: Inclusiveness for Persons with Disabilities

160,000

This appropriation is from the future resources fund to the commissioner of education for a contract with Vinland National Center to provide staff training and consultation, targeted outreach and resource education, to enhance the inclusiveness, accessibility, and utilization of existing recreational programs by persons with disabilities.

(u) Enhanced Recreational Opportunities for Southeast Asian Ethnic Communities

300,000

This appropriation is from the future resources fund to the commissioner of natural resources to provide community education, develop bilingual communication exchanges, and cultural and sensitivity training with community members and natural resource professionals.

(v) Urban Community Gardening Program

110,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Sustainable Resources center to provide technical assistance and information to neighborhood based groups, special populations, and municipalities for community gardening, including the rehabilitation of urban open space.

(w) National Register Grants Program

165,000

This appropriation is from the future resources fund to the Minnesota state historical society to assist in the preservation of outstanding historical properties such as Pickwick Mill (1854-58), Sibley County Courthouse (1879), Wendelin Grimm Farmstead (1876), and Tugboat Edna G (1896), and other emergency needs of properties of national or state-wide historic significance.

(x) Historical Research and Planning for Traverse des Sioux

68,000

This appropriation is from the future resources fund to the Minnesota state historical society to research and develop a master plan for Traverse des Sioux, a historic site owned by the Minnesota historical society and located in Nicollet county.

(y) Peninsula Point Two Rivers Historical Park

435,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the city of Anoka to develop Peninsula Point Two Rivers Historical Park located at the confluence of the Rum and Mississippi rivers.

Subd. 11. Water

(a) Minnesota River Implementation – Continuation

1,100,000

This appropriation is from the trust fund to the commissioner of the pollution control agency to accelerate the adoption of best management practices (BMPs) and to accelerate related state and local implementation activities for the Minnesota river basin.

(b) Local River Planning – Continuation

480,000

This appropriation is from the future resources fund to the commissioner of natural resources for contracts of up to two-thirds of the cost to counties or groups of counties acting pursuant to a joint powers agreement, to develop comprehensive plans for the management and protection of rivers in northern and central Minnesota. The commissioner of natural resources shall include in the work plan for review and approval by the legislative commission on Minnesota resources a proposed list of rivers and a planning process developed by the consensus of the affected counties. All plans must meet or exceed the requirements of state shoreland and floodplain laws. Up to \$100,000 is available for administration and technical assistance.

(c) Mercury Reduction in Fish – Continuation

200,000

This appropriation is from the trust fund to the commissioner of the pollution control agency for a contract with the University of Minnesota to complete pilot studies testing mercury reduction in fish for Minnesota waters. Grant requests to supplement this appropriation must be submitted to the United States Environ-

mental Protection Agency and the results reported to the legislative commission on Minnesota resources.

(d) Stream Flow Protection

280,000

This appropriation is from the future resources fund to the commissioner of natural resources to collect stream habitat data (width, depth, velocity, substrate, water elevation) in up to 39 watersheds to develop community-based flows that protect stream resources. This project must comply with the data compatibility requirements set forth in subdivision 15.

(e) The South Central Minnesota Groundwater Contamination Susceptibility Project – Continuation

290,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Mankato state university to couple surface hydrology, subsurface geology, and hydrogeology for environmental analysis to assess present environmental conditions, establish benchmarks, and develop regional priorities for south central Minnesota. This project must comply with the data compatibility requirements set forth in subdivision 14.

(f) White Bear Lake Levels Feasibility Study

228,000

This appropriation is from the future resources fund to the commissioner of natural resources to install additional observation wells at White Bear Lake (\$50,000), to study lake and groundwater relationships, to conduct a feasibility study to address lake level issues (\$50,000), and to abandon or retrofit existing augmentation wells (\$128,000).

(g) County Geologic Atlases and Regional Hydrogeologic Assessments – Continuation

850,000

\$425,000 is from the trust fund to the University of Minnesota, Minnesota geologic survey, and \$425,000 is from the trust fund to the commissioner of natural resources to expand production of county geologic atlases and regional hydrogeologic assessments. This project must com-

ply with the data compatibility requirements set forth in subdivision 14.

**(h) Septic System Replacement for Water Related Tourism Businesses**

500,000

This appropriation is from the future resources fund to the commissioner of trade and economic development to provide matching grants of up to \$10,000 to resorts and related tourism businesses located on lakes and rivers for replacement of failing or nonconforming septic systems. Businesses that begin replacement of failing or nonconforming septic systems after the effective date of this act are eligible for these grants:

**(i) Optical Brighteners: Indicators of Sewage Contamination of Groundwaters**

157,000

This appropriation is from the future resources fund to the commissioner of the pollution control agency for a contract with Dakota county to study the correlation of optical brighteners present in domestic sewage from detergent use with nonagricultural nitrogen as interferences with atrazine detection.

**Subd. 12. Wildlife, Fisheries, Plants**

**(a) Reinvest in Minnesota – Critical Habitat Match, Scientific and Natural Area, Wildlife, and Prairie Acquisition**

4,000,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program. \$2,600,000 is to protect and improve critical fish, wildlife, and native plant habitat through critical habitat match; \$1,000,000 is to acquire land for scientific and natural areas; \$300,000 is to acquire North American waterfowl management plan projects; and \$100,000 is to acquire prairie bank easements to protect native prairie on private lands.

**(b) Reinvest in Minnesota – Wildlife Habitat Stewardship and Property Development**

900,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program, to develop state land, to protect wildlife and native plant populations; re-



store native plant communities, and enhance wildlife habitat.

(c) Reinvest in Minnesota – Statewide Fisheries Habitat Development

687,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program through the development of trout, walleye, and smallmouth bass habitat in streams, removal of the Flandrau dam on the Cottonwood river to allow migration of fish, and the installation of aeration systems on winterkill-prone lakes.

(d) Establishment of Critical Winter Habitat Areas on Intensively Farmed Land

100,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Pheasants Forever, Inc., to acquire and establish areas of critical winter habitat for wildlife on farmland in Scott county. This appropriation must be matched by \$60,000 nonstate funds.

(e) Wild Turkey Hunting Safety/Education

39,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the wild turkey federation to develop a program to promote safety in the sport of wild turkey hunting, to minimize accidents, and improve hunter/landowner relationships.

(f) Niemackl Watershed Restoration

500,000

This appropriation is from the future resources fund to the commissioner of natural resources for the restoration of the Niemackl watershed by improvement of water quality, flood reduction, fish and wildlife habitat, and recreation through citizen participation with federal, state, and local governments, and nongovernment agencies. \$200,000 is available to begin the project and the remaining \$300,000 is contingent on a match of \$300,000 of nonstate funds.

(g) Deer Critical Habitat Survey – Koochiching County

75,000

This appropriation is from the future resources fund to the commissioner of natural resources in cooperation with Koochiching county to conduct an intensive survey of deer winter cover in Koochiching county to identify critical habitat for deer for improved timber management and for deer population management. This appropriation must be matched by \$5,000 of nonstate funds.

(h) Reinvest in Minnesota – Fisheries Acquisition for Angler Access and Habitat Development

300,000

This appropriation is from the trust fund to the commissioner of natural resources to accelerate the reinvest in Minnesota program. \$50,000 is for trout stream easements; \$50,000 is for warm water stream easements; and \$200,000 is for aquatic management areas acquisition.

(i) Establishing Goose Nesting Sites in Northern Minnesota and Relocation of Giant Canada Goslings

21,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with Geese International, Inc., to manufacture and place 160 permanent goose nesting sites in the Squaw Lake and Baudette areas and to purchase a four-wheel drive vehicle capable of towing a trailer for 400 goslings. This appropriation must be matched by \$31,890 from Geese International, Inc.

(j) Prairie Ecosystem Restoration in the Minneapolis Park System

60,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the Minneapolis park and recreation board to restore and rehabilitate the remnant, secondary, and introduced prairie tracts in the Minneapolis park system. This appropriation must be matched by \$60,000 from nonstate funds.

(k) Theodore Wirth Park Tamarack Bog Preservation Project

40,000

This appropriation is from the future resources fund to the commissioner of nat-

ural resources for a contract with the People for Minneapolis Parks fund in cooperation with the Minneapolis park and recreation board to restore the Theodore Wirth park tamarack bog, improve the access trail, construct a boardwalk, and develop and install self-guided interpretive signage.

(l) Biological Control of Eurasian Water Milfoil and Purple Loosestrife

400,000

This appropriation is from the trust fund to the commissioner of natural resources to research biological control for purple loosestrife and Eurasian water milfoil. The purple loosestrife research must be done in cooperation with the commissioner of agriculture. \$100,000 is for the propagation, release, and evaluation of insects for purple loosestrife control; \$50,000 is for the development of mycoherbicides to control purple loosestrife; \$200,000 is for evaluation of biocontrol agents for Eurasian water milfoil fungi and insects; and \$50,000 is to research the biology of Eurasian water milfoil. The \$250,000 for Eurasian water milfoil must be matched by \$200,000 of nonstate funds.

(m) Replacement of Eurasian Water Milfoil with Native Minnesota Plants

40,000

This appropriation is from the future resources fund to the commissioner of natural resources for a contract with the White Bear Lake conservation district to research the replanting of areas treated for Eurasian water milfoil with native aquatic plants.

(n) Integrated Control of Purple Loosestrife

90,000

This appropriation is from the future resources fund to the commissioner of agriculture in cooperation with the commissioner of natural resources to accelerate evaluation of integrated biological control agents for purple loosestrife infestations in Houston, Hennepin, Wabasha, and Goodhue counties.

(o) Ecological Impacts of Releasing Genetically Engineered Fishes

175,000

This appropriation is from the trust fund to the commissioner of agriculture in cooperation with the commissioner of natural resources for a contract with the University of Minnesota to assess impacts of the release of genetically engineered fish on Minnesota's game fish and aquatic ecosystems and formulate recommendations to reduce detrimental impacts through measurement of bioenergetic and behavioral traits.

#### Subd. 13. MFRF Contingent Account

If cancellations or increased revenue, or both, create an excess balance in the future resources fund, up to \$600,000 for the biennium is appropriated from the fund for acquisition or development of state land or other projects that are part of a natural resources acceleration activity, when deemed to be of an emergency or critical nature. This appropriation is also available for projects initiated by the legislative commission on Minnesota resources that are found to be proper in order for the commission to carry out its legislative charge.

This appropriation is not available until the legislative commission on Minnesota resources has made a recommendation to the legislative advisory commission regarding each expenditure from the account. The legislative advisory commission must then hold a meeting and provide its recommendation on each item, which may be spent only with the approval of the governor.

#### Subd. 14. Data Compatibility Requirements

During the biennium ending June 30, 1995, the data collected by the projects funded under this section that have common value for natural resource planning and management must conform to information architecture as defined in guidelines and standards adopted by the information policy office. Data review committees may be established to develop or comment on plans for data integration and distribution and shall submit semiannual status reports to the legislative commission on Minnesota resources on their

findings. In addition, the data must be provided to and integrated with the Minnesota land management information center's geographic data bases with the integration costs borne by the activity receiving funding under this section.

#### Subd. 15. Work Program

It is a condition of acceptance of the appropriations in this section that any agency or entity receiving the appropriation must submit a work program and semiannual progress reports in the form determined by the legislative commission on Minnesota resources. None of the money provided may be spent unless the commission has approved the pertinent work program.

#### Subd. 16. Temporary Positions

Persons employed by a state agency and paid by an appropriation in this section are in the unclassified civil service, and their continued employment is contingent upon the availability of money from the appropriation. The positions are in addition to any other approved complement for the agency. Part-time employment of persons is authorized.

#### Subd. 17. Match Requirements

Appropriations in this section that must be matched and for which the match has not been committed by January 1, 1994, must be canceled.

#### Subd. 18. Purchase of Recycled and Recyclable Materials

A political subdivision, public or private corporation, or other entity that receives an appropriation in this section must use the appropriation in compliance with Minnesota Statutes, sections 16B.121 to 16B.125, regarding the purchase of recycled, repairable, and durable materials, the purchase of uncoated paper stock, and the use of soy-based ink, the same as if it were a state agency.

#### Subd. 19. Carryforward

The appropriation in Laws 1991, chapter 254, article 1, section 14, subdivision 7, paragraph (e), Private Forest Manage-

ment Oak Regeneration, is available until December 31, 1993.

Sec. 15. AGRICULTURAL UTILIZATION RESEARCH INSTITUTE	4,000,000	4,000,000
Sec. 16. EMERGENCY RESPONSE COMMISSION	\$25,000	\$25,000
Sec. 17. PUBLIC FACILITIES AUTHORITY	\$150,000	\$150,000

\$150,000 the first year and \$150,000 the second year are for the individual on-site treatment program under Minnesota Statutes, section 116.18, subdivision 3c. In awarding grants, the public facilities authority shall give priority to projects within the Minnesota river watershed.

The commissioner of the pollution control agency shall report to the legislative committees on environment and natural resources by December 15, 1993, on the advisability and feasibility of expanding the individual on-site treatment systems program under Minnesota Statutes, section 116.18, subdivision 3c, to include areas outside municipalities. The report must include an assessment of alternative means of providing assistance to individuals for on-site treatment systems.

Sec. 18. COMMERCE 200,000

This appropriation is from the landfill cleanup account in the environmental fund for development of the insurance buyout formula under section 76.

#### Sec. 19. [TRANSFERS.]

*Subdivision 1. [GENERAL PROCEDURE.] If the appropriation in this act to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives. If the appropriation in this act to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.*

*Subd. 2. [TRANSFER PROHIBITED.] If an amount is specified in this act for an item within an activity, that amount must not be transferred or used for any other purpose.*

#### Sec. 20. [INFORMATION POLICY OFFICE (IPO) APPROVAL.]

*Appropriations for information systems shall not be allotted until the commissioner of the agency certifies to the commissioner of finance that all IPO project requirements have been met or will be met. If the appropriation for either year is insufficient, the appropriation for the other year is available.*

**Sec. 21. [TRANSFER OF RESPONSIBILITIES TO COMMISSIONER OF NATURAL RESOURCES.]**

*The responsibilities of the commissioner of trade and economic development relating to conservation and recreation grants under Minnesota Statutes, sections 116J.401, clause (5), and 116J.406, are transferred to the commissioner of natural resources under Minnesota Statutes, section 15.039.*

Sec. 22. Minnesota Statutes 1992, section 17.59, subdivision 5, is amended to read:

Subd. 5. [COMMODITIES RESEARCH AND PROMOTION ACCOUNT.] All fees collected by the department under sections 17.51 to 17.69 and any other fees and income received by the department in the administration of these statutes shall be deposited in a separate account known as the commodity research and promotion account in the special revenue fund. ~~These funds shall be appropriated to the department for the purpose of defraying the expenses of administering and enforcing the sections listed in this subdivision.~~

Sec. 23. Minnesota Statutes 1992, section 17A.11, is amended to read:

**17A.11 [FEES FOR LIVESTOCK WEIGHING.]**

The commissioner shall prescribe the fee necessary to cover the cost of state weighing, to be assessed and collected from the seller in the manner the commissioner may prescribe. The fee assessed must be the same, and the manner of collection of the fee must be uniform at all facilities. At any location where state weighing is performed in accordance with this chapter and the total annual fees collected are insufficient to pay the cost of the weighing, the annual deficit shall be assessed and collected in the manner the commissioner may prescribe. Additional money arising from the weighing of animals by the commissioner, which has been collected and retained by any person, shall be paid on demand to the commissioner. All money collected by the commissioner shall be deposited in the state treasury and credited to the livestock weighing fund, ~~and shall be paid out only on the order of the commissioner and the state's warrant.~~

Sec. 24. Minnesota Statutes 1992, section 18B.05, subdivision 2, is amended to read:

Subd. 2. [ANNUAL APPROPRIATION EXPENDITURES.] *Subject to appropriation by the legislature, money in the account, including the amount of interest attributable to money in the account and any money appropriated for the purposes of this chapter, is annually appropriated to may be used by the commissioner for the administration and enforcement of this chapter.*

Sec. 25. Minnesota Statutes 1992, section 18C.131, is amended to read:

**18C.131 [FERTILIZER INSPECTION ACCOUNT.]**

A fertilizer inspection account is established in the state treasury. The fees collected under this chapter *and interest attributable to money in the account* must be deposited in the state treasury and credited to the fertilizer inspection account. ~~Money in that account, including interest earned and money~~

appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration of this chapter.

Sec. 26. Minnesota Statutes 1992, section 21.115, is amended to read:

**21.115 [FEES; SEED POTATO INSPECTION FUND.]**

The commissioner shall fix the fees for all inspections and certifications in such amounts as from time to time may be found necessary to pay the expenses of carrying out and enforcing the purposes of sections 21.111 to 21.122, with a reasonable reserve, and shall require the same to be paid before such inspections or certifications are made. All moneys collected as fees or as penalties for violations of any of the provisions of such sections shall be paid into the state treasury and therein credited to the seed potato inspection fund of the commissioner, which fund is hereby created and appropriated for carrying out the purposes of such sections. Interest, if any, received on deposits of these moneys shall be credited to such fund, and there shall be paid into this fund any sum provided by the legislature for the purpose of carrying out the provisions of such sections.

Sec. 27. Minnesota Statutes 1992, section 21.92, is amended to read:

**21.92 [SEED INSPECTION FUND.]**

There is established in the state treasury an account known as the seed inspection fund. Fees and penalties collected by the commissioner under sections 21.80 to 21.92 and interest attributable to money in the account shall be deposited into this account. The rates at which the fees are charged may be adjusted pursuant to section 16A.128. Money in this account, including interest earned and any appropriations made by the legislature for the purposes of sections 21.80 to 21.92, is annually appropriated to the commissioner for the administration and enforcement of sections 21.80 to 21.92.

Sec. 28. Minnesota Statutes 1992, section 25.39, subdivision 4, is amended to read:

Subd. 4. [COMMERCIAL FEED INSPECTION ACCOUNT.] A commercial feed inspection account is established in the state treasury. Fees and penalties collected under sections 25.35 to 25.44 and interest attributable to money in the account must be deposited in the state treasury and credited to the commercial feed inspection account. Money in that account, including interest earned and money appropriated for the enforcement and administration of sections 25.35 to 25.44, is annually appropriated to the commissioner for the administration and enforcement of sections 25.35 to 25.44.

Sec. 29. Minnesota Statutes 1992, section 27.07, subdivision 6, is amended to read:

Subd. 6. [COOPERATIVE AGREEMENTS; FEES; ACCOUNT.] The commissioner may collect fees as provided for in cooperative agreements between the commissioner and the United States Department of Agriculture for the inspection of fresh fruits, vegetables, and other products. The fees and interest attributable to money in the account must be deposited in the state treasury and credited to a fruit and vegetables inspection account. The money in the account, including interest earned, is appropriated to the commissioner to carry out the cooperative agreements.

Sec. 30. Minnesota Statutes 1992, section 28A.08, is amended to read:



## 28A.08 [LICENSE FEES; PENALTIES.]

License fees, penalties for late renewal of licenses, *reinspection fees*, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. *Penalties and fees are due on demand by the commissioner. A license will not be renewed until all fees and penalties are paid.* The penalties may be waived by the commissioner.

## Penalties

Type of food handler	License Fee	Late Renewal	No License	<i>Reinspection Fee</i>
1. Retail food handler				
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$ 40	\$ 15	\$ 25	
(b) Having under \$15,000 gross sales including food preparation or having \$15,000 to \$50,000 gross sales for the immediately previous license or fiscal year	\$ 55	\$ 15	\$ 25	
(c) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$105	\$ 35	\$ 75	\$ 75
(d) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$180	\$ 50	\$100	\$120
(e) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$500	\$100	\$175	\$350
(f) Having \$5,000,000 to \$10,000,000 gross sales for the immediately previous license or fiscal year	\$700	\$150	\$300	\$500
(g) Having over \$10,000,000 gross sales for the immediately previous license or fiscal year	\$800	\$200	\$350	\$575

## 2. Wholesale food handler

(a) Having gross sales or service of less than \$250,000 for the immediately previous license or fiscal year

\$200      \$ 50      \$100      \$130

(b) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year

\$400      \$100      \$200      \$275

(c) Having \$1,000,000 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year

\$500      \$125      \$250      \$350

(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year

\$575      \$150      \$300      \$415

## 3. Food broker

\$100      \$ 30      \$ 50

## 4. Wholesale food processor or manufacturer

(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year

\$275      \$ 75      \$150      \$180

(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year

\$400      \$100      \$200      \$275

(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year

\$500      \$125      \$250      \$350

(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year

\$575      \$150      \$300      \$415

## 5. Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture

(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year

\$150      \$ 50      \$ 75      \$180

(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year

\$225      \$ 75      \$125      \$275

(c) Having \$1,000,000 to \$5,000,000 gross sales for the immediately previous license or fiscal year	\$275	\$ 75	\$150	\$350
(d) Having over \$5,000,000 gross sales for the immediately previous license or fiscal year	\$325	\$100	\$175	\$415
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$ 10	\$ 15	
7. Nonresident frozen dairy manufacturer	\$200	\$ 50	\$ 75	
8. Wholesale food manufacturer processing less than 70,000 pounds per year of cultured dairy food as defined in section 32.486, subdivision 1, paragraph (b)	\$ 30	\$ 10	\$ 15	
9. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$ 50	\$ 15	\$ 25	

Sec. 31. Minnesota Statutes 1992, section 32.394, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS; REFUNDS; DISPOSITION.] Fees are payable by a processor or marketing organization by July 1 of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid within 30 days of the due date, the service must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label must be withdrawn. A processor may terminate payment and service without loss of the Grade A label if written notice of that intention is given prior to the due date of the payment of an assessment and if the continuous inspection of the plant is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.

The fees for services performed by the activities of this section must be deposited in the state treasury and constitute a separate account to be known as the milk inspection service account, which is hereby created, ~~set aside, and appropriated as a revolving fund to be used to help defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and is in addition to and not in substitution for the sums~~

appropriated or otherwise made available for this purpose to the department of agriculture.

Sec. 32. Minnesota Statutes 1992, section 32A.05, subdivision 4, is amended to read:

Subd. 4. For the purpose of administering and enforcing the provisions of sections 32A.01 to 32A.09, each first manufacturer subject to sections 32A.01 to 32A.09 shall pay to the commissioner a fee of one cent per cwt. on all milk processed or used in the manufacture of a selected dairy product sold in this state or manufactured in this state for sale therein except frozen foods on which the fee shall be three-quarters of a cent on each gallon of frozen foods sold in this state or manufactured in this state for sale therein. For ice milk mix the fee shall be 1-1/20 of a cent on each gallon of mix. For ice cream mix the fee shall be 1-17/40 of a cent on each gallon of mix. Such fees shall be the maximum fees. The commissioner may fix such fees at a lesser amount and may adjust such fees from time to time whenever the commissioner finds that the cost of administering and enforcing the provisions of sections 32A.01 to 32A.09 can be defrayed with such below maximum fees. The fees thus computed shall be paid by the manufacturer to the commissioner on or before the 15th day of the month following the month in which such frozen foods were sold in this state or a selected dairy product manufactured in this state from such milk was sold therein. Provided, however, that when the amount of the fees so computed does not exceed \$60 annually, these fees shall be paid within 30 days following the end of the calendar year. When fees are under \$240 annually, payment shall be made quarterly within 30 days following the end of the quarter. All fees over \$240 annually shall be paid monthly within 30 days following the end of the month when due. A penalty amounting to 10 percent of the fees then due shall be imposed by the commissioner for each month for which such fees are delinquent. The amounts so received by the commissioner shall be deposited with the state treasurer and shall constitute a separate account to be known as the "Dairy Industry Unfair Trade Practices Account" which is hereby created; set aside and appropriated as a revolving fund to be used to defray the cost of administering and enforcing sections 32A.01 to 32A.09.

Sec. 33. Minnesota Statutes 1992, section 41A.09, is amended by adding a subdivision to read:

Subd. 8. [PROMOTIONAL AND EDUCATIONAL MATERIALS; DESCRIPTION OF MULTIPLE SOURCES OF ETHANOL REQUIRED.] *Promotional or educational efforts related to ethanol that are financed wholly or partially with state funds and that promote or identify a particular crop or commodity used to produce ethanol must also include a description of the other potential sources of ethanol listed in subdivision 2.*

Sec. 34. Minnesota Statutes 1992, section 84.027, is amended by adding a subdivision to read:

Subd. 11. [FEDERAL CONSERVATION GRANTS.] *The commissioner of natural resources shall receive and administer grants under the land and water conservation grant program authorized by Congress in the Land and Water Conservation Fund Act of 1965, as amended.*

Sec. 35. Minnesota Statutes 1992, section 85.016, is amended to read:

85.016 [BICYCLE TRAIL PROGRAM.]

The commissioner of natural resources shall establish a program for the development of bicycle trails utilizing the state trails authorized by section 85.015, other state parks and recreation land, and state forests. "Bicycle trail," as used in this section, has the meaning given in section 169.01. The program shall be coordinated with the local park trail grant program established by the commissioner of ~~trade and economic development~~ pursuant to section ~~161.406~~ 85.019, with the bikeway program established by the commissioner of transportation pursuant to section 160.265, and with existing and proposed local bikeways. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. The commissioner shall provide technical assistance to local units of government in planning and developing bicycle trails in local parks. The bicycle trail program shall, as a minimum, describe the location, design, construction, maintenance, and land acquisition needs of each component trail and shall give due consideration to the model standards for the establishment of recreational vehicle lanes promulgated by the commissioner of transportation pursuant to section 160.262. The program shall be developed after consultation with the state trail council and regional and local units of government and bicyclist organizations.

**Sec. 36. [85.019] [GRANTS-IN-AID FOR RECREATIONAL BETTERMENT.]**

*Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the terms in this subdivision have the meanings given, except as otherwise expressly provided or indicated by the context.*

*(b) "Athletic courts" means special surface area and supporting equipment or structures, such as nets, hoops, and walls, that can be used for active games that have definite boundaries and are played on a marked surface, limited to basketball, volleyball, handball, and tennis.*

*(c) "Metropolitan council" and "metropolitan area" have the meanings given in section 473.121.*

*(d) "Unit of government" means a county, city and home rule charter city, town, school district, public post-secondary educational institution, special park district, or an elected park and recreation board having control over parks, parkways, playgrounds, and trees in a city of the first class.*

**Subd. 2. [GRANTS FOR PARKS AND TRAILS.]** *The commissioner shall administer a program to provide grants to units of government located within standard metropolitan statistical areas, as designated by the United States Office of Management and Budget, but outside of the metropolitan area defined in section 473.121. The grants shall be for acquisition and betterment by units of government of public land and improvements needed for parks, trails, conservatories, zoos, and other special use facilities having recreational significance for the entire population of the particular standard metropolitan statistical area. Appropriations made for this purpose shall be expended with the approval of the governor after consultation with the legislative advisory commission. The legislative commission on Minnesota resources shall make recommendations to the legislative advisory commission regarding the expenditures. The local contribution required shall be not less than ten percent. The program shall be administered so as to ensure the maximum possible use of available federal money.*

*Subd. 3. [GRANTS FOR TRAILS IN LOCAL PARKS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for recreational trails in parks owned and operated by units of government. A grant shall not exceed 40 percent of the costs of the betterment of the trail. To be eligible for a grant, a unit of government must provide at least ten percent of the cost of the betterment of the trail.*

*Subd. 4. [GRANTS FOR LOCAL OUTDOOR ATHLETIC COURTS.] The commissioner shall administer a program to provide grants to units of government for the betterment of public land and improvements needed for local athletic courts. A grant may not exceed 50 percent of the costs of the betterment of the athletic court. To be eligible for a grant, a unit of government must provide at least 50 percent of the costs of the betterment of the athletic court. In making grants the commissioner shall consider, among other factors; evidence of cooperation between units of government, local need and available financial resources, and court locations that encourage maximum use, patronage, and availability.*

*Subd. 5. [POWERS; RULES.] The commissioner has all powers necessary and convenient to establish programs for recreational betterment grants-in-aid for parks, trails, and athletic courts under this section, including the authority to adopt rules for the program under chapter 14.*

Sec. 37. Minnesota Statutes 1992, section 85.22, subdivision 2a, is amended to read:

*Subd. 2a. [RECEIPTS, APPROPRIATION.] All receipts derived from the rental or sale of state park items and from the operation of Douglas Lodge shall be deposited in the state and be credited to the state parks working capital account. Money in the account is annually appropriated for the purchase and payment of expenses attributable to items for resale or rental and for the operation of Douglas Lodge.*

Sec. 38. Minnesota Statutes 1992, section 85A.02, subdivision 17, is amended to read:

*Subd. 17. [ADDITIONAL POWERS.] The board may establish a schedule of charges for admission to or the use of the Minnesota zoological garden or any related facility. The board shall have a policy admitting elementary school children at no charge when they are part of an organized school activity. ~~The Minnesota zoological garden must be open to the public without admission charges at least two days each month. However,~~ The zoo may charge at any time for parking, special services, and for admission to special facilities for the education, entertainment, or convenience of visitors. The board may provide for the purchase, reproduction, and sale of gifts, souvenirs, publications, informational materials, food and beverages, and grant concessions for the sale of these items.*

Sec. 39. [88.066] [CORDAGE ASSESSMENT; SURCHARGE.]

*For wood purchased or acquired in 1993 and thereafter, there is imposed a surcharge of 50 cents per assessable cord of wood on the assessment imposed by section 176.130, subdivision 4, to help offset costs incurred by the commissioner of natural resources for fire suppression activities. The surcharge must be paid in the same manner and at the same time as the*

assessment and the payments must be credited to the general fund. Section 176.130, subdivisions 8 and 9, apply to the surcharge.

Sec. 40. Minnesota Statutes 1992, section 88.79, subdivision 2, is amended to read:

Subd. 2. [CHARGE FOR SERVICE; RECEIPTS TO ~~GENERAL~~ SPECIAL REVENUE FUND.] The commissioner of natural resources may charge the owner receiving such services such sums as the commissioner shall determine to be fair and reasonable. *The commissioner shall implement a schedule of charges that recovers the costs of providing timber sale services. The schedule must account for regional differences in the value of timber and the costs of providing the services. The receipts from such services shall be credited to the general fund special revenue fund and are annually appropriated to the commissioner for the purposes specified in subdivision 1.*

Sec. 41. [97A.028] [CROP PROTECTION ASSISTANCE.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Agricultural crops" means annually seeded crops, legumes, fruit orchards, tree farms and nurseries, turf farms, and apiaries.

(c) "Specialty crops" means fruit orchards, vegetables, tree farms and nurseries, turf farms, and apiaries.

Subd. 2. [TECHNICAL ASSISTANCE.] The commissioner shall establish a statewide program to provide technical assistance to persons for the protection of agricultural crops from destruction by wild animals. As part of the program, the commissioner shall develop and identify the latest and most effective abatement techniques; acquire appropriate demonstration supplies and materials required to meet specialized needs; train property owners, field staff, public land managers, extension agents, pest control operators, and others; provide technical manuals and brochures; and provide field personnel with supplies and materials for damage abatement demonstrations and short-term assistance and for the establishment of food or lure crops where appropriate.

Subd. 3. [EMERGENCY DETERRENT MATERIALS ASSISTANCE.] (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner and the commissioner that establishes a program for addressing the problem of destruction of specialty crops by wild animals on the landowner's property.

(b) A person may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of specialty crops by wild animals. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials, up to \$3,000 in value per individual or corporation, when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner shall enter into a cooperative damage

*management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. A landowner may not receive emergency deterrent materials assistance under this subdivision more than once. A landowner who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.*

Sec. 42. Minnesota Statutes 1992, section 97A.055, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The game and fish fund is established as a fund in the state treasury. ~~The money in the fund is annually appropriated to the commissioner for the activities of the division of fish and wildlife and the division of enforcement.~~

Sec. 43. Minnesota Statutes 1992, section 97A.055, is amended by adding a subdivision to read:

Subd. 4. [ANNUAL REPORT.] *By November 15 each year, the commissioner shall report to the legislative committees having jurisdiction over appropriations and the environment and natural resources on:*

*(1) the amount of revenue from the following and purposes for which expenditures were made:*

- (i) the fishing license surcharge under section 97A.475, subdivision 9;*
- (ii) the small game license surcharge under section 97A.475, subdivision 4;*
- (iii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision 5, clause (1);*
- (iv) the trout and salmon stamp under section 97A.475, subdivision 10; and*
- (v) the pheasant stamp under section 97A.475, subdivision 5, clause (2); and*

*(2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c), and the purposes for which these amounts were spent.*

Sec. 44. Minnesota Statutes 1992, section 97A.065, subdivision 3, is amended to read:

Subd. 3. [FISHING LICENSE SURCHARGE.] (a) The commissioner may use the revenue from the fishing license surcharge for:

(1) rehabilitation and improvement of marginal fish producing waters, administered on a cost-sharing basis, under agreements between the commissioner and other parties interested in sport fishing;

(2) expansion of fishing programs including aeration, stocking of marginal fishing waters in urban areas, shore fishing areas, and fishing piers, with preference given to local units of government and other parties sharing costs;

(3) upgrading of fish propagation capabilities to improve the efficiency of fish production, expansion of walleye production by removal from waters subject to winter kill for stocking in more suitable waters, introduction of new biologically appropriate species, and purchase of fish from private hatcheries for stocking;



(4) financing the preservation and improvement of fish habitat, with priority given to expansion of habitat improvement programs implemented with other interested parties;

(5) increasing enforcement with covert operations, workteams, and added surveillance, communication, and navigational equipment; and

(6) purchase of the walleye quota of commercial fishing operators under 97C.825, subdivision 9.

(b) Not more than ten percent of the money available under this subdivision may be used for administrative and ~~permanent personnel~~ costs.

(c) *Not more than ten percent of the money available under this subdivision may be used for permanent personnel costs.*

(d) The commissioner shall prepare an annual work plan for the use of the revenue and provide copies of the plan, and amendments, to the senate and house committees having jurisdiction over environment and natural resources matters and to other interested parties. The committees must review issues and trends in the management and improvement of fishing resources using information obtained by and presented to the committees by public and private agencies and organizations and other parties interested in management and improvement of fishing resources.

Sec. 45. Minnesota Statutes 1992, section 97A.071, subdivision 2, is amended to read:

Subd. 2. [REVENUE FROM THE SMALL GAME LICENSE SURCHARGE.] Revenue from the small game surcharge shall be credited to the wildlife acquisition account and the money in the account shall be used by the commissioner for the purposes of this section, and acquisition *and development* of wildlife lands under section 97A.145, in accordance with appropriations made by the legislature.

Sec. 46. Minnesota Statutes 1992, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivisions 2, clauses (4) and (5), and 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement *or deer management programs*.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system.

Sec. 47. Minnesota Statutes 1992, section 97A.075, subdivision 4, is amended to read:

Subd. 4. [PHEASANT STAMP.] The commissioner may use the revenue from pheasant stamps for:

(1) the development, restoration, maintenance, and preservation of suitable habitat for ringnecked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources;

(2) reimbursement of landowners for setting aside lands for pheasant habitat;

(3) reimbursement of expenditures to provide pheasant habitat on public and private land;

(4) the promotion of pheasant habitat development, maintenance, and preservation; and

(5) necessary related administrative and personnel costs not to exceed ten percent of the annual revenue.

Sec. 48. Minnesota Statutes 1992, section 97A.441, is amended by adding a subdivision to read:

*Subd. 7. [OWNERS OR TENANTS OF AGRICULTURAL LAND.] (a) The commissioner may issue, without an additional fee, a license to take additional deer with firearms under section 97B.301, subdivision 4, to a person who is an owner or tenant and lives on at least ten acres of agricultural land, as defined in section 97B.001, in an area where the commissioner has made these licenses available. Landowners and tenants applying for a license under this subdivision must receive preference over other applicants for the licenses.*

*(b) Persons who obtain a license under paragraph (a) must allow public deer hunting on their land during that deer hunting season.*

Sec. 49. Minnesota Statutes 1992, section 97A.475, subdivision 12, is amended to read:

*Subd. 12. [FISH HOUSES; NONRESIDENT.] The fee Fees for a fish house license licenses for a nonresident is ~~\$21.50~~ are:*

*(1) annual, \$25; and*

*(2) seven consecutive days, \$14.*

Sec. 50. Minnesota Statutes 1992, section 97C.355, subdivision 2, is amended to read:

*Subd. 2. [LICENSE REQUIRED.] A person may not take fish from a dark house or fish house unless the house is licensed and has a metal license tag attached to the exterior as prescribed by the commissioner, except as provided in this subdivision. The commissioner must issue a metal tag that is at least two inches in diameter with a 3/16 inch hole in the center with a dark house or fish house license. The metal tag must be stamped with a number to correspond with the license and the year of issue. A dark house or fish house license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.*

Sec. 51. Minnesota Statutes 1992, section 103F.725, is amended by adding a subdivision to read:

*Subd. 3. [APPROPRIATION.] Fifty percent of any amount credited to the water recreation account in the natural resources fund in excess of the amount credited to the account in fiscal year 1993, that is attributable to an increase in revenue under section 296.16, is annually appropriated to the commissioner for transfer to the pollution control agency for the purposes of sections 103F.701 to 103F.761. The funds must be transferred by September 30 for the preceding fiscal year.*

Sec. 52. [115A.9231] [ASSESSMENT AUTHORIZED; REMITTANCE TO COMMISSIONER OF REVENUE.]

*(a) A municipal solid waste collector licensed in section 115A.93 must charge a volume based solid waste management assessment in the amount of 70 cents per cubic yard or equivalent from each residential and commercial generator served by the solid waste collector. The solid waste management assessment shall be remitted to the department of revenue in the same manner as the sales tax.*

*(b) The assessment collected under this section must be remitted to the department of revenue and credited as follows:*

*(1) 30 cents per cubic yard, or the equivalent, must be credited to the environmental account; and*

*(2) the balance must be credited to the landfill cleanup account established in section 115B.42.*

Sec. 53. Minnesota Statutes 1992, section 115A.96, subdivision 3, is amended to read:

Subd. 3. [OTHER PARTICIPANTS.] *(a) The agency may establish or operate all or part of the management program or may provide for services by contract or other agreement with public or private entities.*

*(b) The agency shall allow these programs to accept up to 100 pounds of waste per year from a hazardous waste generator that generates 220 pounds or less of hazardous waste per month.*

Sec. 54. Minnesota Statutes 1992, section 115A.96, subdivision 4, is amended to read:

Subd. 4. [MANAGEMENT.] Any person who establishes or operates all or part of a household hazardous waste management program shall manage collected waste in compliance with standards applicable to a hazardous waste generator. If collected waste must be stored for a time exceeding those standards, the agency or other entity shall obtain the approval of the commissioner of the agency and shall manage the waste in compliance with applicable standards for the use and management of containers, but no facility permit is required. *Waste accepted under subdivision 3, paragraph (b), must be managed in accordance with standards applicable to the waste.*

Sec. 55. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 1a. [TAXES IMPOSED.] *A generator of hazardous waste shall pay a tax in an amount equal to the greater of the applicable base tax under subdivision 2a or the quantity tax determined under subdivision 3a.*

Sec. 56. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

Subd. 2a. [BASE TAX.] *(a) The base tax for large quantity generators, as defined in rules of the agency, is \$500.*

*(b) The base tax for small quantity generators, as defined in rules of the agency, is \$200.*

(c) *The base tax for very small quantity generators, as defined in rules of the agency, that produce more than 100 pounds per year of hazardous waste is \$50.*

(d) *The base tax for very small quantity generators, as defined in rules of the agency, that produce 100 pounds or less per year of hazardous waste is \$0.*

Sec. 57. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

*Subd. 3a. [QUANTITY TAX.] (a) The quantity tax does not apply to very small quantity generators, as defined in the rules of the agency. The quantity tax is determined as provided in paragraphs (b) to (d).*

*(b) Generators of hazardous waste managed using either of the following methods as defined in rules adopted under sections 115.03, 116.07, and 116.37 shall pay taxes on the waste at the rate of .5 cents per pound of solid or five cents per gallon of liquid:*

*(1) hazardous wastes that are hazardous prior to discharge to a publicly owned wastewater treatment works; and*

*(2) hazardous wastes managed as a hazardous waste fuel or using thermal treatment.*

*(c) Generators of hazardous waste managed using any of the following methods as defined in rules adopted under sections 115.03, 116.07, and 116.37 are exempt from paying taxes on the wastes:*

*(1) hazardous wastes that are destined for recycling, including waste accumulated, stored, or treated prior to recycling;*

*(2) hazardous wastes that are either (i) pretreated to a nonhazardous state prior to discharge to a publicly owned treatment works, or (ii) treated to a nonhazardous state after treatment in an on-site treatment system either of which has obtained and is operated in accordance with a national pollution discharge elimination system permit, state disposal system permit, or both, from the agency; and*

*(3) hazardous wastes that are neutralized and are not otherwise hazardous waste after neutralizing.*

*(d) Generators of hazardous waste shall pay taxes on hazardous wastes managed using any other method not mentioned in this subdivision at the rate of five cents per pound of solid or 50 cents per gallon of liquid.*

Sec. 58. Minnesota Statutes 1992, section 115B.22, is amended by adding a subdivision to read:

*Subd. 4a. [HAZARDOUS WASTES NOT SUBJECT TO TAX.] The taxes imposed by this section do not apply to hazardous wastes generated as a result of a response action, hazardous wastes generated as a residue from a hazardous waste incineration facility that treats wastes subject to taxation under this subdivision, or hazardous wastes generated as a result of lead acid battery smelting.*

Sec. 59. [115B.223] [HAZARDOUS WASTE GENERATOR LOAN PROGRAM.]

*Subdivision 1. [ESTABLISHMENT.] A hazardous waste generator revolving loan program is established to provide loans to small businesses for the purpose of conducting response actions to clean up releases of hazardous waste.*

*Subd. 2. [RULES.] (a) The commissioner of the pollution control agency may adopt rules regarding practices and procedures including, but not limited to:*

- (1) form and procedure for loan application;*
- (2) terms for loans and loan repayment; and*
- (3) criteria for eligibility.*

*(b) The commissioner of the pollution control agency may adopt emergency rules under this subdivision for one year following the effective date of this section.*

*Subd. 3. [ELIGIBLE BORROWER.] To be eligible for a loan under this section, a borrower must:*

- (1) be a generator of hazardous waste;*
- (2) have a release or suspected release of hazardous waste;*
- (3) own or operate the facility at which the release of hazardous waste occurred;*
- (4) have less than 50 full-time employees;*
- (5) have an after-tax profit of less than \$500,000; and*
- (6) have a net worth of less than \$1,000,000.*

*Subd. 4. [LOAN APPLICATION PROCEDURE.] An eligible borrower may apply for a loan after the commissioner approves a plan for the response actions. Loans will be awarded to eligible borrowers in the order that applications are received by the pollution control agency.*

*Subd. 5. [LIMITATION ON LOAN OBLIGATION.] A loan made under this section is limited to the money available in the hazardous waste generator loan account.*

*Subd. 6. [LOAN CONDITIONS.] A loan made under this section must include:*

- (1) an interest rate of one percent less than the prime rate;*
- (2) a term of payment of not more than five years; and*
- (3) an amount not less than \$1,000 or exceeding \$50,000.*

**Sec. 60. [115B.224] [HAZARDOUS WASTE GENERATOR LOAN ACCOUNT.]**

*The hazardous waste generator loan account is established in the environmental response, compensation, and compliance account for the purposes described in section 115B.223. Money in the account is annually appropriated to the commissioner of the pollution control agency for the purposes of this section. Loan repayments must be credited to the hazardous waste generator loan account.*

Sec. 61. Minnesota Statutes 1992, section 115B.24, subdivision 6, is amended to read:

Subd. 6. [PAYMENT BY OUT-OF-STATE GENERATORS.] A generator of any hazardous waste which is generated outside of this state and is transported into this state for ~~long-term containment or treatment as described in section 115B.22, subdivisions 2 to 5~~ *treatment or disposal* shall pay the tax imposed by section 115B.22 at the first point at which the hazardous wastes are received by a person in this state for ~~storage, treatment or long-term containment~~ *disposal*. The tax shall be paid to the person who first receives the wastes in this state at the time the waste is received and shall be remitted by that person to the commissioner of revenue quarterly in the form and manner provided by the commissioner.

Sec. 62. Minnesota Statutes 1992, section 115B.42, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] Subject to appropriation, money in the account may be spent for:

(1) inspection of mixed municipal solid waste disposal facilities to:

(4) (i) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;

(2) (ii) determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and

(3) (iii) determine the boundaries of fill areas; and

(2) *response actions, as defined in section 115B.02, subdivision 18, at mixed municipal solid waste disposal facilities.*

Sec. 63. Minnesota Statutes 1992, section 115D.07, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT TO PREPARE AND MAINTAIN A PLAN.] (a) Persons who operate a facility required by United States Code, title 42, section 11023, *or section 299K.08, subdivision 3*, to submit a toxic chemical release form shall prepare a toxic pollution prevention plan for that facility. The plan must contain the information listed in subdivision 2.

(b) Except for facilities that release less than a total of 10,000 pounds of toxic pollutants annually, the plan must be completed as follows:

(1) on or before July 1, 1991, for facilities having a two-digit standard industrial classification of 35 to 39;

(2) by January 1, 1992, for facilities having a two-digit standard industrial classification of 28 to 34; ~~and~~

(3) by January 1, 1995, for facilities required to report under section 299K.08, subdivision 3, that have a two-digit standard industrial classification of 01 to 50;

(4) by July 1, 1995, for facilities required to report under section 299K.08, subdivision 3, that have a two-digit standard industrial classification of 51 to 99; and

(5) by July 1, 1992, for all other persons required to prepare a plan under this subdivision.

(c) *Except for facilities that release less than a total of 10,000 pounds of toxic pollutants annually, the plan must be completed for facilities that become subject to this subdivision after July 1, 1993, by six months after the first submittal for the facility under United States Code, title 42, section 11023, or section 299K.08, subdivision 3.*

(d) Facilities that release less than a total of 10,000 pounds of toxic pollutants annually must complete their plans by July 1, 1992.

(d) (e) Each plan must be updated every two years and must be maintained at the facility to which it pertains.

Sec. 64. Minnesota Statutes 1992, section 115D.10, is amended to read:

**115D.10 [TOXIC POLLUTION PREVENTION EVALUATION REPORT.]**

The director, in cooperation with the commissioner and commission, shall report to the environment and natural resources committees of the legislature ~~annually~~ on progress being made in achieving the objectives of sections 115D.01 to 115D.12. The report must be submitted by December 15 of each ~~odd-numbered year, beginning in 1992.~~

Sec. 65. Minnesota Statutes 1992, section 115D.12, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) Persons required by United States Code, title 42, section 11023, to submit a toxic chemical release form to the commission, *and owners or operators of facilities listed in section 299K.08, subdivision 3,* shall pay a pollution prevention fee of \$150 for each toxic pollutant reported released plus a fee based on the total pounds of toxic pollutants reported as released from each facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported.

(b) Persons who generate more than 1,000 kilograms of hazardous waste per month but who are not subject to the fee under paragraph (a) must pay a pollution prevention fee of \$500 per facility. Hazardous waste as used in this paragraph has the meaning given it in section 116.06, subdivision 11, and Minnesota Rules, chapter 7045.

(c) Fees required under this subdivision must be paid to the director by January 1 of each year. The fees shall be deposited in the state treasury and credited to the environmental fund.

Sec. 66. [115D.14] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *As used in sections 66 and 67, the terms defined in this section have the meanings given.*

Subd. 2. [AGENCY.] *"Agency" means the pollution control agency.*

Subd. 3. [INTEGRITY OF AQUATIC OR TERRESTRIAL ECOSYSTEMS.] *"Integrity of aquatic or terrestrial ecosystems" means the maintenance of mutually beneficial species of plants and animals and of other natural characteristics so that the biological viability of the ecosystem is ensured.*

Subd. 4. [TOXIC AIR CONTAMINANT.] *"Toxic air contaminant" means an air contaminant that may cause or contribute to an increase in mortality or an increase in a chronic or an acute illness, or which may pose a present or potential hazard to human health or the integrity of aquatic or terrestrial ecosystems.*

Sec. 67. [115D.15] [REPORTS TO THE LEGISLATURE.]

Subdivision 1. [INITIAL REPORT.] *By January 1, 1995, the agency must submit to the environment and natural resources committees of the legislature a report that includes:*

(1) *a five-year regulatory strategy to protect the public health and the environment from emissions of toxic air contaminants; and*

(2) *a list prioritizing and categorizing facilities emitting toxic air contaminants.*

Subd. 2. [CONTINUING REPORTS.] *Beginning January 1, 1997, and every two years thereafter, the agency shall submit to the legislative committees with jurisdiction over environment and natural resource issues a report that provides an update of the following:*

(1) *an analysis of the achievements, shortfalls, and resource needs for implementing the agency's strategy under subdivision 1, clause (1);*

(2) *an analysis of the data collected from the agency's statewide monitoring and inventory program under section 116.454;*

(3) *an analysis of reductions in emissions of toxic air contaminants; and*

(4) *an updated list prioritizing and categorizing facilities emitting toxic air contaminants.*

Sec. 68. Minnesota Statutes 1992, section 116J.401, is amended to read:

116J.401 [POWERS AND DUTIES.]

The commissioner of trade and economic development shall:

(1) *provide regional development commissions, the metropolitan council, and units of local government with information, technical assistance, training, and advice on using federal and state programs;*

(2) *receive and administer the small cities community development block grant program authorized by Congress under the Housing and Community Development Act of 1974, as amended;*

(3) *receive and administer the section 107 technical assistance program grants authorized by Congress under the Housing and Community Development Act of 1974, as amended;*

(4) *receive and administer grants for the Minnesota jail resource center authorized by Congress under the Juvenile Justice and Delinquency Prevention Act of 1974, as amended;*

(5) *receive and administer the land and water conservation grant program authorized by Congress under the Land and Water Conservation Fund Act of 1965, as amended;*



(6) receive and administer other state and federal grants and grant programs for planning, community affairs, community development purposes, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07; and

(7) (6) receive applications for state and federal grants and grant programs for planning, community affairs, and community development purposes, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07.

Sec. 69. Minnesota Statutes 1992, section 116P.10, is amended to read:

116P.10 [ROYALTIES, COPYRIGHTS, PATENTS.]

*This section applies to projects supported by the trust fund, the Minnesota future resources fund, and the oil overcharge money referred to in section 4.071, subdivision 2, each of which is referred to in this section as a "fund."* The ~~trust~~ fund owns and shall take title to the percentage of a royalty, copyright, or patent resulting from a project supported by the ~~trust~~ fund equal to the percentage of the project's total funding provided by the ~~trust~~ fund. Cash receipts resulting from a royalty, copyright, or patent, or the sale of the ~~trust~~ fund's rights to a royalty, copyright, or patent, must be credited immediately to the principal of the ~~trust~~ fund. Before a project is included in the budget plan, the commission may vote to relinquish the ownership or rights to a royalty, copyright, or patent resulting from a project supported by the ~~trust~~ fund to the project's proposer when the amount of the original grant or loan, plus interest, has been repaid to the ~~trust~~ fund.

Sec. 70. Minnesota Statutes 1992, section 160.265, is amended to read:

160.265 [BIKEWAY PROGRAM.]

Subdivision 1. [STATE BIKEWAYS.] The commissioner of transportation shall establish a program for the development of bikeways primarily on existing road rights-of-way. The program shall include a system of bikeways to be established, developed, maintained, and operated by the commissioner of transportation and a system of state grants for the development of local bikeways primarily on existing road rights-of-way. The program shall be coordinated with the local park trail grant program established by the commissioner of ~~trade and economic development~~ *natural resources* pursuant to section ~~116J.406~~ 85.019, with the bicycle trail program established by the commissioner of natural resources pursuant to section 85.016, with the development of the statewide transportation plan pursuant to section 174.03, and with existing and proposed local bikeways. In the metropolitan area as defined in section 473.121, the program shall be developed in accordance with plans and priorities established by the metropolitan council. The program shall be developed after consultation with the state trail council, local units of government, and bicyclist organizations. The program shall be administered in accordance with the provisions of sections 160.262 to 160.264 and standards promulgated pursuant thereto. The commissioner shall compile and maintain a current registry of bikeways in the state and shall publish and distribute the information contained in the registry in a form and manner suitable to assist persons wishing to use the bikeways. The metropolitan council, the commissioner of natural resources, the commissioner of trade and economic development, the Minnesota historical society, and local units of government shall cooperate with and assist the commissioner of transportation in preparing the registry. The commissioner shall have all powers necessary

and convenient to establish the program pursuant to this section including but not limited to the authority to adopt rules pursuant to chapter 14.

Subd. 2. [LOCAL BIKEWAY GRANTS.] The commissioner shall provide technical assistance to local units of government in planning and developing bikeways. The commissioner shall make grants to units of government as defined in section 46J.406 85.019, subdivision 1, for the betterment of public land and improvements needed for local bikeways. In making grants the commissioner shall consider, among other factors, the number of bicycles in the localities. A grant shall not exceed 75 percent of the costs of the betterment of the bikeway. To be eligible for a grant, a unit of government must provide at least 25 percent of the costs of the betterment of the bikeway. The commissioner may adopt emergency rules pursuant to sections 14.05 to 14.36 to commence the grant program immediately.

Sec. 71. Minnesota Statutes 1992, section 168.013, is amended by adding a subdivision to read:

Subd. 8a. [FOREST ROAD ACCOUNT.] *The amount of motor vehicle registration tax attributable to vehicles used on forest roads is 0.116 percent of the revenue collected under this section, after refunds, credits, and exemptions. This amount is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. An amount equal to 0.0555 percent of the motor vehicle registration tax, after refunds, credits, and exemptions, must be transferred from the forest road account to counties for management and maintenance of forest roads.*

Sec. 72. Minnesota Statutes 1992, section 297A.45, is amended by adding a subdivision to read:

Subd. 5. [SEPARATE ACCOUNTING.] *The commissioner shall account for revenue collected from public and private mixed municipal solid waste collection and disposal services under this section separately from other tax revenue collected under this chapter.*

Sec. 73. Minnesota Statutes 1992, section 299K.08, is amended by adding a subdivision to read:

Subd. 3. [TOXIC CHEMICAL RELEASE REPORTING.] *In addition to facilities specified in the federal act, the following facilities shall comply with the toxic chemical release reporting requirements of section 11023 of the federal act: facilities having a two-digit standard industrial classification of 10 to 14, 40, 42, 44 to 46, or 49; a three-digit standard industrial classification of 172, 505, 507, 508, 516, 517, 721, 806, 807, 822, or 824; or a four-digit standard industrial classification of 0782, 5191, 5198, 7342, 7384, 7389, 7532, 7623, 8734, or 9223. For the facilities added in this section, the toxic chemical release reporting requirements of section 11023 of the federal act, and sections 115D.07, 115D.08, and 115D.12, do not apply to substances that are associated with or incidental to the combustion of fossil fuels or other fuels for the generation of electricity or the production of steam.*

Sec. 74. Minnesota Statutes 1992, section 473.351, subdivision 2, is amended to read:

Subd. 2. [METROPOLITAN COUNCIL OBLIGATION.] *Annually before August 1 the metropolitan council shall distribute grant money received from the commissioner of trade and economic development natural resources to*

fund the operation and maintenance expenditures of the implementing agencies for the operation and maintenance of regional park and open space systems. The metropolitan council shall annually report to the legislature the amount distributed to each implementing agency and its estimate of the percentage of operation and maintenance expenditures paid for with operation and maintenance money.

**Sec. 75. [REPORT ON GAME AND FISH ACCOUNTS.]**

*By January 15, 1995, the commissioner of natural resources shall report to the legislative committees on environment and natural resources with recommended changes to the laws repealed in section 79, paragraph (b), and related license fees. It is the intent of the legislature that the repealer in section 79, paragraph (b), be reconsidered in light of the report required in this section.*

**Sec. 76. [INSURANCE BUYOUT FORMULA FOR LANDFILL LIABILITY.]**

*The commissioner of commerce shall prepare a recommended formula for determining a specific amount an insurance company may tender to the state in lieu of payment of benefits, if any, under all applicable policies issued by the company which may be claimed to provide coverage for damages arising out of contamination at permitted mixed municipal solid waste disposal facilities. By November 1, 1993, the commissioner shall submit the recommended formula to the senate committees on environment and natural resources and commerce and consumer protection and the house of representatives committees on environment and natural resources and financial institutions and insurance. The formula must take into account the likelihood and extent of coverage, if any, under the applicable policies, and other factors determined by the commissioner to be relevant. The commissioner shall also report on the fiscal impact of the formula on insurance companies which may have issued applicable policies. The commissioner shall consult with insurance industry representatives in developing the formula. The commissioner may contract with actuaries and other consultants in developing the formula. The commissioner of the pollution control agency shall cooperate with the commissioner of commerce in developing the formula.*

**Sec. 77. [CLAIMS OF MARSHALL COUNTY RELATING TO CONSOLIDATED CONSERVATION LANDS.]**

*The commissioner of natural resources shall review claims from Marshall county for road construction and maintenance costs from 1986 to 1992 that are payable under Minnesota Statutes, section 84A.32, subdivision 1, paragraph (d), and shall pay appropriate amounts from the state portion of Marshall county receipts. The commissioner shall prepare a five-year projection of receipts available to pay the claims and report the amounts to the county and the legislature. Claims for calendar year 1993 and subsequent years must be submitted on forms provided by the commissioner by April 15 of the following calendar year.*

**Sec. 78. [DEPARTMENT OF NATURAL RESOURCES; CONDITION FOR TRAINING PROGRAM.]**

*The department may not establish a training program for seasonal employees unless, pursuant to Minnesota Statutes, chapter 179A, the terms and conditions of employment are negotiated with the exclusive representative*

*of the bargaining unit for that class of employee which would otherwise provide the services to be rendered by the trainees.*

Sec. 79. [REPEALER.]

*(a) Minnesota Statutes 1992, sections 115B.21, subdivisions 4 and 6; and 115B.22, subdivisions 1, 2, 3, 4, 5, and 6, are repealed on January 1, 1994.*

*(b) Section 43 and Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; and 97C.305, are repealed effective March 1, 1997.*

Sec. 80. [EFFECTIVE DATE.]

*Sections 55 and 72 are effective January 1, 1994. Section 78 is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for environmental, natural resource, and agricultural purposes; transferring responsibilities to the commissioner of natural resources; establishing food handling reinspection fees; continuing the citizen's council on Voyageurs national park; providing for crop protection assistance; changing certain license fees; imposing a solid waste assessment; modifying the hazardous waste generator tax; establishing a hazardous waste generator loan program; expanding the number of facilities subject to pollution prevention requirements; requiring a toxic air contaminant strategy; amending Minnesota Statutes 1992, sections 17.59, subdivision 5; 17A.11; 18B.05, subdivision 2; 18C.131; 21.115; 21.92; 25.39, subdivision 4; 27.07, subdivision 6; 28A.08; 32.394, subdivision 9; 32A.05, subdivision 4; 41A.09, by adding a subdivision; 84.027, by adding a subdivision; 85.016; 85.22, subdivision 2a; 85A.02, subdivision 17; 88.79, subdivision 2; 97A.055, subdivision 1, and by adding a subdivision; 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 1 and 4; 97A.441, by adding a subdivision; 97A.475, subdivision 12; 97C.355, subdivision 2; 103F.725, by adding a subdivision; 115A.96, subdivisions 3 and 4; 115B.22, by adding subdivisions; 115B.24, subdivision 6; 115B.42, subdivision 2; 115D.07, subdivision 1; 115D.10; 115D.12, subdivision 2; 116J.401; 116P.10; 160.265; 168.013, by adding a subdivision; 297A.45, by adding a subdivision; 299K.08, by adding a subdivision; 473.351, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 85; 88; 97A; 115A; 115B; and 115D; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 2; 97A.075, subdivisions 2, 3, and 4; 97B.715, subdivision 1; 97B.801; 97C.305; 115B.21, subdivisions 4 and 6; 115B.22, subdivisions 1, 2, 3, 4, 5, and 6."

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

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

S.F. No. 669: A bill for an act relating to game and fish; stamp design; training of hunting dogs; clothing requirements; raccoon season; rough fish taking by nonresidents; muskie size limits; taking of mussels; amending Minnesota Statutes 1992, sections 97A.045, subdivision 7; 97B.005, subdivisions 2 and 3; 97B.071; 97B.621, subdivision 1; 97C.375; 97C.405; and

97C.701, subdivisions 1 and 2; repealing Minnesota Statutes 1992, sections 97A.541; 97C.701, subdivisions 3, 4, and 5; 97C.705; and 97C.711.

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

Delete everything after the enacting clause and insert:

“Section 1. [84.085] [ADVANCE OF MATCHING FUNDS.]

*The commissioner may advance funds appropriated for fish and wildlife programs to government agencies, the National Fish and Wildlife Foundation, federally recognized Indian tribes and bands, and private, nonprofit organizations for the purposes of securing nonstate matching funds for projects involving acquisition and improvement of fish and wildlife habitat and related research and management. The commissioner shall execute agreements for contracts with the matching parties under section 16B.06 prior to advancing any state funds. The agreement or contract shall contain provisions for return of the state's share and the matching funds within a period of time specified by the commissioner. The state's funds and the nonstate matching funds must be deposited in a separate account and expended solely for the purposes set forth in the agreement or contract. The commissioner shall enter into agreements or contracts only with the National Fish and Wildlife Foundation and federal and nonprofit authorities deemed by the commissioner to be dedicated to the purposes of the project.*

Sec. 2. Minnesota Statutes 1992, section 97A.015, subdivision 49, is amended to read:

Subd. 49. [UNDRESSED BIRD.] “Undressed bird” means:

(1) a bird, excluding migratory waterfowl, pheasant, Hungarian partridge, or grouse, with feet and feathered head intact; or

(2) a migratory waterfowl with a fully feathered wing and head attached; or

(3) a pheasant, Hungarian partridge, or grouse with one leg and foot or the fully feathered head or wing intact.

Sec. 3. Minnesota Statutes 1992, section 97A.045, subdivision 7, is amended to read:

Subd. 7. [DUTY TO ENCOURAGE STAMP DESIGN AND PURCHASES.] (a) The commissioner shall encourage the purchase of:

(1) Minnesota migratory waterfowl stamps by nonhunters interested in the migratory waterfowl preservation and habitat development;

(2) pheasant stamps by persons interested in pheasant habitat improvement; and

(3) trout and salmon stamps by persons interested in trout and salmon stream and lake improvement.

(b) *The commissioner may adopt rules governing contests for selecting a design for each stamp.*

Sec. 4. [97A.127] [FINANCING WATERFOWL DEVELOPMENT.]

*The commissioner may use funds appropriated for fish and wildlife programs for the purpose of developing, preserving, restoring, and maintaining waterfowl breeding grounds in Canada under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. The commissioner may execute agreements and contracts if the commissioner determines that use of the funds will benefit the migration of waterfowl into the state.*

Sec. 5. Minnesota Statutes 1992, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] ~~The fee~~ *Fees for a fish house license licenses for a nonresident is \$21.50 are:*

- (1) annual, \$25; and*
- (2) seven consecutive days, \$14.*

Sec. 6. Minnesota Statutes 1992, section 97B.005, subdivision 2, is amended to read:

Subd. 2. [RESTRICTION ON AMMUNITION WHILE TRAINING.] A person ~~that is~~ training a dog afield and carrying a firearm may only have blank cartridges and shells in personal possession when the season is not open for any game bird, *except as provided in subdivision 3.*

Sec. 7. Minnesota Statutes 1992, section 97B.005, subdivision 3, is amended to read:

Subd. 3. [PERMITS FOR ORGANIZATIONS TO USE GAME BIRDS AND FIREARMS.] The commissioner may issue special permits, without a fee, ~~to organizations~~ to use firearms and live ammunition on domesticated birds or banded game birds from game farms for holding field trials and training ~~retrieving~~ hunting dogs.

Sec. 8. Minnesota Statutes 1992, section 97B.045, is amended to read:

**97B.045 [TRANSPORTATION OF FIREARMS.]**

*Subdivision 1. [RESTRICTIONS.] A person may not transport a firearm in a motor vehicle unless the firearm is:*

*(1) unloaded and in a gun case expressly made to contain a firearm, and the case fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened, and without any portion of the firearm exposed;*

*(2) unloaded and in the closed trunk of a motor vehicle; or*

*(3) a handgun carried in compliance with sections 624.714 and 624.715.*

*Subd. 2. [EXCEPTION FOR DISABLED PERSONS.] The restrictions in subdivision 1 do not apply to a disabled person if:*

*(1) the person possesses a permit under section 97B.055, subdivision 3;*

*(2) the person is participating in a hunt sponsored by a nonprofit organization under a permit from the commissioner or is hunting on property owned or leased by the person; and*

(3) *the firearm is not loaded in the chamber until the vehicle is stationary, or is a hinge action firearm with the action open until the vehicle is stationary.*

Sec. 9. Minnesota Statutes 1992, section 97B.071, is amended to read:

**97B.071 [RED OR BLAZE ORANGE REQUIREMENTS.]**

A person may not hunt or trap during the open season in a zone or area where deer may be taken by firearms, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is bright red or blaze orange. Blaze orange includes a camouflage pattern of at least 50 percent blaze orange within each foot square. *This section does not apply to migratory waterfowl hunters on waters of this state or in a stationary shooting location.*

Sec. 10. Minnesota Statutes 1992, section 97B.111, is amended to read:

**97B.111 [SPECIAL FIREARM HUNTING SEASONS FOR PHYSICALLY DISABLED.]**

*Subdivision 1. [ESTABLISHMENT; REQUIREMENTS.]* The commissioner may establish criteria, special seasons, and limits for persons who have a physical disability to take big game and small game with firearms and by archery in designated areas. A person hunting under this section who has a physical disability must have a verified statement of the disability by a licensed physician and must be participating in a program for physically disabled hunters sponsored by a nonprofit organization *that is permitted under subdivision 2.* A license is not required for a person to assist a physically disabled person hunting during a special season under this section.

*Subd. 2. [PERMIT FOR ORGANIZATION.]* (a) *The commissioner may issue a special permit without a fee to a nonprofit organization to provide an assisted hunting opportunity to physically disabled hunters. The assisted hunting opportunity may take place:*

- (1) *in areas designated by the commissioner under subdivision 1; or*
- (2) *on private property or a licensed shooting preserve.*

(b) *The sponsoring organization shall provide a physically capable person to assist each disabled hunter with safety-related aspects of hunting.*

(c) *The commissioner may impose reasonable permit conditions.*

Sec. 11. Minnesota Statutes 1992, section 97B.211, subdivision 1, is amended to read:

**Subdivision 1. [POSSESSION OF FIREARMS PROHIBITED.]** A person may not take ~~big game~~ deer by archery while in possession of a firearm.

Sec. 12. Minnesota Statutes 1992, section 97B.301, subdivision 4, is amended to read:

**Subd. 4. [TAKING TWO MORE THAN ONE DEER.]** The commissioner may, by rule, allow a person to take ~~two more than one~~ deer. The commissioner shall prescribe the conditions for taking the ~~second~~ additional deer including:

- (1) taking by firearm or archery;
- (2) obtaining ~~an additional license~~ licenses; and

- (3) payment of a fee not more than the fee for a firearms deer license; *and*  
(4) *the total number of deer that an individual may take.*

Sec. 13. Minnesota Statutes 1992, section 97B.301, is amended by adding a subdivision to read:

*Subd. 6. [RESIDENTS UNDER AGE 16 MAY TAKE DEER OF EITHER SEX.] (a) A resident under the age of 16 may take a deer of either sex. This subdivision does not authorize the taking of an antlerless deer by another member of a party under subdivision 3.*

*(b) This subdivision is repealed effective December 31, 1995.*

Sec. 14. Minnesota Statutes 1992, section 97B.311, is amended to read:

97B.311 [DEER SEASONS AND RESTRICTIONS.]

(a) The commissioner may, by rule, prescribe restrictions and designate areas where deer may be taken. The commissioner may, by rule, prescribe the open seasons for deer within the following periods:

(1) taking with firearms, other than muzzle-loading firearms, between November 1 and December 15;

(2) taking with muzzle-loading firearms between September 1 and December 31; and

(3) taking by archery between September 1 and December 31.

*(b) Notwithstanding paragraph (a), the commissioner may establish special seasons within designated areas between September 1 and January 15.*

Sec. 15. Minnesota Statutes 1992, section 97B.621, subdivision 1, is amended to read:

Subdivision 1. [SEASON.] The statewide open season for raccoon may be ~~prescribed~~ *set* by the commissioner ~~between October 15 and December 31.~~

Sec. 16. Minnesota Statutes 1992, section 97B.901, is amended to read:

97B.901 [COMMISSIONER MAY REQUIRE TAGS ON FUR-BEARING ANIMALS.]

The commissioner may, by rule, require persons taking, *possessing, and transporting* fur-bearing animals to tag the animals ~~where they are taken.~~ The commissioner shall prescribe the manner of issuance and the type of tag, which must show the year of issuance. The commissioner shall issue the tag, without a fee, upon request.

Sec. 17. Minnesota Statutes 1992, section 97B.911, is amended to read:

97B.911 [MUSKRAT SEASONS.]

The commissioner may establish open seasons for muskrat ~~between October 25 and April 30. The open season in an area may not exceed 90 days.~~ The commissioner may prescribe restrictions for the taking of muskrat.

Sec. 18. Minnesota Statutes 1992, section 97B.915, is amended to read:

97B.915 [MINK SEASONS.]



The commissioner may establish open seasons for mink ~~between October 25 and April 30. The open season in an area may not exceed 90 days.~~ The commissioner may prescribe restrictions for the taking of mink.

Sec. 19. Minnesota Statutes 1992, section 97B.921, is amended to read:  
97B.921 [OTTER SEASONS.]

The commissioner may establish open seasons *and restrictions* for taking otter ~~between October 25 and April 30. Otter may be taken only by trapping and the taking is subject to restrictions prescribed by the commissioner.~~

Sec. 20. Minnesota Statutes 1992, section 97B.925, is amended to read:  
97B.925 [BEAVER SEASONS.]

The commissioner may establish open seasons *and restrictions* for taking beaver ~~between October 25 and April 30. Beaver may be taken only by trapping and the taking is subject to restrictions prescribed by the commissioner.~~

Sec. 21. Minnesota Statutes 1992, section 97C.375, is amended to read:  
97C.375 [TAKING ROUGH FISH BY SPEARING OR ARCHERY.]

A ~~resident~~ person may take rough fish by spearing or archery during the times, in waters, and in the manner prescribed by the commissioner, *except that a nonresident may not spear through the ice.*

Sec. 22. Minnesota Statutes 1992, section 97C.515, is amended by adding a subdivision to read:

*Subd. 5. [SPECIAL PERMITS.] (a) The commissioner may issue a special permit, without a fee, to allow a person with a private fish hatchery license to import minnows from other states for export. A permit under this subdivision is not required for importation authorized under subdivision 4.*

*(b) An applicant for a permit under this subdivision shall submit to the commissioner sufficient information to identify potential threats to native plant and animal species and an evaluation of the feasibility of the proposal. The permit may include reasonable restrictions on importation, transportation, possession, containment, and disposal of minnows to ensure that native species are protected. The permit may have a term of up to two years and may be modified, suspended, or revoked by the commissioner for cause, including violation of a condition of the permit.*

Sec. 23. Minnesota Statutes 1992, section 97C.701, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S AUTHORITY.] The commissioner may by rule *set size limits and* prescribe conditions for *the taking, possession, transportation, sale, and purchase of mussels.*

Sec. 24. Minnesota Statutes 1992, section 97C.701, is amended by adding a subdivision to read:

*Subd. 1a. [HAND-PICKING REQUIRED.] A person may only harvest mussels by hand-picking.*

Sec. 25. Minnesota Statutes 1992, section 97C.705, subdivision 1, is amended to read:

Subdivision 1. [OPEN SEASON SEASONS.] (a) The open season for taking mussels is from May 16 to the last day of February.

(b) The commissioner may by rule restrict the open season for taking mussels for commercial purposes.

Sec. 26. Minnesota Statutes 1992, section 97C.711, is amended to read:

97C.711 [MUSSEL SIZE LIMITS.]

A person who has a commercial harvest permit may not take three ridge mussels less than ~~1-3/4~~ 2-3/4 inches in the greatest dimension, ~~except pigtoes~~. A person must return undersized mussels to the water without injury.

Sec. 27. Laws 1991, chapter 354, article 11, section 2, subdivision 2, is amended to read:

Subd. 2. [EXISTING BONDING AUTHORITY.] Existing funds previously appropriated from the bond proceeds fund for the waterbank program under Minnesota Statutes, section 105.392, are *to be used to complete the acquisition of Byrne Lake. Remaining funds are transferred and appropriated* to the board of water and soil resources for easements under article 3, section 1.

Sec. 28. [REPEALER.]

*Minnesota Statutes 1992, sections 97A.541; and 97C.701, subdivisions 2, 3, 4, and 5, are repealed."*

Delete the title and insert:

"A bill for an act relating to game and fish; funding for wildlife habitat; stamp design; training of hunting dogs; disabled hunters; clothing requirements; taking of deer; nonresident fish house license fees; raccoon season; seasons for and tagging of fur-bearing animals; rough fish taking by nonresidents; importation of minnows; taking, possession, transportation, sale, and purchase of mussels; use of certain appropriated funds; amending Minnesota Statutes 1992, sections 97A.015, subdivision 49; 97A.045, subdivision 7; 97A.475, subdivision 12; 97B.005, subdivisions 2 and 3; 97B.045; 97B.071; 97B.111; 97B.211, subdivision 1; 97B.301, subdivision 4, and by adding a subdivision; 97B.311; 97B.621, subdivision 1; 97B.901; 97B.911; 97B.915; 97B.921; 97B.925; 97C.375; 97C.515, by adding a subdivision; 97C.701, subdivision 1, and by adding a subdivision; 97C.705, subdivision 1; 97C.711; and Laws 1991, chapter 354, article 11, section 2, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; and 97A; repealing Minnesota Statutes 1992, sections 97A.541; and 97C.701, subdivisions 2, 3, 4, and 5."

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

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

H.F. No. 768 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.
768	617				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 768 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 768 and insert the language after the enacting clause of S.F. No. 617, the first engrossment; further, delete the title of H.F. No. 768 and insert the title of S.F. No. 617, the first engrossment.

And when so amended H.F. No. 768 will be identical to S.F. No. 617, and further recommends that H.F. No. 768 be given its second reading and substituted for S.F. No. 617, 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. 690 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its 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.
690	557				

and that the above 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. Report adopted.

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

H.F. No. 1424 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.
1424	975				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1424 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1424 and insert the language after the enacting clause of S.F. No. 975, the first engrossment;

further, delete the title of H.F. No. 1424 and insert the title of S.F. No. 975, the first engrossment.

And when so amended H.F. No. 1424 will be identical to S.F. No. 975, and further recommends that H.F. No. 1424 be given its second reading and substituted for S.F. No. 975, 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. 639 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.
639	1528				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 639 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 639 and insert the language after the enacting clause of S.F. No. 1528, the first engrossment; further, delete the title of H.F. No. 639 and insert the title of S.F. No. 1528, the first engrossment.

And when so amended H.F. No. 639 will be identical to S.F. No. 1528, and further recommends that H.F. No. 639 be given its second reading and substituted for S.F. No. 1528, 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. 592 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its 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.
592	576				

and that the above 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. Report adopted.

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

H.F. No. 807 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its 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.
807	685				

and that the above 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. Report adopted.

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

H.F. No. 622 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.
622	695				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 622 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 622 and insert the language after the enacting clause of S.F. No. 695, the first engrossment; further, delete the title of H.F. No. 622 and insert the title of S.F. No. 695, the first engrossment.

And when so amended H.F. No. 622 will be identical to S.F. No. 695, and further recommends that H.F. No. 622 be given its second reading and substituted for S.F. No. 695, 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.

## SECOND READING OF SENATE BILLS

S.F. Nos. 1437, 1512, 1613; 693, 329, 1208, 340, 1503, 1201, 480, and 403 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 1089, 1074, 1182, 461, 1420, 163, 270, 768, 690, 1424, 639, 592, 807 and 622 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Spear moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Kelly be shown as chief author to S.F. No. 919. The motion prevailed.

Mr. Spear moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Kelly be added as chief author to S.F. No. 1566. The motion prevailed.

Mr. Cohen introduced—

Senate Resolution No. 37: A Senate resolution commemorating the dedication of the new Merriam Park Branch Public Library in St. Paul, Minnesota, on April 12, 1993.

Referred to the Committee on Rules and Administration.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Bertram introduced—

S.F. No. 1614: A bill for an act relating to civil actions; imputing liability in dram shop actions; amending Minnesota Statutes 1992, section 340A.801, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Lessard introduced—

S.F. No. 1615: A bill for an act relating to tax-forfeited lands; changing notice requirements for sales of tax-forfeited lands; modifying a provision relating to leasing of tax-forfeited lands; amending Minnesota Statutes 1992, sections 282.02; and 282.04, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Chandler, Riveness, Finn, Price and Ms. Anderson introduced—

S.F. No. 1616: A bill for an act relating to environmental law; establishing a private cause of action for abandonment of hazardous waste; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Environment and Natural Resources.

**MEMBERS EXCUSED**

Mr. Janezich was excused from the Session of today. Mr. Laidig was excused from the Session of today at 11:00 a.m. Messrs. Lessard and Pogemiller were excused from the Session of today from 8:30 to 9:00 a.m. Mr.

Stevens was excused from the Session of today from 8:30 to 9:15 a.m. Mr. Novak was excused from the Session of today from 8:30 to 9:15 a.m. and at 11:00 a.m. Mrs. Pariseau was excused from the Session of today from 9:00 to 10:25 a.m.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Tuesday, April 20, 1993. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate