

**TWENTY-SEVENTH DAY**

St. Paul, Minnesota, Monday, March 20, 1995

The Senate met at 10:00 a.m. and was called to order by the President.

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Rabbi Howard Siegel.

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:

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

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. 384. The motion prevailed.

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

**S.F. No. 384:** A bill for an act relating to transportation; apportioning five percent of the highway user tax distribution fund; amending Minnesota Statutes 1994, section 161.081, subdivision 1.

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

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

**S.F. No. 1029:** A bill for an act relating to alternative transportation fuels; eliminating alternative fuel vehicle permits and providing for refunds of fees paid for unused portions of permits; specifying excise taxes for certain gasoline and special fuel; amending Minnesota Statutes 1994, sections 216C.01, subdivisions 1a and 1b; 296.01, subdivisions 30, 34, and by adding subdivisions; 296.02, subdivisions 1, 1a, and 1b; 296.025, subdivisions 1, 1a, and by adding a subdivision; and 296.0261, by adding a subdivision; repealing Minnesota Statutes 1994, section 296.0261, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 9.

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

Page 6, delete lines 21 to 35 and insert:

"Subd. 10. [CREDIT; REFUNDS.] (a) A purchaser of an alternative fuel vehicle permit under subdivisions 1 to 9 prior to July 1, 1995, shall receive a credit for the unused portion of the permit fee. The amount of the credit shall be equal to the original permit fee and prorated to the number of months from July 1, 1995, until the expiration date of the permit. The credit shall reduce the amount of the vehicle's annual motor vehicle registration tax as calculated under section 168.013. The credit shall be applied to the first motor vehicle registration tax payable after July 1, 1995.

(b) If the amount of the credit calculated under paragraph (a) exceeds the amount of motor vehicle registration tax due, the registrar shall pay to the purchaser of the permit a cash refund equal to the difference between the motor vehicle registration tax and the credit due."

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

**H.F. No. 273:** A bill for an act relating to motor vehicles; allowing license plates for collector vehicles to be transferred and reissued; imposing fees; amending Minnesota Statutes 1994, section 168.10, subdivisions 1a, 1b, 1c, 1d, 1h, and by adding a subdivision.

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

Page 10, after line 5, insert:

"Sec. 7. Minnesota Statutes 1994, section 168.10, subdivision 3, is amended to read:

Subd. 3. [OFFENSES.] It shall be unlawful for any person:

(1) To display or cause to be displayed or to possess any canceled, revoked, suspended or fraudulently obtained or stolen registration plates;

(2) To lend the person's registration plates to another or knowingly to permit the use thereof by another;

(3) To display or represent as the person's own any registration plates not issued to that person; provided, however, this shall not apply to any legal change of ownership of the motor vehicle to which the plates are attached, nor shall this apply to any transfer of collector plates under subdivision 1i;

(4) To fail or refuse to surrender to the department upon its lawful demand any registration plates which have been revoked, canceled, or suspended by proper authority;

(5) To use a false or fictitious name or address or description of the motor vehicle, identification number, or serial number in any application for registration of a motor vehicle or to knowingly make a false statement or to knowingly conceal a material fact or otherwise commit a fraud in any such application;

(6) To destroy, alter, remove, cover or deface the identification or serial number of any motor vehicle or to knowingly operate any motor vehicle the identification or serial number of which has been destroyed, altered, removed, covered or defaced without first making application for assignment of a special identification number as provided by law."

Amend the title as follows:

Page 1, line 5, before "and" insert "3,"

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. 457:** A bill for an act relating to commerce; real estate; regulating certain licensees and registrants and recovery fund actions; amending Minnesota Statutes 1994, sections 82.18; 82.19, subdivision 7; 82.195, subdivision 1; 82.20, subdivision 13; 82.34, subdivision 7; 82A.11, subdivision 3; 83.28, subdivision 5; 386.65, subdivision 1; 386.66; 386.67; 386.68; and 386.69.

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

Page 6, after line 16, insert:

"Sec. 7. Minnesota Statutes 1994, section 83.26, subdivision 2, is amended to read:

Subd. 2. [GENERALLY; TRANSACTIONS.] Unless the method of offer or sale is adopted for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, the following transactions are exempt from sections 83.23, 83.24, 83.25, 83.28, 83.29, and 83.30:

(a) the offer or sale of an interest in subdivided land by an owner, other than the subdivider, acting as principal in a single or isolated transaction;

(b) the offer or sale of all of the subdivided lands within a subdivision in a single transaction to any person;

(c) the offer or sale of subdivided land pursuant to an order of competent jurisdiction, other than a court of bankruptcy;

(d) the offer or sale of subdivided land consisting of not more than ten separate lots, units, parcels, or interests in the aggregate;

(e) the offer or sale of subdivided lands which have been registered under section 83.23, subdivision 2, if there are no more than ten separate lots, units, parcels, or interests remaining to be sold and no material change has occurred in the information on file with the commissioner;

(f) the offer and sale of subdivided land located within the corporate limits of a municipality as defined in section 462.352, subdivision 2, which municipality has adopted subdivision regulations as defined in section 462.352, except those lands described in section 83.20, subdivision 13;

(g) the offer and sale of apartments or condominium units as defined in chapters 515 and 515A, and units in common interest communities as defined in chapter 515B;

(h) the offer and sale of subdivided lands used primarily for agricultural purposes provided each parcel is at least ten acres in size;

(i) the offer or sale of improved lots if:

(1) the subdivider has filed with the commissioner, no later than ten business days prior to the date of the first sale, a written notice of its intention to offer or sell improved lots, which notice shall be accompanied by a fee of \$50, together with a copy of the public offering statement accepted by the situs state and the standard purchase agreement which documents are required to be supplied by the subdivider to the purchaser; and

(2) the subdivider deposits all downpayments in an escrow account until all obligations of the

subdivider to the purchaser, which are pursuant to the terms of the purchase agreement to be performed prior to the closing, have been performed. The subdivider shall provide the purchaser with a purchase receipt for the downpayment paid, a copy of the escrow agreement and the name, address, and telephone number of the escrow agent. The escrow agent shall be a bank located in Minnesota. All downpayments shall be deposited in the escrow account within two business days after receipt; and

(j) the offer of sale of subdivided lands by a subdivider that has been granted an exemption from registration by the federal Department of Housing and Urban Development under the multiple site subdivision exemption, if the subdivider provides a written notice of the offer of sale to the commissioner before any offers or sale commence.

The written notice must include the name of the subdivision, the county and state in which the subdivision is located, and the number of lots in the subdivision, and a notarized affidavit that all proposed improvements have been completed and the costs of all the improvements have been fully paid, or that the cost of any uncompleted road construction or survey expenses are covered by a bond or escrow account payable to the entities responsible for providing or completing the roads or surveys. The escrow account must be with an independent escrow agent.

The subdivider must also provide to the commissioner a copy of the federal Housing and Urban Development exemption order and the most recent annual confirmation letter which indicates that the order is still in effect.

If the closing services are provided by the subdivider or an affiliate of the subdivider, purchasers must manually initial in the Housing and Urban Development Lot Information Statement both the disclosure on all the liens, reservations, taxes, assessments, easements, and restrictions applicable to the lot purchased and the disclosure on the risks of not obtaining clear title.

The commissioner may, by rule or order, suspend, revoke, or further condition the exemptions contained in clauses (f), (g), (h), (i), and (j), or may require such further information as may be necessary for the protection of purchasers.

The commissioner may by rule or order suspend, revoke, or further condition the exemptions contained in clauses (f), (g), (h), and (i) or may require such further information as may be necessary for the protection of purchasers.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14."

Page 9, line 30, delete "12" and insert "13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the first semicolon, insert "83.26, subdivision 2;"

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

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

**S.F. No. 920:** A bill for an act relating to conservation; providing a pilot conservation credit program in Houston county; providing a property tax credit to program participants; appropriating money.

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

Page 2, line 7, delete "1-1/2" and insert "one-half"

Page 3, line 14, delete "eligible"

Page 3, line 15, delete everything before the period and insert "standards are not adhered to any longer"

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

**S.F. No. 819:** A bill for an act relating to agriculture; creating a "Passing on the Farm Center"; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

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

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

**S.F. No. 654:** A bill for an act relating to agriculture; expanding eligibility for the value-added agricultural product loan program; appropriating money; amending Minnesota Statutes 1994, section 41B.046, subdivision 1, and by adding a subdivision.

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

Page 2, line 9, after the semicolon, insert "and"

Page 2, line 12, delete "produced in Minnesota;"

Page 2, delete lines 13 to 17

Page 2, line 18, delete everything before the period

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

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

**S.F. No. 1099:** A bill for an act relating to elections; permitting election judges to serve outside the county where they reside in certain cases; amending Minnesota Statutes 1994, section 204B.19, subdivision 1.

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. 590:** A bill for an act relating to elections; providing for distribution of a caucus guide and a voters' guide; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 202A; and 204B.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 841:** A bill for an act relating to local government; modifying certain provisions relating to comprehensive municipal planning in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.235, subdivisions 3, 5, and by adding a subdivision; 462.355, by adding a subdivision; 462.357, subdivision 2, and by adding a subdivision; 473.858, subdivision 1; 473.859, subdivisions 1, 2, and 5; and 473.864, subdivision 2.

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 1994, section 103B.235, subdivision 3, is amended to read:

Subd. 3. [REVIEW.] After consideration but before adoption by the governing body, each local unit shall submit its water management plan to the watershed management organization for review for consistency with the watershed plan adopted pursuant to section 103B.231. The organization shall approve or disapprove the local plan or parts of the plan. The organization shall have 60 days to complete its review; provided, however, that the watershed management organization shall, as part of its review, take into account the comments submitted to it by the metropolitan council pursuant to subdivision 3a. If the organization fails to complete its review within the prescribed period, the local plan shall be deemed approved unless an extension is agreed to by the local unit.

Sec. 2. Minnesota Statutes 1994, section 103B.235, is amended by adding a subdivision to read:

Subd. 3a. [REVIEW BY METROPOLITAN COUNCIL.] Concurrently with its submission of its local water management plan to the watershed management organization as provided in subdivision 3, each local unit of government shall submit its water management plan to the metropolitan council for review and comment by the council. The council shall have 45 days to review and comment upon the local plan or parts of the plan with respect to consistency with the council's comprehensive development guide for the metropolitan area. The council's 45-day review period shall run concurrently with the 60-day review period by the watershed management organization provided in subdivision 3. The metropolitan council shall submit its comments to the watershed management organization and shall send a copy of its comments to the local government unit. If the metropolitan council fails to complete its review and make comments to the watershed management organization within the 45-day period, the watershed management organization shall complete its review as provided in subdivision 3.

Sec. 3. Minnesota Statutes 1994, section 103B.235, subdivision 5, is amended to read:

Subd. 5. [AMENDMENTS.] To the extent and in the manner required by the organization, all amendments to local water management plans shall be submitted to the organization for review and approval in accordance with the provisions of ~~subdivision~~ subdivisions 3 and 3a for the review of plans.

Sec. 4. Minnesota Statutes 1994, section 462.355, is amended by adding a subdivision to read:

Subd. 1a. [PLAN UPDATE BY METROPOLITAN MUNICIPALITIES.] Each municipality in the metropolitan area, as defined in section 473.121, subdivision 2, shall review and update its comprehensive plan and fiscal devices and official controls as provided in section 473.864, subdivision 2.

Sec. 5. Minnesota Statutes 1994, section 462.357, subdivision 2, is amended to read:

Subd. 2. [GENERAL REQUIREMENTS.] At any time after the adoption of a land use plan for the municipality, the planning agency, for the purpose of carrying out the policies and goals of the land use plan, may prepare a proposed zoning ordinance and submit it to the governing body with its recommendations for adoption. Subject to the requirements of subdivisions 3, 4 and 5, the governing body may adopt and amend a zoning ordinance by a two-thirds vote of all its members. Except for local governments in the metropolitan area as provided in section 473.858, subdivision 1, if the comprehensive municipal plan is in conflict with the zoning ordinance, the zoning ordinance supersedes the plan.

Sec. 6. Minnesota Statutes 1994, section 473.858, subdivision 1, is amended to read:

Subdivision 1. Within three years following the receipt of the metropolitan system statement, every local governmental unit shall have prepared a comprehensive plan in accordance with sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871 and the applicable planning statute and shall have submitted the plan to the metropolitan council for review pursuant to section 473.175. The provisions of sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871 shall supersede the provisions of the applicable planning statute wherever a conflict may exist. If the

comprehensive municipal plan is in conflict with the zoning ordinance, the zoning ordinance supersedes the plan. shall be brought into conformance with the plan by local government units in conjunction with the review and, if necessary, amendment of its comprehensive plan required under section 473.864, subdivision 2. After August 1, 1995, a local government unit shall not adopt any fiscal device or official control which is in conflict with its comprehensive plan, including any amendments to the plan, or which permits activity in conflict with metropolitan system plans, as defined by section 473.852, subdivision 8. The comprehensive plan shall provide guidelines for the timing and sequence of the adoption of official controls to ensure planned, orderly, and staged development and redevelopment consistent with the comprehensive plan. For purposes of this section, a fiscal device or official control shall not be considered to be in conflict with a local government unit's comprehensive plan or to permit an activity in conflict with metropolitan system plans if such fiscal device or official control is adopted to ensure the planned, orderly, and staged development of urbanization or redevelopment areas designated in the comprehensive plan pursuant to section 473.859, subdivision 5.

Sec. 7. Minnesota Statutes 1994, section 473.859, subdivision 1, is amended to read:

Subdivision 1. [CONTENTS.] The comprehensive plan shall contain objectives, policies, standards and programs to guide public and private land use, development, redevelopment and preservation for all lands and waters within the jurisdiction of the local governmental unit through 1990 and may extend through any year thereafter which is evenly divisible by five. Each plan shall specify expected industrial and commercial development, planned population distribution, and local public facility capacities upon which the plan is based. Each plan shall contain a discussion of the use of the public facilities specified in the metropolitan system statement and the effect of the plan on adjacent local governmental units and affected school districts. Existing plans and official controls may be used in whole or in part following modification, as necessary, to satisfy the requirements of sections 462.355, subdivision 4, 473.175, and 473.851 to 473.871. Each plan may contain an intergovernmental coordination element that describes how its planned land uses and urban services affect other communities, adjacent local government units, the region, and the state, and that includes guidelines for joint planning and decision making with other communities, school districts, and other jurisdictions for siting public schools, building public facilities, and sharing public services.

Each plan may contain an economic development element that identifies types of mixed use development, expansion facilities for businesses, and methods for developing a balanced and stable economic base.

The comprehensive plan may contain any additional matter which may be included in a comprehensive plan of the local governmental unit pursuant to the applicable planning statute.

Sec. 8. Minnesota Statutes 1994, section 473.859, subdivision 2, is amended to read:

Subd. 2. [LAND USE PLAN.] A land use plan shall include the water management plan required by section 103B.235, and shall designate the existing and proposed location, intensity and extent of use of land and water, including lakes, wetlands, rivers, streams, natural drainage courses, and adjoining land areas that affect water natural resources, for agricultural, residential, commercial, industrial and other public and private purposes, or any combination of such purposes. A land use plan shall contain a protection element, as appropriate, for historic sites, the matters listed in the water management plan required by section 103B.235, and the matters listed in section 473.204, and an element for protection and development of access to direct sunlight for solar energy systems. A land use plan shall also include a housing element containing standards, plans and programs for providing adequate housing opportunities to meet existing and projected local and regional housing needs, including but not limited to the use of official controls and land use planning to promote the availability of land for the development of low and moderate income housing.

Sec. 9. Minnesota Statutes 1994, section 473.859, subdivision 5, is amended to read:

Subd. 5. [URBANIZATION AND REDEVELOPMENT AREAS.] The comprehensive plans may designate, when appropriate, five year urbanization areas and shall specify in the capital improvement program the timing and sequence of major local public facilities and in the implementation program official controls which will ensure that urbanization occurs only in urbanization areas and in accordance with the plan.

The comprehensive plans may designate, when appropriate, redevelopment areas and may, as appropriate, specify in the capital improvement program the timing and sequence of local public facilities and in the implementation program the fiscal devices or official controls that will ensure that redevelopment occurs in accordance with the plan.

Sec. 10. Minnesota Statutes 1994, section 473.864, subdivision 2, is amended to read:

Subd. 2. By December 31, 1998, and at least once every ten years thereafter, each local governmental unit shall review and, if necessary, amend its entire comprehensive plan and its fiscal devices and official controls. Such review and, if necessary, amendment shall ensure that, as provided in section 473.865, the fiscal devices and official controls of each local government unit are not in conflict with its comprehensive plan. Upon completion of review and, if necessary, amendment of its comprehensive plan, fiscal devices, and official controls as required by this section, each local government unit shall either:

(a) submit to the metropolitan council the entire current comprehensive plan together with written certification by the governing body of the local government unit that it has complied with this section and that no amendments to its plan or fiscal devices or official controls are necessary;  
or

(b)(1) submit the entire updated comprehensive plan and amendment or amendments to its comprehensive plan necessitated by its review to the metropolitan council for review; and

(2) submit the amendment or amendments to its fiscal devices or official controls necessitated by its review to the metropolitan council for information purposes as provided by section 473.865.

Except as otherwise provided in this paragraph, local governments shall consider, in preparing their updated comprehensive plans, amendments to metropolitan system plans in effect on December 31, 1996. For metropolitan system plans, or amendments thereto, adopted after December 31, 1996, local governments shall review their comprehensive plans to determine if an amendment is necessary to conform to the metropolitan system plans. If an amendment is necessary, the local government shall prepare the amendment and submit it to the council for review by September 30, 1999, or nine months after the council transmits the metropolitan system plan amendment to the local government, whichever is later.

The periodic review required in this subdivision shall be in addition to the review required by section 473.856.

The metropolitan council may grant extensions to local government units in order to allow local government units to complete the review and, if necessary, amendment required by this subdivision. Such extensions, if granted by the metropolitan council, must include a timetable and plan for completion of the review and amendment.

Amendments to comprehensive plans of local governmental units and to capital improvement programs of school districts shall be prepared, submitted, and adopted in conformance with guidelines adopted by the metropolitan council pursuant to section 473.854.

Sec. 11. Minnesota Statutes 1994, section 473.867, is amended by adding a subdivision to read:

Subd. 6. [ASSISTANCE FOR PLAN UPDATES.] The council shall give priority for the use of loan and grant funds available under this section to local governmental units for review and amendment of local comprehensive plans and fiscal devices and official controls, as required by section 473.864, subdivision 2. The council shall consult with affected local government units to evaluate the need for technical and financial assistance.

Sec. 12. [REPORT TO LEGISLATURE.]

The council shall report to the legislature by January 15, 1996, on the results of its consultation with affected local governmental units on the need for technical and financial assistance as required under Minnesota Statutes, section 473.867, subdivision 6.

Sec. 13. [APPLICATION.]

This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to local government; modifying certain provisions relating to comprehensive municipal planning in the metropolitan area; amending Minnesota Statutes 1994, sections 103B.235, subdivisions 3, 5, and by adding a subdivision; 462.355, by adding a subdivision; 462.357, subdivision 2; 473.858, subdivision 1; 473.859, subdivisions 1, 2, and 5; 473.864, subdivision 2; and 473.867, by adding a subdivision."

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 534:** A bill for an act relating to towns; clarifying authority of town board to alter or vacate town roads dedicated by plat; clarifying procedures; amending Minnesota Statutes 1994, sections 164.06, subdivision 1; and 164.07, subdivision 1.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 420:** A bill for an act relating to the Paynesville area hospital district; authorizing the district to annex Eden Lake township to the district.

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

Page 1, line 9, delete "1991" and insert "1992"

Page 1, line 10, after "may" insert ", upon the request of the city of Eden Valley," and delete the second "town" and insert "city"

Page 1, line 11, delete "Lake" and insert "Valley"

Amend the title as follows:

Page 1, line 3, delete "Eden Lake township" and insert "the city of Eden Valley"

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

**Ms. Piper from the Committee on Family Services, to which was referred**

**S.F. No. 702:** A bill for an act relating to human services; defining and establishing "transition services"; continuing the percentage of cost for out-of-state treatment of children; allowing grants for community-based services for adolescents with serious emotional disturbances and violent behavior; providing for an early childhood care and education training advisory committee; establishing outcomes for cultural dynamics training; changing children's safety centers to family safety centers; changing payments and funding for child care programs; amending Minnesota Statutes 1994, sections 245.4871, by adding a subdivision; 245.4875, by adding a subdivision; 245.4882, subdivision 5; 245.4886, by adding subdivisions; 245A.14, subdivision 7; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 4, 6, and by adding a subdivision; 256H.05, subdivision 6; 256H.08; 256H.11, subdivision 1; 256H.12, subdivision 1, and by adding a subdivision; 256H.15, subdivision 1; 256H.18; and 256H.20, subdivision 3a; repealing Minnesota Statutes 1994, section 256H.03, subdivisions 2 and 5.

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 1994, section 245.4871, is amended by adding a subdivision to read:

Subd. 35. [TRANSITION SERVICES.] "Transition services" means mental health services, designed within an outcome oriented process that promotes movement from school to postschool activities, including post-secondary education, vocational training, integrated employment including supported employment, continuing and adult education, adult mental health and social services, other adult services, independent living, or community participation.

Sec. 2. Minnesota Statutes 1994, section 245.4875, is amended by adding a subdivision to read:

Subd. 8. [TRANSITION SERVICES.] The county board may continue to provide mental health services as defined in sections 245.487 to 245.4888 to persons over 18 years of age, but under 21 years of age, if the person was receiving case management or family community support services prior to age 18, and if one of the following conditions is met:

- (1) the person is receiving special education services through the local school district; or
- (2) it is in the best interest of the person to continue services defined in sections 245.487 to 245.4888.

Sec. 3. Minnesota Statutes 1994, section 245.4882, subdivision 5, is amended to read:

Subd. 5. [SPECIALIZED RESIDENTIAL TREATMENT SERVICES.] The commissioner of human services shall continue efforts to further interagency collaboration to develop a comprehensive system of services, including family community support and specialized residential treatment services for children. The services shall be designed for children with emotional disturbance who exhibit violent or destructive behavior and for whom local treatment services are not feasible due to the small number of children statewide who need the services and the specialized nature of the services required. The services shall be located in community settings. If no appropriate services are available in Minnesota or within the geographical area in which the residents of the county normally do business, the commissioner is responsible, effective July 1, 1995 1997, for 50 percent of the nonfederal costs of out-of-state treatment of children for whom no appropriate resources are available in Minnesota. Counties are eligible to receive enhanced state funding under this section only if they have established juvenile screening teams under section 260.151, subdivision 3, and if the out-of-state treatment has been approved by the commissioner. By January 1, 1995, the commissioners of human services and corrections shall jointly develop a plan, including a financing strategy, for increasing the in-state availability of treatment within a secure setting. By July 1, 1994, the commissioner of human services shall also:

- (1) conduct a study and develop a plan to meet the needs of children with both a developmental disability and severe emotional disturbance; and
- (2) study the feasibility of expanding medical assistance coverage to include specialized residential treatment for the children described in this subdivision.

Sec. 4. Minnesota Statutes 1994, section 245.4886, is amended by adding a subdivision to read:

Subd. 3. [GRANTS FOR ADOLESCENT SERVICES.] The commissioner may make grants for community-based services for adolescents who have serious emotional disturbance and exhibit violent behavior. The commissioner may administer these grants as a supplement to the grants for children's community-based mental health services under subdivision 1. The same administrative requirements shall apply to these grants as the grants under subdivision 1, except that these grants:

- (1) shall be primarily for areas with the greatest need for services;
- (2) may be used for assessment, treatment, placement assistance, specialized adolescent community-based residential treatment, and community transition services for adolescents who have serious emotional disturbance and exhibit violent behavior;
- (3) must, wherever possible, be administered under the auspices of a children's mental health collaborative established under section 245.491 if the collaborative chooses to serve this target population;

(4) must be used for mental health services that are integrated with other services whenever possible; and

(5) must be based on a proposal submitted to the commissioner by a children's mental health collaborative or a county board based on guidelines published by the commissioner.

Sec. 5. Minnesota Statutes 1994, section 245.4886, is amended by adding a subdivision to read:

Subd. 4. [FUNDING FOR TRANSITION SERVICES.] The county board may use funding provided under this section to provide transition services for persons age 18 to 21 according to sections 245.4871, subdivision 35, and 245.4875, subdivision 8.

Sec. 6. Minnesota Statutes 1994, section 256F.09, is amended to read:

**256F.09 [GRANTS FOR ~~CHILDREN'S~~ FAMILY SAFETY CENTERS.]**

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental organizations, to use existing local facilities as ~~pilot children's family safety centers~~. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating ~~children's or maintaining family safety centers~~ to reduce children's vulnerability to violence and trauma related to family visitation, where there has been a history of domestic violence or abuse within the family. At least one of the pilot projects shall be located in the seven-county metropolitan area and at least one of the projects shall be located outside the seven-county metropolitan area, and the commissioner shall award the grants to provide the greatest possible number of safety centers and to locate them to provide for the broadest possible geographic distribution of the centers throughout the state.

Each ~~children's family~~ safety center must use existing local facilities to provide a healthy interactive environment for parents who are separated or divorced and for parents with children in foster homes to visit with their children. The centers must be available for use by district courts who may order visitation to occur at a safety center. The centers may also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site. Each center must provide sufficient security to ensure a safe visitation environment for children and their parents. A grantee must demonstrate the ability to provide a local match, which may include in-kind contributions.

Subd. 2. [PRIORITIES.] In awarding grants under the program, the commissioner shall give priority to:

- (1) areas of the state where no ~~children's other family~~ safety center or similar facility exists;
- (2) applicants who demonstrate that private funding for the center is available and will continue; and
- (3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

Subd. 3. [ADDITIONAL SERVICES.] Each center may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Subd. 4. [REPORT.] The commissioner shall evaluate the operation of the ~~pilot children's family safety centers~~ and report to the legislature by February 1, 1994, with recommendations.

Sec. 7. Minnesota Statutes 1994, section 256H.01, subdivision 9, is amended to read:

Subd. 9. [FAMILY.] "Family" means parents, stepparents, guardians and their spouses, or other eligible relative caretakers and their spouses, and their blood related dependent children and adoptive siblings under the age of 18 years living in the same home including children temporarily absent from the household in settings such as schools, foster care, and residential treatment facilities. When a minor parent or parents and his, her, or their child or children are living with other relatives, and the minor parent or parents apply for a child care subsidy, "family" means only

the minor parent or parents and the child or children. An adult may be considered a dependent member of the family unit if 50 percent of the adult's support is being provided by the parents, stepparents, guardians and their spouses, or eligible relative caretakers and their spouses, residing in the same household. An adult age 18 who is a full-time high school student and can reasonably be expected to graduate before age 19 may be considered a dependent member of the family unit.

Sec. 8. Minnesota Statutes 1994, section 256H.01, subdivision 12, is amended to read:

Subd. 12. [PROVIDER.] "Provider" means a child care license holder who operates a family day care home, a group family day care home, a day care center, a nursery school, a day nursery, an extended day school age child care program; ~~a person exempt from licensure who meets child care standards established~~ legal nonlicensed extended day school age child care program which operates under the auspices of a local school board that has adopted school age child care standards which meet or exceed standards recommended by the state board department of education; or a legal nonlicensed caregiver who is at least 18 years of age, and who is not a member of the AFDC assistance unit.

Sec. 9. Minnesota Statutes 1994, section 256H.02, is amended to read:

256H.02 [DUTIES OF COMMISSIONER.]

The commissioner shall develop standards for county and human services boards to provide child care services to enable eligible families to participate in employment, training, or education programs. Within the limits of available appropriations, the commissioner shall distribute money to counties to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. In the rules adopted under this section, county and human services boards shall be authorized to establish policies for payment of child care spaces for absent children, when the payment is required by the child's regular provider. The rules shall not set a maximum number of days for which absence payments can be made, but instead shall direct the county agency to set limits and pay for absences according to the prevailing market practice in the county. County policies for payment of absences shall be subject to the approval of the commissioner. The commissioner shall maximize the use of federal money ~~under the AFDC employment special needs program~~ in section 256.736, subdivision 8, and other programs that provide federal reimbursement for child care services for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under those programs. Money appropriated under this section must be coordinated with the ~~AFDC employment special needs program and other~~ programs that provide federal reimbursement for child care services to accomplish this purpose. Federal reimbursement obtained must be allocated to the county that spent money for child care that is federally reimbursable under programs that provide federal reimbursement for child care services. The counties shall use the federal money to expand child care services. The commissioner may adopt rules under chapter 14 to implement and coordinate federal program requirements.

Sec. 10. Minnesota Statutes 1994, section 256H.03, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION PERIOD; NOTICE OF ALLOCATION.] When the commissioner notifies county and human service boards of the forms and instructions they are to follow in the development of their biennial community social services plans required under section 256E.08, the commissioner shall also notify county and human services boards of their estimated child care fund program allocation for the two years covered by the plan. ~~By June~~ October 1 of each year, the commissioner shall notify all counties of their final child care fund program allocation.

Sec. 11. Minnesota Statutes 1994, section 256H.03, subdivision 2a, is amended to read:

Subd. 2a. [ELIGIBLE RECIPIENTS.] Families that meet the eligibility requirements under sections 256H.10, except AFDC recipients, MFIP recipients, and transition year families, and 256H.11 are eligible for child care assistance under the basic sliding fee program. ~~From July 1, 1990, to June 30, 1991, a county may not accept new applications for the basic sliding fee program unless the county can demonstrate that its state money expenditures for the basic sliding fee program for this period will not exceed 95 percent of the county's allocation of state money for the~~

fiscal year ending June 30, 1990. As basic sliding fee program money becomes available to serve new families, eligible families whose benefits were terminated during the fiscal year ending June 30, 1990, for reasons other than loss of eligibility shall be reinstated. Families enrolled in the basic sliding fee program as of July 1, 1990, shall be continued until they are no longer eligible. Counties shall make vendor payments to the child care provider or pay the parent directly for eligible child care expenses on a reimbursement basis. Child care assistance provided through the child care fund is considered assistance to the parent.

Sec. 12. Minnesota Statutes 1994, section 256H.03, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION FORMULA.] Beginning July 1, 1992 January 1, 1996, the basic sliding fee state and federal funds shall be allocated on a calendar year basis. Funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 6, with any remaining available funds allocated according to the following formula:

(a) One-half One-third of the funds shall be allocated in proportion to each county's total expenditures for the basic sliding fee child care program reported during the 12-month period ending on December 31 of the preceding state fiscal year most recent calendar year completed at the time of the notice of allocation.

(b) One-fourth One-third of the funds shall be allocated based on the number of children under age 13 in each county who are enrolled in general assistance medical care, medical assistance, and the children's health plan on July 1, of each year MinnesotaCare on December 31 of the most recent calendar year completed at the time of the notice of allocation.

(c) One-fourth One-third of the funds shall be allocated based on the number of children under age 13 who reside in each county, from the most recent estimates of the state demographer.

Sec. 13. Minnesota Statutes 1994, section 256H.03, is amended by adding a subdivision to read:

Subd. 4a. [SIX-MONTH ALLOCATION.] For the period from July 1, 1995, to December 31, 1995, every county shall receive an allocation at least equal and proportionate to one-half of its original allocation in state fiscal year 1995. This six-month allocation shall be combined with the calendar year 1996 allocation and be administered as one 18-month allocation.

Sec. 14. Minnesota Statutes 1994, section 256H.03, subdivision 6, is amended to read:

Subd. 6. [GUARANTEED FLOOR.] (a) ~~Each county's guaranteed floor shall equal the lesser of:~~

~~(1) the county's original allocation in the preceding state fiscal year; or~~

~~(2) 110 percent of the county's basic sliding fee child care program state and federal earnings for the 12-month period ending on December 31 of the preceding state fiscal year. For purposes of this clause, "state and federal earnings" means the reported direct child care expenditures adjusted for the administrative allowance and 15 percent required county match. Beginning January 1, 1996, each county's guaranteed floor shall equal 90 percent of the allocation received in the preceding calendar year. For the calendar year 1996 allocation, the preceding calendar year shall be considered to be double the six-month allocation as provided for in subdivision 4a.~~

(b) ~~When the amount of funds available for allocation is less than the amount available in the previous year, each county's previous year allocation shall be reduced in proportion to the reduction in the statewide funding, for the purpose of establishing the guaranteed floor.~~

Sec. 15. Minnesota Statutes 1994, section 256H.05, subdivision 6, is amended to read:

Subd. 6. [NON-STRIDE AFDC CHILD CARE PROGRAM ACCESS CHILD CARE PROGRAM.] Starting one month after April 30, 1992, the department of human services commissioner shall reimburse eligible expenditures for 2,000 family slots for AFDC caretakers not eligible for services under section 256.736, who are engaged in an authorized educational or job search program. Each county will receive a number of family slots based on the county's proportion of the AFDC caseload. A county must receive at least two family slots. Eligibility and

reimbursement are limited to the number of family slots allocated to each county. County agencies shall authorize an educational plan for each student and may prioritize families eligible for this program in their child care fund plan upon approval of the commissioner of ~~human services~~.

(a) Persons eligible for but unable to participate in the JOBS (STRIDE) program because of a waiting list may be accepted as a new participant, or continue to participate in the ACCESS child care program if a slot is available as long as all other eligibility factors are met. Child care assistance must continue under the ACCESS child care program until the participant loses eligibility or is enrolled in project STRIDE.

(b)(1) Effective July 1, 1995, the commissioner shall reclaim 90 percent of the vacant slots in each county and distribute those slots to counties with waiting lists of persons eligible for the ACCESS child care program. The slots must be distributed to eligible families based on the July 1, 1995, waiting list placement date, first-come, first-served basis.

(2) ACCESS child care slots remaining after the waiting list under clause (1) has been eliminated must be distributed to eligible families on a first-come, first-served basis, based on the client's date of request.

(3) The county must notify the commissioner when an ACCESS slot in the county becomes available. Notification by the county must be within five calendar days of the effective date of the termination of the ACCESS child care services. The resulting vacant slot must be returned to the department of human services. The slot must then be redistributed under clause (2).

(4) The commissioner shall consult with the task force on child care and make recommendations to the 1996 legislature for future distribution of the ACCESS slots under this paragraph.

Sec. 16. Minnesota Statutes 1994, section 256H.08, is amended to read:

**256H.08 [USE OF MONEY.]**

Money for persons listed in sections 256H.03, subdivision 2a, and 256H.05, subdivision 1b, shall be used to reduce the costs of child care for students, including the costs of child care for students while employed if enrolled in an eligible education program at the same time and making satisfactory progress towards completion of the program. Counties may not limit the duration of child care subsidies for a person in an employment or educational program, except when the person is found to be ineligible under the child care fund eligibility standards. Any limitation must be based on a person's employability plan in the case of an AFDC recipient, and county policies included in the child care allocation plan. Time limitations for child care assistance, as specified in Minnesota Rules, parts 9565.5000 to 9565.5200, do not apply to basic or remedial educational programs needed to prepare for post-secondary education or employment. These programs include: high school, general equivalency diploma, and English as a second language. Programs exempt from this time limit must not run concurrently with a post-secondary program. High school students who are participating in a post-secondary options program and who receive a high school diploma issued by the school district are exempt from the time limitations while pursuing a high school diploma. Financially eligible students who have received child care assistance for one academic year shall be provided child care assistance in the following academic year if funds allocated under sections 256H.03 and 256H.05 are available. If an AFDC recipient who is receiving AFDC child care assistance under this chapter moves to another county, continues to participate in educational or training programs authorized in their employability development plans, and continues to be eligible for AFDC child care assistance under this chapter, the AFDC caretaker must receive continued child care assistance from the county responsible for their current employability development plan, without interruption.

Sec. 17. Minnesota Statutes 1994, section 256H.11, subdivision 1, is amended to read:

**Subdivision 1. [ASSISTANCE FOR PERSONS SEEKING AND RETAINING EMPLOYMENT.]** Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of up to one month of child care up to 240 hours of child care assistance per calendar year. Employed persons who work at least an average of ten hours a week and receive at least a minimum wage for all hours worked are eligible for continued child care assistance.

Sec. 18. Minnesota Statutes 1994, section 256H.12, subdivision 1, is amended to read:

Subdivision 1. [COUNTY CONTRIBUTIONS REQUIRED.] Beginning July 1, 1995, in addition to payments from parents basic sliding fee child care program participants, counties shall contribute from county tax or other sources a minimum of 15 percent of the cost of the basic sliding fee program at the local match percentage calculated according to subdivision 1a. The commissioner shall recover funds from the county as necessary to bring county expenditures into compliance with this subdivision.

Sec. 19. Minnesota Statutes 1994, section 256H.12, is amended by adding a subdivision to read:

Subd. 1a. [LOCAL MATCH PERCENTAGE.] The local match percentage shall equal the lesser of either 15 percent of the cost of the basic sliding fee program or the statewide required local match in state fiscal year 1995, divided by the sum of the current year's basic sliding fee allocation, plus the statewide required local match in state fiscal year 1995 provided that the local match on any funding above the base year allocation shall be at least five percent. For purposes of this computation, the statewide required local match in state fiscal year 1995 shall be equal to the initial state fiscal year 1995 basic sliding fee allocation, divided by 85 percent, and then multiplied by 15 percent. The calendar year 1996 local match percentage shall be in effect for the six-month allocation period defined in section 256H.03.

Sec. 20. Minnesota Statutes 1994, section 256H.15, subdivision 1, is amended to read:

Subdivision 1. [SUBSIDY RESTRICTIONS.] ~~(a) Until June 30, 1991, the maximum child care rate is determined under this paragraph. The county board may limit the subsidy allowed by setting a maximum on the provider child care rate that the county shall subsidize. The maximum rate set by any county shall not be lower than 110 percent or higher than 125 percent of the median rate in that county for like care arrangements for all types of care, including special needs and handicapped care, as determined by the commissioner. If the county sets a maximum rate, it must pay the provider's rate for each child receiving a subsidy, up to the maximum rate set by the county. If a county does not set a maximum provider rate, it shall pay the provider's rate for every child in care. The maximum state payment is 125 percent of the median provider rate. If the county has not set a maximum provider rate and the provider rate is greater than 125 percent of the median provider rate in the county, the county shall pay the amount in excess of 125 percent of the median provider rate from county funding sources. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.~~

~~(b) Effective July 1, 1991, the maximum rate paid for child care assistance under the child care fund is the maximum rate eligible for federal reimbursement except that a provider receiving reimbursement under paragraph (a) as of January 1, 1991, shall be paid at a rate no less than the rate of reimbursement received under that paragraph. A rate which includes a provider bonus paid under subdivision 2 or a special needs rate paid under subdivision 3 may be in excess of the maximum rate allowed under this subdivision. The department of human services shall monitor the effect of this paragraph on provider rates. The county shall pay the provider's full charges for every child in care up to the maximum established. The commissioner shall determine the maximum rate for each type of care, including special needs and handicapped care.~~

~~(c) When the provider charge is greater than the maximum provider rate allowed, the parent is responsible for payment of the difference in the rates in addition to any family copayment fee.~~

Sec. 21. Minnesota Statutes 1994, section 256H.18, is amended to read:

256H.18 [ADMINISTRATIVE EXPENSES.]

~~The commissioner shall use up to seven percent one-eleventh of the state and federal funds appropriated available for the basic sliding fee program for payments to counties for administrative expenses. The commissioner shall use up to ten percent of federal funds for payments to counties for administrative expenses.~~

Sec. 22. [REPEALER.]

Minnesota Statutes 1994, section 256H.03, subdivisions 2 and 5, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; defining and establishing "transition services"; delaying state liability of cost for out-of-state treatment of children; allowing grants for community-based services for adolescents with serious emotional disturbances and violent behavior; providing for an early childhood care and education training advisory committee; establishing outcomes for cultural dynamics training; changing children's safety centers to family safety centers; changing payments and funding for child care programs; amending Minnesota Statutes 1994, sections 245.4871, by adding a subdivision; 245.4875, by adding a subdivision; 245.4882, subdivision 5; 245.4886, by adding subdivisions; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 4, 6, and by adding a subdivision; 256H.05, subdivision 6; 256H.08; 256H.11, subdivision 1; 256H.12, subdivision 1, and by adding a subdivision; 256H.15, subdivision 1; and 256H.18; repealing Minnesota Statutes 1994, section 256H.03, subdivisions 2 and 5."

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 856:** A bill for an act relating to Dakota county; assigning to the county administrator the duties of the clerk of the county board; proposing coding for new law in Minnesota Statutes, chapter 383D.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**H.F. No. 565:** A bill for an act relating to metropolitan area housing; authorizing the metropolitan council to operate a federal section 8 housing program within the metropolitan area pursuant to joint exercise of powers agreements; amending Minnesota Statutes 1994, section 473.195, subdivision 1.

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

**Mr. Vickerman from the Committee on Metropolitan and Local Government, to which was referred**

**S.F. No. 833:** A bill for an act relating to the city of Minneapolis; authorizing the city to determine the method for the sale of unclaimed property; repealing Laws 1919, chapter 396.

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 1994, section 471.195, is amended to read:

471.195 [UNCLAIMED PROPERTY; DISPOSAL.]

(1) Any city may by ordinance provide for the custody and disposal of property lawfully coming into its possession in the course of municipal operations and remaining unclaimed by the owner. Such ordinance may provide for the sale of such property to the highest bidder at public auction or sale ~~following reasonable published notice~~ or by a private sale through a nonprofit organization that has a significant mission of community service, after the property has been in the possession of the municipality for a period of at least 60 days. If the sale is to be by public auction,

the city shall give ten days' published notice describing the property found or recovered and to be sold, and specifying the time and place of the sale. The notice must be published at least once in a legal newspaper published in the city or if there is none in the city, published in the county. Consistent with other applicable statutory or charter provision, the ordinance shall designate the fund into which the proceeds of any such sale shall be placed, subject to the right of the former owner to payment of the sale price from the fund upon application and satisfactory proof of ownership within six months of the sale or such longer period as provided by ordinance.

(2) This section does not limit the power of any municipality under any other statutory or charter authority.

Sec. 2. [REPEALER.]

Laws 1919, chapter 396, is repealed."

Delete the title and insert:

"A bill for an act relating to cities; authorizing cities to conduct private sales of unclaimed property through nonprofit organizations; repealing archaic language; amending Minnesota Statutes 1994, section 471.195; repealing Laws 1919, chapter 396."

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

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

**H.F. No. 367** 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.
367	293				

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. 702** 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.
702	522				

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. 821** 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.  
821S.F. No.  
700

H.F. No.

S.F. No.

H.F. No.

S.F. No.

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. 321** 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.  
321S.F. No.  
174

H.F. No.

S.F. No.

H.F. No.

S.F. No.

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. 715** 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.  
715S.F. No.  
453

H.F. No.

S.F. No.

H.F. No.

S.F. No.

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. 602** 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.  
602S.F. No.  
513

H.F. No.

S.F. No.

H.F. No.

S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 602 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 602 and insert the language after the enacting clause of S.F. No. 513, the first engrossment; further, delete the title of H.F. No. 602 and insert the title of S.F. No. 513, the first engrossment.

And when so amended H.F. No. 602 will be identical to S.F. No. 513, and further recommends that H.F. No. 602 be given its second reading and substituted for S.F. No. 513, 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. 651** 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.
651	591				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 651 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 651 and insert the language after the enacting clause of S.F. No. 591, the first engrossment; further, delete the title of H.F. No. 651 and insert the title of S.F. No. 591, the first engrossment.

And when so amended H.F. No. 651 will be identical to S.F. No. 591, and further recommends that H.F. No. 651 be given its second reading and substituted for S.F. No. 591, 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. 603** 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.
603	514				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 603 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 603 and insert the language after the enacting clause of S.F. No. 514, the first engrossment; further, delete the title of H.F. No. 603 and insert the title of S.F. No. 514, the first engrossment.

And when so amended H.F. No. 603 will be identical to S.F. No. 514, and further recommends that H.F. No. 603 be given its second reading and substituted for S.F. No. 514, 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. 413** 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.
413	378				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 413 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 413 and insert the language after the enacting clause of S.F. No. 378, the first engrossment; further, delete the title of H.F. No. 413 and insert the title of S.F. No. 378, the first engrossment.

And when so amended H.F. No. 413 will be identical to S.F. No. 378, and further recommends that H.F. No. 413 be given its second reading and substituted for S.F. No. 378, 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. 529** 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**

H.F. No.	S.F. No.
529	431

**CONSENT CALENDAR**

H.F. No.	S.F. No.
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**CALENDAR**

H.F. No.	S.F. No.
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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.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1099, 841, 534, 420, 856 and 833 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 273, 457, 367, 702, 821, 321, 715, 602, 651, 603, 413 and 529 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Dille moved that his name be stricken as a co-author to S.F. No. 717. The motion prevailed.

Ms. Runbeck moved that the name of Mr. Sams be added as a co-author to S.F. No. 717. The motion prevailed.

Mr. Sams moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 718. The motion prevailed.

Mr. Price moved that the name of Ms. Krentz be added as a co-author to S.F. No. 755. The motion prevailed.

Mr. Betzold moved that the names of Ms. Berglin and Mr. Neuville be added as co-authors to S.F. No. 842. The motion prevailed.

Mr. Cohen moved that the name of Ms. Wiener be added as a co-author to S.F. No. 1017. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Finn be added as a co-author to S.F. No. 1037. The motion prevailed.

Mr. Dille moved that the name of Mr. Terwilliger be added as a co-author to S.F. No. 1094. The motion prevailed.

Mr. Lessard moved that the names of Mr. Sams, Ms. Hanson, Mr. Stevens and Mrs. Pariseau be added as co-authors to S.F. No. 1111. The motion prevailed.

Mr. Metzen moved that the name of Mr. Chmielewski be added as a co-author to S.F. No. 1135. The motion prevailed.

Ms. Runbeck moved that S.F. No. 598 be withdrawn from the Committee on Judiciary and re-referred to the Committee on Agriculture and Rural Development. The motion prevailed.

Mr. Metzen moved that S.F. No. 1009 be withdrawn from the Committee on Jobs, Energy and Community Development and re-referred to the Committee on Governmental Operations and Veterans. The motion prevailed.

Ms. Pappas moved that H.F. No. 565 be withdrawn from the Committee on Jobs, Energy and Community Development, given a second reading and placed on General Orders. The motion prevailed.

H.F. No. 565 was read the second time.

Mr. Vickerman moved that S.F. No. 1171 be withdrawn from the Committee on Crime Prevention and re-referred to the Committee on Transportation and Public Transit. The motion prevailed.

## CALENDAR

**H.F. No. 125:** A bill for an act relating to corrections; prohibiting correctional inmates from applying for name changes more than once during an inmate's confinement; proposing coding for new law in Minnesota Statutes, chapter 259.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**H.F. No. 121:** A bill for an act relating to state trails; authorizing extension of the Blufflands Trail System in Winona county; amending Minnesota Statutes 1994, section 85.015, 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 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Knutson	Mondale	Reichgott Junge
Beckman	Frederickson	Kramer	Morse	Riveness
Belanger	Hanson	Kroening	Murphy	Robertson
Berg	Hottinger	Laidig	Neuville	Runbeck
Berglin	Janezich	Langseth	Novak	Samuelson
Bertram	Johnson, D.E.	Larson	Oliver	Scheevel
Betzold	Johnson, D.J.	Lesewski	Olson	Solon
Chandler	Johnson, J.B.	Limmer	Ourada	Spear
Chmielewski	Johnston	Marty	Pappas	Stevens
Cohen	Kelly	Merriam	Pariseau	Terwilliger
Dille	Kiscaden	Metzen	Pogemiller	Vickerman
Finn	Kleis	Moe, R.D.	Price	Wiener

So the bill passed and its title was agreed to.

**H.F. No. 435:** A bill for an act relating to public utilities; authorizing performance-based gas purchasing regulation for gas utilities; amending Minnesota Statutes 1994, section 216B.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Samuelson
Berg	Janezich	Larson	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Betzold	Johnson, J.B.	Limmer	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Terwilliger
Chmielewski	Kelly	Merriam	Piper	Vickerman
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Dille	Kleis	Moe, R.D.	Price	
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 229:** A bill for an act relating to government data practices; medical examiner data; allowing sharing of such data with a state or federal agency charged with investigating a death; amending Minnesota Statutes 1994, section 13.83, subdivisions 4 and 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Samuelson
Berg	Janezich	Larson	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Betzold	Johnson, J.B.	Limmer	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Terwilliger
Chmielewski	Kelly	Merriam	Piper	Vickerman
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Dille	Kleis	Moe, R.D.	Price	
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 308:** A bill for an act relating to crime prevention; authorizing special registration plates for certain persons subject to an impoundment order; expanding the definition of prior license revocation; amending Minnesota Statutes 1994, sections 168.042, subdivision 8; and 169.121, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Murphy	Robertson
Beckman	Hanson	Laidig	Neuville	Runbeck
Belanger	Hottinger	Langseth	Novak	Samuelson
Berg	Janezich	Larson	Oliver	Scheevel
Berglin	Johnson, D.E.	Lesewski	Olson	Solon
Bertram	Johnson, D.J.	Lessard	Ourada	Spear
Betzold	Johnson, J.B.	Limmer	Pappas	Stevens
Chandler	Johnston	Marty	Pariseau	Terwilliger
Chmielewski	Kelly	Merriam	Piper	Vickerman
Cohen	Kiscaden	Metzen	Pogemiller	Wiener
Dille	Kleis	Moe, R.D.	Price	
Finn	Knutson	Mondale	Reichgott Junge	
Flynn	Kramer	Morse	Riveness	

So the bill passed and its title was agreed to.

**S.F. No. 39:** A bill for an act relating to crime; controlled substances; limiting the sentencing court's authority to stay adjudication of a controlled substance offender's guilt and to expunge the offender's record upon the successful completion of treatment and probation; providing that this procedure applies only to first-time offenders convicted of a fourth-degree, fifth-degree, or a nonfelony controlled substance offense; amending Minnesota Statutes 1994, section 152.18, 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 60 and nays 2, as follows:

Those who voted in the affirmative were:

Anderson	Hanson	Kroening	Morse	Reichgott Junge
Beckman	Hottinger	Laidig	Murphy	Riveness
Belanger	Janezich	Langseth	Neuville	Robertson
Berg	Johnson, D.E.	Larson	Novak	Runbeck
Berglin	Johnson, D.J.	Lesewski	Oliver	Samuelson
Betzold	Johnson, J.B.	Lessard	Olson	Scheevel
Chandler	Johnston	Limmer	Ourada	Solon
Chmielewski	Kelly	Marty	Pappas	Spear
Cohen	Kiscaden	Merriam	Pariseau	Stevens
Dille	Kleis	Metzen	Piper	Terwilliger
Flynn	Knutson	Moe, R.D.	Pogemiller	Vickerman
Frederickson	Kramer	Mondale	Price	Wiener

Messrs. Bertram and Finn voted in the negative.

So the bill passed and its title was agreed to.

**S.F. No. 257:** A bill for an act relating to soil and water conservation district boards; providing that the office of soil and water conservation district supervisor is compatible with certain city and town offices; amending Minnesota Statutes 1994, sections 103C.315, by adding a subdivision; and 204B.06, 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 59 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kramer	Morse	Reichgott Junge
Beckman	Hanson	Kroening	Murphy	Riveness
Belanger	Hottinger	Laidig	Neuville	Robertson
Berglin	Janezich	Langseth	Novak	Runbeck
Bertram	Johnson, D.E.	Larson	Oliver	Samuelson
Betzold	Johnson, D.J.	Lesewski	Olson	Solon
Chandler	Johnson, J.B.	Lessard	Ourada	Spear
Chmielewski	Johnston	Limmer	Pappas	Stevens
Cohen	Kelly	Marty	Pariseau	Terwilliger
Dille	Kiscaden	Metzen	Piper	Vickerman
Finn	Kleis	Moe, R.D.	Pogemiller	Wiener
Flynn	Knutson	Mondale	Price	

Messrs. Berg, Merriam and Scheevel voted in the negative.

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

**S.F. No. 574:** A bill for an act relating to Indians; requiring the commissioner of natural resources to change certain names of geographic features of the state.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 93:** A bill for an act relating to Stearns county; requiring the county to refund money paid by the city of Melrose for acquisition of certain property.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Berglin	Chmielewski	Flynn	Janezich
Beckman	Bertram	Cohen	Frederickson	Johnson, D.E.
Belanger	Betzold	Dille	Hanson	Johnson, D.J.
Berg	Chandler	Finn	Hottinger	Johnson, J.B.

Johnston	Langseth	Mondale	Pariseau	Samuelson
Kelly	Larson	Morse	Piper	Scheevel
Kiscaden	Lesewski	Murphy	Pogemiller	Solon
Kleis	Lessard	Neuville	Price	Spear
Knutson	Limmer	Novak	Reichgott Junge	Stevens
Kramer	Marty	Oliver	Riveness	Terwilliger
Krentz	Merriam	Olson	Robertson	Vickerman
Kroening	Metzen	Ourada	Runbeck	Wiener
Laidig	Moe, R.D.	Pappas	Sams	

So the bill passed and its title was agreed to.

**H.F. No. 782:** A bill for an act relating to Western Lake Superior Sanitary District; providing for compliance with certain requirements of the Internal Revenue Code; proposing coding for new law in Minnesota Statutes, chapter 458D.

Pursuant to Rule 9, there being three objectors, H.F. No. 782 was stricken from the Consent Calendar and placed at the bottom of General Orders.

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

### CALENDAR

**H.F. No. 305:** A bill for an act relating to local government; clarifying provisions for financial audits in certain circumstances; amending Minnesota Statutes 1994, sections 367.36, subdivision 1; 412.02, subdivision 3; and 412.591, subdivision 2.

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 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kramer	Morse	Riveness
Beckman	Hanson	Krentz	Murphy	Robertson
Belanger	Hottinger	Kroening	Neuville	Runbeck
Berg	Janezich	Laidig	Oliver	Sams
Berglin	Johnson, D.E.	Langseth	Olson	Scheevel
Bertram	Johnson, D.J.	Larson	Ourada	Solon
Betzold	Johnson, J.B.	Lesewski	Pappas	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Piper	Terwilliger
Cohen	Kiscaden	Metzen	Pogemiller	Vickerman
Finn	Kleis	Moe, R.D.	Price	Wiener
Flynn	Knutson	Mondale	Reichgott Junge	

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 5 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 5:** A bill for an act relating to health and human services; authorizing welfare reform; childhood immunization; social services programs; recovery of funds; requesting federal waivers for programs; employment, education, and training programs; allocation and use of funds;

coverage of health services; child support; data collection and disclosure; tax credits; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 256.01, subdivision 11, and by adding subdivisions; 256.031, subdivision 3; 256.035, subdivision 6d; 256.73, subdivision 8, and by adding subdivisions; 256.736, subdivisions 3, 3a, 4a, 5, 10, 10a, 16, and by adding a subdivision; 256.737, subdivisions 1a and 2; 256.74, by adding a subdivision; 256.81; 256.87, subdivisions 1, 1a, and 5; 256.979, by adding a subdivision; 256.983, subdivision 1; 256B.0625, subdivision 13; 256D.03, subdivision 4; 256D.05, subdivisions 1 and 6; 256D.051, subdivisions 1, 1a, 2, 3, 3a, 3b, 6, 6b, 8, 9, 17, and by adding a subdivision; 256D.052, subdivision 3; 256D.09, subdivision 2a, and by adding subdivisions; and 518.575; proposing coding for new law in Minnesota Statutes, chapters 256; 256B; 256D; and 268; repealing Minnesota Statutes 1994, sections 256.734; 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.065; 256D.091; 256D.101; 256D.111; and 256D.113.

Mr. Samuelson moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 54, line 7, delete "purposes" and insert "county costs associated with the STRIDE work program under"

Page 54, line 8, delete "of" and delete "20" and insert "14a"

Page 54, line 13, delete "\$330,000" and insert "\$660,000"

Page 54, line 15, delete everything after "evaluations"

Page 54, line 16, delete everything before the period

Page 54, line 17, delete "\$1,538,000" and insert "\$1,366,000"

Page 54, line 18, delete "job search" and insert "STRIDE"

Page 54, line 19, before the period, insert "under Minnesota Statutes, section 256.736, subdivisions 14a and 20"

Page 54, line 20, delete "\$1,574,000" and insert "\$1,687,000"

Page 54, line 29, delete "AND WORK"

Page 54, line 30, delete "READINESS"

Page 54, line 31, delete everything before the period

Page 55, line 2, before the period, insert "for the fiscal year beginning July 1, 1996"

The motion prevailed. So the amendment was adopted.

Mr. Samuelson then moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. Minnesota Statutes 1994, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c):

(1) inpatient hospital services;

(2) outpatient hospital services;

(3) services provided by Medicare certified rehabilitation agencies;

(4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;

(5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;

- (6) eyeglasses and eye examinations provided by a physician or optometrist;
  - (7) hearing aids;
  - (8) prosthetic devices;
  - (9) laboratory and X-ray services;
  - (10) physician's services;
  - (11) medical transportation;
  - (12) chiropractic services as covered under the medical assistance program;
  - (13) podiatric services;
  - (14) dental services;
  - (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
  - (16) day treatment services for mental illness provided under contract with the county board;
  - (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
  - (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
  - (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
  - (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
  - (21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.
- (b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.
- (c) Notwithstanding paragraphs (a) and (b), gender reassignment surgery and related services are not covered services under this subdivision. This paragraph does not apply to an individual who began receiving gender reassignment services before July 1, 1995.
- (d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services

under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(d) (e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(e) (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

(f) (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

(g) (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(h) (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Ms. Berglin moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 45, after line 23, insert:

"Sec. 30. Minnesota Statutes 1994, section 270.11, subdivision 2, is amended to read:

Subd. 2. [COUNTY ASSESSOR'S REPORTS OF ASSESSMENT FILED WITH COMMISSIONER.] Each county assessor shall file by April 1 with the commissioner of revenue a copy of the abstract that will be acted upon by the local and county boards of review. The abstract must list the real and personal property in the county itemized by assessment districts. The assessor of each county in the state shall file with the commissioner, within ten working days following final action of the local board of review or equalization and within five days following final action of the county board of equalization, any changes made by the local or county board. The information must be filed in the manner prescribed by the commissioner. It must be accompanied by a printed or typewritten copy of the proceedings of the appropriate board.

The final abstract of assessments after adjustments by the state board of equalization and inclusion of any omitted property shall be submitted to the commissioner of revenue on or before September 1 of each calendar year. The final abstract must separately report the captured tax capacity of tax increment financing districts under section 469.177, subdivision 2, and empowerment zones under section 469.314, subdivision 2, the metropolitan revenue contribution value under section 473F.07, and the value subject to the power line credit under section 273.42.

Sec. 31. Minnesota Statutes 1994, section 272.71, is amended to read:

272.71 [TIF AND EMPOWERMENT ZONE PROPERTIES; NOTICE OF POTENTIAL VALUATION REDUCTIONS.]

(a) The following officials shall notify the municipality of potential reductions in the market value of taxable parcels located in a tax increment financing district or an empowerment zone:

(1) for applications to reduce market value or abate taxes or for applications to a local or county board of review, the assessor;

(2) for applications to reduce market value or abate taxes by the state board of equalization, the commissioner of revenue;

(3) for petitions to reduce market value or object to taxes under chapter 278, the county attorney.

The official shall provide the notice to the municipality in writing within 60 days after the petition or application for a reduction is made.

(b) This section applies only to reductions in valuation or taxes that are granted after certification of final values for purposes of certifying local tax rates.

(c) For purposes of this section, "municipality" means the municipality for the tax increment financing district, as defined under section 469.174, subdivision 6, or the county for the empowerment zone established under section 469.312.

Sec. 32. Minnesota Statutes 1994, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1990, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, and has received public financing, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the social security numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under chapter 308A and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property it is offered for sale, the owner may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) a minimum of 40 percent of the cooperative association's members must have incomes at or less than 60 percent of area median gross income as determined by the United States Secretary of Housing and Urban Development under section 142(d)(2)(B) of the Internal Revenue Code of 1986, as amended through December 31, 1991. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires cooperative membership;

(e) if a limited partnership owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317A and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and the limited partnership agreement must provide that the managing general partner have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sublease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property. For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occupant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed;

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision;

(i) the public financing received must be from at least one of the following sources:

(1) tax increment financing proceeds or empowerment zone tax receipts used for the acquisition or rehabilitation of the building or interest rate write-downs relating to the acquisition of the building;

(2) government issued bonds exempt from taxes under section 103 of the Internal Revenue Code of 1986, as amended through December 31, 1991, the proceeds of which are used for the acquisition or rehabilitation of the building;

(3) programs under section 221(d)(3), 202, or 236, of Title II of the National Housing Act;

(4) rental housing program funds under Section 8 of the United States Housing Act of 1937 or the market rate family graduated payment mortgage program funds administered by the Minnesota housing finance agency that are used for the acquisition or rehabilitation of the building;

(5) low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1991;

(6) public financing provided by a local government used for the acquisition or rehabilitation of the building, including grants or loans from (i) federal community development block grants; (ii) HOME block grants; or (iii) residential rental bonds issued under chapter 474A; or

(7) other rental housing program funds provided by the Minnesota housing finance agency for the acquisition or rehabilitation of the building;

(j) at the time of the initial request for homestead classification or of any transfer of ownership of the property, the governing body of the municipality in which the property is located must hold a public hearing and make the following findings:

(1) that the granting of the homestead treatment of the apartment's units will facilitate safe, clean, affordable housing for the cooperative members that would otherwise not be available absent the homestead designation;

(2) that the owner has presented information satisfactory to the governing body showing that the savings garnered from the homestead designation of the units will be used to reduce tenant's rents or provide a level of furnishing or maintenance not possible absent the designation; and

(3) that the requirements of paragraphs (b), (d), and (i) have been met.

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 33. Minnesota Statutes 1994, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of local tax rates.

(c) "Net tax capacity" means the product of (i) the appropriate net class rates for the year in which the aid is payable, ~~except that for aid payable in 1993 the class rate applicable to class 4a shall be 3.5 percent; and the class rate applicable to class 4b shall be 2.65 percent; and for aid payable in 1994 the class rate applicable to class 4b shall be 2.4 percent and the class rate applicable to class 2a property over \$115,000 market value and less than 320 acres is 1.15 percent,~~ and (ii) estimated market values for the assessment two years prior to that in which aid is payable. ~~The exclusion of the value of the house, garage, and one acre from the first tier of agricultural homestead property must not be considered in determining net tax capacity for purposes of this paragraph for aids payable in 1994.~~ "Total net tax capacity" means the net tax capacities for all

property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and of the captured net tax capacity of empowerment zones as defined in section 469.314, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1), (2), and (3), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(d) "Previous net tax capacity" means the product of the appropriate net class rates for the year previous to the year in which the aid is payable, and estimated market values for the assessment two years prior to that in which aid is payable. "Total previous net tax capacity" means the previous net tax capacities for all property within the unique taxing jurisdiction. The total previous net tax capacity shall be reduced by the sum of (1) the unique taxing jurisdiction's previous net tax capacity of commercial-industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 6, for the municipality, as defined in section 473F.02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the previous net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and of empowerment zones as defined in section 469.314, subdivision 2, and (3) the previous net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. Previous net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Equalized school levies" means the amounts levied for:

- (1) general education under section 124A.23, subdivision 2;
- (2) supplemental revenue under section 124A.22, subdivision 8a;
- (3) capital expenditure facilities revenue under section 124.243, subdivision 3;
- (4) capital expenditure equipment revenue under section 124.244, subdivision 2;
- (5) basic transportation under section 124.226, subdivision 1; and
- (6) referendum revenue under section 124A.03.

(g) "Current local tax rate" means the quotient derived by dividing the taxes levied within a unique taxing jurisdiction for taxes payable in the year prior to that for which aids are being calculated by the total previous net tax capacity of the unique taxing jurisdiction.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties," "gross taxes," or "taxes levied" means the total net tax capacity based taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F.02, subdivision 3, subject to the areawide tax as provided in section 473F.08, subdivision 6, in a unique taxing jurisdiction. "Gross taxes" are before any reduction for disparity reduction aid but "taxes levied" are after any reduction for disparity reduction aid. Gross taxes levied or taxes levied cannot be less than zero.

"Taxes levied" excludes equalized school levies.

(i) "Human services aids" means:

- (1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;
- (2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;
- (3) general assistance medical care under section 256D.03, subdivision 6;
- (4) general assistance under section 256D.03, subdivision 2;
- (5) work readiness under section 256D.03, subdivision 2;
- (6) emergency assistance under section 256.871, subdivision 6;
- (7) Minnesota supplemental aid under section 256D.36, subdivision 1;
- (8) preadmission screening and alternative care grants;
- (9) work readiness services under section 256D.051;
- (10) case management services under section 256.736, subdivision 13;
- (11) general assistance claims processing, medical transportation and related costs; and
- (12) medical assistance, medical transportation and related costs.

(j) "Household adjustment factor" means the number of households for the second most recent year preceding that in which the aids are payable divided by the number of households for the third most recent year. The household adjustment factor cannot be less than one.

(k) "Growth adjustment factor" means the household adjustment factor in the case of counties. In the case of cities, towns, school districts, and special taxing districts, the growth adjustment factor equals one. The growth adjustment factor cannot be less than one.

(l) For aid payable in 1992 and subsequent years, "homestead and agricultural credit base" means the previous year's certified homestead and agricultural credit aid determined under subdivision 2 less any permanent aid reduction in the previous year to homestead and agricultural credit aid under section 477A.0132, plus, for aid payable in 1992, fiscal disparity homestead and agricultural credit aid under subdivision 2b.

(m) "Net tax capacity adjustment" means (1) the total previous net tax capacity minus the total net tax capacity, multiplied by (2) the unique taxing jurisdiction's current local tax rate. The net tax capacity adjustment cannot be less than zero.

(n) "Fiscal disparity adjustment" means the difference between (1) a taxing jurisdiction's fiscal disparity distribution levy under section 473F.08, subdivision 3, clause (a), for taxes payable in the year prior to that for which aids are being calculated, and (2) the same distribution levy multiplied by the ratio of the highest class rate for class 3 property for taxes payable in the year prior to that for which aids are being calculated to the highest class rate for class 3 property for taxes payable in the second prior year to that for which aids are being calculated. In the case of school districts, the fiscal disparity distribution levy shall exclude that part of the levy attributable to equalized school levies.

Sec. 34. Minnesota Statutes 1994, section 275.011, subdivision 1, is amended to read:

Subdivision 1. The property tax levied for any purpose under a special law that is not codified in Minnesota Statutes or a city charter provision and that is subject to a mill rate limitation imposed by the special law or city charter provision, excluding levies subject to mill rate limitations that use adjusted assessed values determined by the commissioner of revenue under section 124.2131, must not exceed the following amount for the years specified:

(a) ~~for taxes payable in 1988, the product of the applicable mill rate limitation imposed by~~

~~special law or city charter provision multiplied by the total assessed valuation of all taxable property subject to the tax as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

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

~~(c) for taxes payable in 1990 and subsequent years, the product of (1) the property tax levy limitation for the previous year determined pursuant to this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property subject to the tax for the current assessment year divided by the total market valuation of all taxable property subject to the tax for the previous assessment year.~~

~~For the purpose of determining the property tax levy limitation for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property subject to the tax without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).~~

Sec. 35. Minnesota Statutes 1994, section 428A.03, subdivision 1, is amended to read:

Subdivision 1. [HEARING.] Service charges may be imposed by the city within the special service district at a rate or amount sufficient to produce the revenues required to provide special services in the district. To determine the appropriate rate for a service charge based on net tax capacity, taxable property or net tax capacity must be determined without regard to captured or original net tax capacity under section 469.177 or 469.314 or to the distribution or contribution value under section 473F.08. Service charges may not be imposed to finance a special service if the service is ordinarily provided by the city from its general fund revenues unless the service is provided in the district at an increased level. In that case, a service charge may be imposed only in the amount needed to pay for the increased level of service. A service charge may not be imposed on the receipts from the sale of intoxicating liquor, food, or lodging. Before the imposition of service charges in a district, for each calendar year, a hearing must be held under section 428A.02 and notice must be given and must be mailed to any individual or business organization subject to a service charge. For purposes of this section, the notice shall also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed service charge;

(2) the estimated cost of improvements to be paid for in whole or in part by service charges imposed under this section, the estimated cost of operating and maintaining the improvements during the first year and upon completion of the improvements, the proposed method and source of financing the improvements, and the annual cost of operating and maintaining the improvements;

(3) the proposed rate or amount of the proposed service charge to be imposed in the district during the calendar year and the nature and character of special services to be rendered in the district during the calendar year in which the service charge is to be collected; and

(4) a statement that the petition requirements of section 428A.08 have either been met or do not apply to the proposed service charge.

Within six months of the public hearing, the city may adopt a resolution imposing a service charge within the district not exceeding the amount or rate expressed in the notice issued under this section.

Sec. 36. Minnesota Statutes 1994, section 428A.05, is amended to read:

428A.05 [COLLECTION OF SERVICE CHARGES.]

Service charges may be imposed on the basis of the net tax capacity of the property on which

the service charge is imposed but must be spread only upon the net tax capacity of the taxable property located in the geographic area described in the ordinance. Service charges based on net tax capacity may be payable and collected at the same time and in the same manner as provided for payment and collection of ad valorem taxes. Other service charges imposed must be collected as provided by ordinance. Service charges based on net tax capacity collected under sections 428A.01 to 428A.10 are not included in computations under section 469.177, 469.314, chapter 473F, or any other law that applies to general ad valorem levies.

Sec. 37. [469.311] [DEFINITIONS.]

Subdivision 1. [CAPTURED NET TAX CAPACITY.] "Captured net tax capacity" means 75 percent of the amount by which the current net tax capacity of an empowerment zone exceeds the original net tax capacity, including the value of property normally taxable as personal property by reason of its location on or over property owned by a tax-exempt entity.

Subd. 2. [ORIGINAL NET TAX CAPACITY.] "Original net tax capacity" means the tax capacity of all taxable real property within an empowerment zone as certified by the commissioner of revenue for the previous assessment year, provided that the request by a county for certification of a new empowerment zone has been made to the county auditor by June 30. The original tax capacity of zones for which requests are filed after June 30 has an original tax capacity based on the current assessment year. In any case, the original tax capacity must be determined together with subsequent adjustments as set forth in section 469.314, subdivisions 1 and 4. In determining the original net tax capacity, the net tax capacity of real property exempt from taxation at the time of the request shall be zero, except for real property which is tax exempt by reason of public ownership by the requesting county and which has been publicly owned for less than one year prior to the date of the request for certification, in which event the net tax capacity of the property shall be the net tax capacity as most recently determined by the commissioner of revenue.

Subd. 3. [PARCEL.] "Parcel" means a tract or plat of land established prior to the certification of the zone as a single unit for purposes of assessment.

Sec. 38. [469.312] [ESTABLISHING; MODIFYING EMPOWERMENT ZONE; ANNUAL ACCOUNTS.]

Subdivision 1. [EMPOWERMENT ZONE PLAN.] To establish an empowerment zone under sections 469.311 to 469.314, a county shall develop an empowerment zone plan which shall contain:

(1) a statement of the objectives and a description of the projects proposed by the county for the empowerment zone to accomplish the zone's purposes as stated in section 39, subdivision 2;

(2) a statement as to the program for the zone including a plan designed to secure development of private commercial or industrial enterprises within the zone. In addition, the public infrastructure improvements to be undertaken in the empowerment zone must be public infrastructure improvements that will maximize the development of private commercial or industrial enterprises within the empowerment zone;

(3) estimates of the following:

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

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

(iii) the most recent net tax capacity of taxable real property within the empowerment zone; and

(iv) the estimated captured net tax capacity of the empowerment zone at completion;

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

(5) identification of all parcels to be included in the zone, including verification that the total market value of all the parcels as most recently determined by the assessor at the time of the request for certification is no greater than the market value of those parcels as determined by the assessor as of the date four years prior to the request.

Subd. 2. [CITY, SCHOOL BOARD, AND PARK BOARD APPROVAL.] The city council of each city in which any portion of the proposed zone is located, the school board of each school district in which any portion of the proposed zone is located, and the board of the park district in which any portion of the proposed zone is located, if any, must approve the creation of an empowerment zone. The county shall present to the city council and the boards its estimate of the fiscal and economic implications of the proposed empowerment zone.

Subd. 3. [COUNTY APPROVAL; HEARING.] The county shall approve the empowerment zone plan only after a public hearing thereon after published notice in a newspaper of general circulation in the county 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 zone from which increments may be collected. Before or at the time of approval of the empowerment zone plan, the county shall make the following findings, and shall set forth in writing the reasons and supporting facts for each determination:

(1) that the public benefits proposed to accrue through the plan, in the opinion of the county, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and therefore the creation of the empowerment zone is deemed necessary;

(2) that the empowerment zone plan will afford maximum opportunity, consistent with the sound needs of the county as a whole, for the development or redevelopment of the empowerment zone by private enterprise; and

(3) that the county elects the method of tax increment computation set forth in section 469.314, subdivision 3, paragraph (b), if applicable.

Subd. 4. [EFFECT OF APPROVAL.] Upon adoption of the empowerment zone plan, the authority shall file a copy of the plan with the commissioner of revenue.

Once approved, the determination of the county to create the empowerment zone and the resolution of the county board of commissioners shall be conclusive of the findings therein and of the public need for creation of the empowerment zone.

#### Sec. 39. [469.313] [LIMITATIONS.]

Subdivision 1. [DURATION LIMITS; TERMS.] No empowerment zone taxes shall be paid to the county after five years from date of receipt by the county of the first empowerment zone tax receipts.

Subd. 2. [LIMITATION ON USE OF EMPOWERMENT ZONE TAX RECEIPTS; GENERAL RULE.] All revenues derived from the empowerment zone tax shall be used in accordance with the empowerment zone plan. The revenues shall be used solely to pay the costs of capital improvements relating to public infrastructure, natural systems, and housing. The expenditures for these purposes must be planned in a manner that is most likely to accomplish the following goals:

(1) to reduce crime;

(2) to implement strategies for job skill enhancement; or

(3) to improve the local tax base.

#### Sec. 40. [469.314] [COMPUTATION OF EMPOWERMENT ZONE TAX.]

Subdivision 1. [ORIGINAL NET TAX CAPACITY.] (a) Upon or after adoption of an empowerment zone plan, the auditor of the county in which the zone is situated shall, upon request of the county, certify the original net tax capacity of the empowerment zone as described in the

empowerment zone 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 zone or changes pursuant to subdivision 4.

(b) If the classification under section 273.13 of property located in a zone 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.

(c) The amount to be added to the original net tax capacity of the zone as a result of previously tax exempt real property within the zone 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 zone and if the property later becomes tax exempt, in whole or part, as a result of the county acquiring the property through foreclosure or exercise of remedies under a lease or other revenue agreement or as a result of tax forfeiture, the amount to be added to the original net tax capacity of the zone 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.

(d) 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.

(e) The amount to be subtracted from the original net tax capacity of the zone as a result of previously taxable real property within the zone becoming tax exempt shall be the amount of original net tax capacity initially attributed to the property becoming tax exempt. If the net tax capacity of property located within the empowerment zone 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 zone when the property upon which the abatement is made has not been improved since the date of certification of the zone and to the captured net tax capacity of the zone 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 county.

Subd. 2. [CAPTURED NET TAX CAPACITY.] The county auditor shall certify the amount of the captured net tax capacity to the county each year, together with the proportion that the captured net tax capacity bears to the total net tax capacity of the real property within the tax increment financing zone for that year.

Subd. 3. [EMPOWERMENT ZONE TAX; RELATIONSHIP TO CHAPTER 473F.] (a) Unless the county board of commissioner elects, pursuant to paragraph (b) the following method of computation shall apply:

(1) the original net tax capacity and the current net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no tax increment determination. Where the original net tax capacity is less than the current net tax capacity, 75 percent of the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount is the captured net tax capacity of the county; and

(2) the county auditor shall exclude the captured net tax capacity of the county from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the captured net tax capacity of the county as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the local taxing district tax rates to the captured net tax capacity of the county is the empowerment zone tax of the county.

(b) The county may, by resolution approving the empowerment zone financing plan pursuant to section 469.312, subdivision 3, elect the following method of computation:

(1) the original net tax capacity shall be determined before the application of the fiscal disparity provisions of chapter 473F. The current net tax capacity shall exclude any fiscal disparity commercial-industrial net tax capacity increase between the original year and the current year multiplied by the fiscal disparity ratio determined pursuant to section 473F.08, subdivision 6. Where the original net tax capacity is equal to or greater than the current net tax capacity, there is no captured net tax capacity and no empowerment zone tax determination. Where the original net tax capacity is less than the current net tax capacity, 75 percent of the difference between the original net tax capacity and the current net tax capacity is the captured net tax capacity. This amount is the captured net tax capacity of the county;

(2) the county auditor shall exclude the captured net tax capacity of the county from the net tax capacity of the local taxing districts in determining local taxing district tax rates. The local tax rates so determined are to be extended against the captured net tax capacity of the county as well as the net tax capacity of the local taxing districts. The tax generated by the extension of the local taxing zone tax rates to the captured net tax capacity of the county is the empowerment zone tax of the county; and

(3) an election by the county pursuant to paragraph (b) shall be submitted to the county auditor by the county at the time of the request for certification pursuant to subdivision 1.

(c) The method of computation of empowerment zone tax applied to a zone pursuant to paragraph (a) or (b) shall remain the same for the duration of the zone, except that the county board of commissioners may elect to change its election from the method of computation in paragraph (a) to the method in paragraph (b).

Subd. 4. [PRIOR PLANNED IMPROVEMENTS.] The county shall, after diligent search, accompany its request for certification to the county auditor pursuant to subdivision 1 with a listing of all properties within the empowerment zone for which building permits have been issued during the 18 months immediately preceding approval of the empowerment plan by the county pursuant to section 469.312, subdivision 3. The county auditor shall increase the original net tax capacity of the zone by the net tax capacity of each improvement for which a building permit was issued.

Subd. 5. [EMPOWERMENT ZONE TAX RECEIPTS ACCOUNT.] The empowerment zone tax receipts received with respect to any zone shall be segregated by the county in a special account or accounts on its official books and records or as otherwise established by resolution of the county to be held by a trustee or trustees for the benefit of holders of the bonds.

Subd. 6. [REQUEST FOR CERTIFICATION OF NEW EMPOWERMENT ZONE.] A request for certification of a new empowerment zone pursuant to subdivision 1 received by the county auditor on or before July 1 shall be recognized by the county auditor in determining local tax rates for the current and subsequent levy years. Requests received by the county auditor after July 1 shall not be recognized by the county auditor in determining local tax rates for the current levy year but shall be recognized by the county auditor in determining local tax rates for subsequent levy years.

Subd. 7. [PROPERTY CLASSIFICATION CHANGES.] When any law governing the classification of real property and determining the percentage of market value to be assessed for ad valorem taxation purposes is amended, the increase or decrease in net tax capacity resulting therefrom shall be applied proportionately to original net tax capacity and captured net tax capacity of any empowerment zone in each year thereafter.

Sec. 41. Minnesota Statutes 1994, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may

be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, except as otherwise provided in this subdivision.

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund shall not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

~~(b) for taxes payable in 1989, except as provided in section 473.249, subdivision 3, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area;~~

~~(c) for taxes payable in 1990, an amount not to exceed \$2,700,000; and~~

~~(d) for taxes payable in 1991 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable in 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for taxes payable in 1988.~~

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund ~~for the taxes payable year 1988 and subsequent years under this subdivision~~, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.

Sec. 42. Minnesota Statutes 1994, section 473.249, subdivision 1, is amended to read:

Subdivision 1. The metropolitan council may levy a tax on all taxable property in the metropolitan area defined in section 473.121 to provide funds for the purposes of sections 473.121 to 473.249 and for the purpose of carrying out other responsibilities of the council as provided by law. This tax for general purposes shall be levied and collected in the manner provided by section 473.13.

The property tax levied by the metropolitan council for general purposes shall not exceed the following amount for the years specified:

~~(a) for taxes payable in 1988, the product of 8/30 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;~~

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

~~(e) for taxes payable in 1990 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (2) the lesser of~~

(i) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan area for the previous taxes payable year;

(ii) an index equal to the implicit price deflator for state and local government purchases of goods and services for the most recent month for which data are available divided by the implicit price deflator for state and local government purchases of goods and services for the same month of the previous year; or

(iii) 103 percent.

For the purpose of determining the metropolitan council's property tax levy limitation for general purposes ~~for the taxes payable year 1988 and subsequent years~~ under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

Sec. 43. Minnesota Statutes 1994, section 473.446, subdivision 1, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.404 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) an amount which shall be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the council under section 473.436, subdivision 6;

(b) an additional amount, if any, the council determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1985, to which property taxes under this section have been pledged; and

(c) an additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause.

The property tax levied by the council for general purposes under clause (a) must not exceed the following amount for the years specified:

(1) for taxes payable in 1995, the council's property tax levy limitation for general transit purposes is equal to the former regional transit board's property tax levy limitation for general transit purposes under this subdivision, for taxes payable in 1994, multiplied by an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous assessment year; and

(2) for taxes payable in 1996 and subsequent years, the product of (i) the council's property tax levy limitation for general transit purposes for the previous year determined under this subdivision multiplied by (ii) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan transit taxing district for the current taxes payable year divided by the total market valuation of all taxable property located within the metropolitan transit taxing district for the previous taxes payable year. For the taxes payable year 1995, the index for market valuation changes shall be multiplied by an amount equal to the sum of the regional transit board's property tax levy limitation for the taxes payable year 1994 and \$160,665.

The \$160,665 increase shall be a permanent adjustment to the levy limit base used in determining the regional transit board's property tax levy limitation for general purposes for subsequent taxes payable years.

For the purpose of determining the council's property tax levy limitation for general transit purposes under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan transit taxing district without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive full-peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.510 percent of net tax capacity on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within statutory and home rule charter cities and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.765 percent of net tax capacity on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy and may make changes in the certification as necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the council the amounts certified by the county auditors on the dates provided in section 273.1398. There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments.

For the purposes of this subdivision, "full-peak and limited off-peak service" means peak period regular route service, plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period regular route service only.

Sec. 44. Minnesota Statutes 1994, section 473.711, subdivision 2, is amended to read:

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

The property tax levied by the metropolitan mosquito control commission shall not exceed the product of (1) the commission's property tax levy limitation for the previous year determined under this subdivision multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the district for the current assessment year divided by the total market valuation of all taxable property located within the district for the previous assessment year.

For the purpose of determining the commission's property tax levy limitation under this subdivision, "total market valuation" means the total market valuation of all taxable property within the district without valuation adjustments for fiscal disparities (chapter 473F), tax

increment financing (sections 469.174 to 469.179), empowerment zones (sections 469.311 to 469.314), and high voltage transmission lines (section 273.425).

Sec. 45. Minnesota Statutes 1994, section 473F.08, subdivision 4, is amended to read:

Subd. 4. [TAX RATE; NONCOMMERCIAL PROPERTY.] In 1972 and subsequent years, the county auditor shall divide that portion of the levy determined pursuant to subdivision 3, clause (b), by the net tax capacity of the governmental unit, taking ~~section~~ sections 469.177, subdivision 3, and 469.314, subdivision 3, into account, less that portion subtracted from net tax capacity pursuant to subdivision 2, clause (a). The resulting tax rate shall apply to all taxable property except commercial-industrial property, which shall be taxed in accordance with subdivision 6.

Sec. 46. Minnesota Statutes 1994, section 477A.011, subdivision 20, is amended to read:

Subd. 20. [CITY NET TAX CAPACITY.] "City net tax capacity" means (1) the net tax capacity computed using the net tax capacity rates in section 273.13, and the market values for taxes payable in the year prior to the aid distribution plus (2) a city's fiscal disparities distribution tax capacity under section 473F.08, subdivision 2, paragraph (b), for taxes payable in the year prior to that for which aids are being calculated. The market value utilized in computing city net tax capacity shall be reduced by the sum of (1) a city's market value of commercial industrial property as defined in section 473F.02, subdivision 3, multiplied by the ratio determined pursuant to section 473F.08, subdivision 2, paragraph (a), (2) the market value of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and the captured net tax capacity of empowerment zones as defined in section 469.314, subdivision 2, and (3) the market value of transmission lines deducted from a city's total net tax capacity under section 273.425. The city net tax capacity will be computed using equalized market values.

Sec. 47. [EMPOWERMENT ZONES; ADMINISTRATIVE SIMPLIFICATION OF WELFARE LAWS.]

(a) The commissioner of human services shall make recommendations to effectuate the changes in federal laws and regulations, state laws and rules, and the state plan to improve the administrative efficiency of the aid to families with dependent children, general assistance, work readiness, family general assistance, medical assistance, general assistance medical care, and food stamp programs. At a minimum, the following administrative standards and procedures must be changed.

The commissioner shall:

(1) require income or eligibility reviews no more frequently than annually for cases in which income is normally invariant, as in aid to families with dependent children cases where the only source of household income is Supplemental Social Security Income;

(2) permit households to report income annually when the source of income is excluded, such as a minor's earnings;

(3) require income or eligibility reviews no more frequently than annually for extended medical assistance cases;

(4) require income or eligibility reviews no more frequently than annually for a medical assistance postpartum client, where the client previously had eligibility under a different basis prior to pregnancy or if other household members have eligibility with the same income/basis that applies to the client;

(5) permit all income or eligibility reviews for foster care medical assistance cases to use the short application form;

(6) make dependent care expenses declaratory for medical assistance; and

(7) permit households to only report gifts worth \$100 or more per month.

(b) The county's administrative savings resulting from these changes may be allocated to fund the empowerment zones initiative or be used for any other lawful purpose.

(c) The recommendations must be provided in a report to the chairs of the appropriate legislative committees by August 1, 1995. The recommendations must include a list of the administrative standards and procedures that require approval by the federal government before implementation, and also which administrative simplification standards and procedures may be implemented by a county prior to receiving a federal waiver.

(d) The commissioner shall seek the necessary waivers from the federal government as soon as possible to implement the administrative simplification standards and procedures.

Sec. 48. [EMPOWERMENT ZONES.]

The commissioner of human services, and certain county agencies shall develop, by December 1, 1995, a plan to improve the employment opportunities available to economic assistance recipients. The employment activities shall be focused on improving public infrastructure, enhancing the local tax base, improving the quality of available housing, reducing crime, designing strategies for job skill enhancement, strengthening communities, and maintaining and improving natural systems. The county is authorized to retain 75 percent of the increased valuation of the property included in the empowerment zone for five years. This money must be placed into a pool and used for funding of empowerment zones. The plan shall include input and support from city council, county board, park board, and school board. The plan shall coordinate existing funding streams and target them to mutually agreed upon projects. Organized labor shall be consulted in the development of the plan and implementation of any work activities. Participating jurisdictions shall report back to the legislature by August 1, 1995, with a plan for the projects to be located in pockets of poverty, as identified by the city council, county board, park board, and school board.

The commissioner of human services is authorized to permit counties to use the savings that have been identified as resulting from the administrative simplification of welfare laws to fund the empowerment zone initiative."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin then moved to amend the Berglin amendment to H.F. No. 5 as follows:

Page 30, delete lines 31 to 34

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Bertram questioned whether the Berglin amendment, as amended, was germane.

The President ruled that the amendment was germane.

Mr. Merriam requested division of the Berglin amendment, as amended.

First portion: Section 47

Second portion: The remainder of the amendment

Mr. Neuville moved to amend the first portion of the Berglin amendment to H.F. No. 5 as follows:

Page 29, line 33, delete "the empowerment zones"

Page 29, line 34, delete "initiative or be used for" and delete "other"

The motion prevailed. So the amendment to the first portion of the Berglin amendment was adopted.

The question was taken on the adoption of the first portion of the Berglin amendment, as amended. The motion prevailed.

So the first portion of the Berglin amendment, as amended, was adopted.

Mr. Bertram questioned whether the second portion of the Berglin amendment was germane.

The President ruled that the amendment was germane.

Ms. Runbeck moved to amend the second portion of the Berglin amendment to H.F. No. 5 as follows:

Page 30, after line 34, insert:

"Sec. 49. [SUNSET.]

The provisions in sections 30 to 46 relating to the empowerment zones initiative in section 48, and section 48 shall sunset effective June 30, 1997."

The motion prevailed. So the amendment to the second portion of the Berglin amendment was adopted.

The question was taken on the adoption of the second portion of the Berglin amendment, as amended.

The roll was called, and there were yeas 40 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Flynn	Krentz	Oliver	Runbeck
Beckman	Hanson	Kroening	Olson	Sams
Belanger	Hottinger	Lesewski	Pappas	Samuelson
Berglin	Janezich	Marty	Piper	Solon
Betzold	Johnson, D.J.	Metzen	Pogemiller	Spear
Chandler	Johnson, J.B.	Mondale	Reichgott Junge	Terwilliger
Cohen	Kelly	Murphy	Riveness	Vickerman
Finn	Kramer	Novak	Robertson	Wiener

Those who voted in the negative were:

Berg	Johnston	Langseth	Moe, R.D.	Price
Bertram	Kiscaden	Larson	Morse	Scheevel
Chmielewski	Kleis	Lessard	Neuville	Stevens
Dille	Knutson	Limmer	Ourada	
Johnson, D.E.	Laidig	Merriam	Pariseau	

The motion prevailed. So the second portion of the Berglin amendment, as amended, was adopted.

Mr. Kramer moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. Minnesota Statutes 1994, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c):

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;

- (7) hearing aids;
  - (8) prosthetic devices;
  - (9) laboratory and X-ray services;
  - (10) physician's services;
  - (11) medical transportation;
  - (12) chiropractic services as covered under the medical assistance program;
  - (13) podiatric services;
  - (14) dental services;
  - (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
  - (16) day treatment services for mental illness provided under contract with the county board;
  - (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
  - (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
  - (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
  - (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
  - (21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.
- (b) Except as provided in paragraph (c), for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.
- (c) Notwithstanding paragraphs (a) and (b), gender reassignment surgery and related services are not covered services under this subdivision. This paragraph does not apply to an individual who began receiving gender reassignment services before July 1, 1995.
- (d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

~~(d)~~ (e) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions.

For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

~~(e)~~ (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

~~(f)~~ (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

~~(g)~~ (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

~~(h)~~ (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Chandler questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Scheevel moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. Minnesota Statutes 1994, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs, except for fertility drugs when specifically used to enhance fertility, 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 professional medical associations and professional pharmacist associations, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The 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 three-year terms and shall serve without compensation. Members may be reappointed once.

(b) 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:

(i) drugs or products for which there is no federal funding;

(ii) over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, and vitamins for children under the age of seven and pregnant or nursing women;

(iii) 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;

- (iv) anorectics; and
- (v) drugs for which medical value has not been established.

The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(c) 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 shall be estimated by the commissioner, at average wholesale price minus 7.6 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.

(d) Until the date the on-line, real-time Medicaid Management Information System (MMIS) upgrade is successfully implemented, as determined by the commissioner of administration, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spenddown, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spenddown 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 spenddown of (1) their right to appeal the denial of services on the grounds that they have satisfied the spenddown requirement, and (2) their potential eligibility for the MinnesotaCare program or the children's health plan."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Berglin questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Knutson moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 35, after line 10, insert:

"Sec. 19. [256.7361] [BONUS FOR SCHOOL ATTENDANCE.]

Subdivision 1. [WAIVER.] The commissioner of human services in consultation with the commissioner of education shall, through use of all necessary federal waivers, establish a pilot program, in one or more counties to be selected by the commissioner of human services, to provide bonuses and sanctions in accordance with this section to encourage teenagers under the age of 20 who are receiving AFDC to obtain a high school diploma or equivalency degree.

Subd. 2. [MANDATORY PARTICIPANTS.] In counties selected for participation in the pilot program, any of the following individuals who do not have a high school diploma or an equivalency degree, and are not exempt under subdivision 3, shall be required to participate in the program: (1) teenagers who are receiving assistance as part of an AFDC household; and (2) all custodial parents under the age of 20.

Subd. 3. [EXEMPTIONS.] Teenagers are exempt from mandatory participation in the pilot when any of the following circumstances apply:

- (1) the teen is pregnant and the pregnancy is in the third month or later;
- (2) the teen is the primary caregiver of a child who is less than three months old;
- (3) the child care needed by the teen to attend school is not available;
- (4) the teen or the teen's child has an illness that is expected to last one month or longer; or
- (5) in the opinion of the county social worker, there are exceptional circumstances which make participation impossible.

Subd. 4. [ASSESSMENT.] All teens required to participate under subdivision 2 must attend an assessment interview. If the teen misses two scheduled assessments without good reason, the family will lose \$65 of their AFDC grant for each month the teen fails to complete the required assessment.

Subd. 5. [SCHOOL ATTENDANCE REQUIRED; BONUS; SANCTION.] (a) All teens participating in the pilot are required to attend a school or education program leading to a high school diploma or equivalent in accordance with a plan developed during the assessment interview.

(b) All teens attending a regular high school or GED program under an education plan are eligible for an additional \$65 for every month in which they have two or fewer unexcused absences and no more than four total absences.

(c) If a teen has more than two unexcused absences in a month, the family AFDC grant is reduced by \$65.

(d) If a teen has two or fewer unexcused absences but more than four total absences, there is no bonus paid and no sanctions imposed.

Subd. 6. [EXCUSED ABSENCES.] Absence from school is excused in the following circumstances:

- (1) the teen or the teen's child was ill, injured, or incapacitated;
- (2) the teen's regular child care arrangement was unavailable, and no alternative was available;
- (3) the teen's normal transportation to school or child care was unavailable and no alternative was available;
- (4) the teen or the teen's child had a scheduled or emergency appointment for medical, dental, or vision care;
- (5) the teen was needed to care for an ill family member;

(6) a member of the teen's family died;

(7) the teen had a scheduled or emergency appointment at a court or social services agency; and

(8) other exceptional circumstances.

In addition, absences caused by an illness or injury of the teen or the teen's child are not counted if verified by a physician's statement.

Subd. 7. [SUPPORT SERVICES PROVIDED.] Teens participating in the project are entitled to child care as necessary to attend school. They must also be provided with transportation assistance for this purpose. Each teen shall be assigned to a case manager, who is responsible for helping the teen remove barriers to school attendance.

Subd. 8. [TRANSFER OF ATTENDANCE DATA.] Notwithstanding the requirements of section 13.32, the commissioners of education and human services shall develop procedures to effectuate the transmittal of necessary student attendance data to county social services agencies."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn moved to amend the Knutson amendment to H.F. No. 5 as follows:

Page 1, line 36, delete "in the opinion of the county social worker,"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Finn then moved to amend the Knutson amendment to H.F. No. 5 as follows:

Page 2, line 26, after "no" insert "reasonable"

The motion prevailed. So the amendment to the amendment was adopted.

The question was taken on the adoption of the Knutson amendment, as amended.

The roll was called, and there were yeas 28 and nays 34, as follows:

Those who voted in the affirmative were:

Belanger	Johnston	Laidig	Oliver	Scheevel
Berg	Kelly	Larson	Olson	Solon
Bertram	Kiscaden	Lesewski	Ourada	Stevens
Chmielewski	Kleis	Lessard	Pariseau	Terwilliger
Frederickson	Knutson	Limmer	Robertson	
Johnson, D.E.	Kramer	Neuville	Runbeck	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Morse	Riveness
Beckman	Hanson	Langseth	Murphy	Sams
Berglin	Hottinger	Marty	Pappas	Samuelson
Betzold	Janezich	Merriam	Piper	Spear
Chandler	Johnson, D.J.	Metzen	Pogemiller	Vickerman
Cohen	Johnson, J.B.	Moe, R.D.	Price	Wiener
Finn	Krentz	Mondale	Reichgott Junge	

The motion did not prevail. So the Knutson amendment, as amended, was not adopted.

Mr. Scheevel moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 41, after line 10, insert:

"Sec. 25. [256D.045] [SOCIAL SECURITY NUMBER REQUIRED.]

To be eligible for assistance under sections 256D.01 to 256D.21, an individual must provide the individual's social security number to the county agency. The provisions of this section do not apply to the determination of eligibility for emergency general assistance under section 256D.06, subdivision 2."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Ms. Kiscaden moved to amend the Scheevel amendment to H.F. No. 5 as follows:

Page 1, line 12, after "agency" insert "or submit proof that an application has been made"

The motion prevailed. So the amendment to the amendment was adopted.

The question was taken on the adoption of the Scheevel amendment, as amended.

The roll was called, and there were yeas 56 and nays 4, as follows:

Those who voted in the affirmative were:

Beckman	Janezich	Langseth	Neuville	Samuelson
Berg	Johnson, D.E.	Larson	Oliver	Scheevel
Bertram	Johnson, D.J.	Lesewski	Olson	Solon
Betzold	Johnson, J.B.	Lessard	Ourada	Spear
Chandler	Johnston	Limmer	Pariseau	Stevens
Chmielewski	Kelly	Marty	Pogemiller	Terwilliger
Cohen	Kiscaden	Merriam	Price	Vickerman
Dille	Kleis	Metzen	Reichgott Junge	Wiener
Finn	Knutson	Moe, R.D.	Riveness	
Frederickson	Kramer	Mondale	Robertson	
Hanson	Krentz	Morse	Runbeck	
Hottinger	Kroening	Murphy	Sams	

Mses. Anderson, Flynn, Pappas and Piper voted in the negative.

The motion prevailed. So the Scheevel amendment, as amended, was adopted.

Mr. Neuville moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 19, after line 13, insert:

"Sec. 10. [256.7341] [WORK FIRST PROGRAM.]

Subdivision 1. [CITATION.] Sections 256.7341 to 256.7349 may be cited as the work first program.

Subd. 2. [DEFINITIONS.] As used in sections 256.7341 to 256.7349, the following words have the meanings given them.

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Applicant" means an individual who has submitted a request for assistance and has never received an AFDC or FGA benefit through the MAXIS computer system as a caretaker or whose AFDC or FGA application was denied or benefits were terminated due to noncompliance with work first requirements.

(d) "Application date" means the date any Minnesota county agency receives a signed and dated CAF Part I.

(e) "CAF" means a combined application form on which people apply for multiple assistance programs including: aid to families with dependent children, refugee cash assistance, general assistance, work readiness, Minnesota supplemental aid, food stamps, medical assistance, general assistance medical care, emergency assistance, emergency medical assistance, and emergency general assistance medical care.

(f) "Caretaker" means a parent or eligible adult, including a pregnant woman, who is part of the assistance unit that has applied for or is receiving an AFDC or FGA grant.

(g) "Child support" means a voluntary or court-ordered payment by absent parents in an assistance unit.

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

(i) "Department" means the department of human services.

(j) "Employability development plan" or "EDP" means a plan developed by the participant, with advice from the employment advisor, for the purposes of identifying an employment goal, improving work skills through certification or education, training or skills recertification, and which addresses barriers to employment.

(k) "EDP status report form" means a program form on which deferred participants indicate what has been achieved in the participant's EDP and the types of problems encountered.

(l) "Employment advisor" means a program staff who is qualified to assist the participant to develop a job search or employability development plan, match the participant with existing job openings, refer the participant to employers, and has an extensive knowledge of employers in the area.

(m) "Financial specialist" means a program staff who is trained to explain the benefits offered under the program, determine eligibility for different assistance programs, and broker other resources from employers and the community.

(n) "Job network" means people that a person may contact to learn more about particular companies, inquire about job leads, or discuss one's occupational interests and expertise.

(o) "Job search allowance" means the amount of financial assistance needed to support job search.

(p) "Job search plan" or "JSP" means the specific plan developed by the participant, with advice from the employment advisor, to secure a job as soon as possible, and focus the scope of the search process and other activities. Under the work first program, a job search plan shall meet the requirements for an EDP under section 256.736, subdivision 10, paragraph (a), clause (15).

(q) "JSP status report form" means a program form on which participants indicate the number of submitted job applications, job interviews held, jobs offered, other outcomes achieved, problems encountered, and the total number of hours spent on job search per week.

(r) "Participant" means an applicant or a recipient who is required to participate in the work first program.

(s) "Program" means the work first program.

(t) "Provider" means an employment and training agency certified by the commissioner of economic security under section 268.871, subdivision 1.

(u) "Self-employment" means employment where people work for themselves rather than an employer, are responsible for their own work schedule, and do not have taxes or FICA withheld by an employer.

(v) "Self-sufficiency agreement" means the agreement between the provider or its representative and the participant that describes the activities that the participant must conduct and the necessary services and aid to be furnished by the provider to enable the individual to meet the purpose of either the JSP or EDP.

(w) "Subsidized job" means a job that is partly reimbursed by the county or provider for cost of wages for participants in the program.

Subd. 3. [ESTABLISHING WORK FIRST PROGRAM.] The commissioners of human services and economic security shall develop and establish a program which requires applicants for aid under AFDC under section 256.72, or general assistance program (FGA) under section 256D.05, subdivision 1, clause (15), in selected pilot counties to meet the requirements of the work first program. The purpose of the program is to:

- (1) ensure that the participant is working as early as possible;
- (2) promote greater opportunity for economic self-support, participation, and mobility in the work force; and
- (3) minimize the risk for long-term welfare dependency.

Subd. 4. [PROGRAM ADMINISTRATION.] The program must be administered in a way that, in addition to the county agency, other sectors in the community such as employers from the public and private sectors, not-for-profit organizations, educational and social service agencies, labor unions, and neighborhood associations are involved. To the extent possible, program operation shall be advised and supported by a voluntary local entity organized specifically for the program.

Subd. 5. [PROGRAM DESIGN.] The program shall meet the following principles:

- (1) work is the primary means of economic support;
- (2) the individual's potential is reviewed during the application process to determine how to approach the job market aggressively;
- (3) public aid such as cash and medical assistance, child care, child support assurance, and other cash benefits are used to support intensive job search and immediate work; and
- (4) maximum use is made of tax credits to supplement income.

Subd. 6. [WAIVER REQUESTS.] The department shall request all waivers as soon as possible to implement the program by July 1, 1996, or as soon as possible thereafter, provided that all conditions are met under section 256.01, subdivision 2, clause (12). Upon obtaining all waivers, the department shall amend the state plans for the AFDC and the Jobs Opportunities and Basic Skills Program (JOBS), and supportive services plan to coordinate these programs under the work first program for the pilot counties, and shall seek approval of state plan amendments. The department shall request all waivers from federal statutes and regulations to qualify the program as a federally approved demonstration project under section 1115 of the Social Security Act.

Subd. 7. [COMPARISON SITES; PROGRAM EVALUATION.] The commissioners of human services and economic security shall select the counties which shall serve as field trial or comparison sites for three years based on criteria which ensure reliable evaluation of the program.

Subd. 8. [DUTIES OF COMMISSIONER.] In addition to any other duties imposed by law, the commissioner shall:

- (1) request all waivers to implement the program by July 1, 1996, or as soon as possible thereafter;
- (2) establish the program according to sections 256.7341 to 256.7349 and allocate money to pilot counties participating in the program;
- (3) provide systems development and staff training;
- (4) accept and supervise the disbursement of any funds that may be provided from other sources for use in the demonstration program; and
- (5) direct a study to safeguard the interests of children.

Subd. 9. [DUTIES OF COUNTY AGENCY.] The county agency shall:

- (1) collaborate with the commissioners of human services and economic security and other agencies to develop, implement, and evaluate the demonstration of the work first program;
- (2) operate the work first program in partnership with private and public employers, local industry councils, labor unions, and employment, educational, and social service agencies and according to subdivision 4;

(3) ensure that program components such as client orientation, immediate job search, job development, creation of temporary public service jobs, job placements, and post placement follow-up are implemented according to the work first program; and

(4) for job assignments under section 256.7345 provide written notification to and obtain the written concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements and ensure that no work assignment under this section results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contract for services of collective bargaining agreements; or (v) a participant filling an established unfilled position vacancy, except for on-the-job training under this section. If there is a dispute between an exclusive bargaining representative and a county or public work employer over whether or not job duties are covered under a collective bargaining agreement, the exclusive bargaining representative, the county, or the public works employer may petition the bureau of mediation services, who shall determine if the job duties are covered by a collective bargaining agreement.

Subd. 10. [DUTIES OF PARTICIPANT.] The participant must cooperate with the county agency, the provider, and the participant's employer in all aspects of the program to be eligible for AFDC or FGA.

Sec. 11. [256.7342] [PROGRAM PARTICIPANTS.]

An applicant who has never received an AFDC or FGA grant through the MAXIS computer system as a caretaker, or whose AFDC or FGA application was denied or grant terminated due to noncompliance with the work first requirements, must meet the requirements under the work first program. If eligible, the payments for rent and utilities up to the AFDC or FGA benefits to which the assistance unit is entitled will be vendor paid for as many months as the recipient is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA recipient, unless it is used as a wage subsidy under section 256.7344, subdivision 2. This provision shall apply to all applicants including those meeting the exemption categories under section 256.7343, subdivision 1, or the deferral categories under section 256.7343, subdivision 9.

Sec. 12. [256.7343] [PROGRAM REQUIREMENTS.]

Subdivision 1. [EXEMPTION CATEGORIES.] The applicant or recipient will be exempted from conducting job search and working in temporary public service job and development of JSP or EDP, if the applicant or recipient belongs to any of the following groups:

(1) caretakers under age 20 who have not completed a high school education and are attending high school on a full-time basis;

(2) individuals who are age 60 or older;

(3) individuals who are suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(4) caretakers whose presence in the home is needed because of illness or incapacity of another member in the household;

(5) women who are pregnant, if it has been medically verified that the child is expected to be born within the next six months;

(6) caretakers or other caretaker relatives of a child under the age of three who personally provide full-time care for the child;

(7) individuals employed at least 30 hours per week;

(8) individuals for whom participation would require a round trip commuting time by available transportation of more than two hours, excluding transporting of children for child care; and

(9) individuals in need of refresher courses for purposes of obtaining professional certification or licensure.

Subd. 2. [AFDC-UP APPLICANTS AND RECIPIENTS.] All applicants or recipients under the AFDC-UP program are required to participate in the community work experience program under section 256.737, instead of the program established in this section, subdivisions 5 to 12.

Subd. 2a. [DESIGNATED PARTICIPANT IN FGA FAMILIES.] Unless all adult members of a FGA family are exempt under section 256.7343, subdivision 1, one adult in the family must be designated to participate in all the requirements under this section. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. If no designation is made or if the adults cannot agree, the county shall designate the adult having earned the greater income, including in-kind income, during the 24-month period immediately preceding the month of application for general assistance, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate which adult must participate.

Subd. 3. [NOTIFICATION OF PROGRAM REQUIREMENTS.] Except for the provisions in this section, the provisions for AFDC and FGA application process shall be followed. Within two days after the receipt of a completed combined application form, the county agency must notify the applicant who meets the definitions under section 256.7342, in writing of the program including the following provisions:

(1) notification that, as part of the application process, applicants are required to attend program orientation within 14 days from the date of application;

(2) the program provider, the date, time, and location of the scheduled program orientation;

(3) the immediate availability of supportive services, including, but not limited to, child care, transportation, medical assistance, and other work-related aid; and

(4) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for exemptions and deferrals, the consequences for refusing or failing to participate fully, and the appeal process.

Subd. 4. [PROGRAM ORIENTATION; EMPLOYMENT ADVISOR.] The provider must give a face-to-face orientation regarding the program to the applicant within 14 days after the date of application. The provider must assign an employment advisor to the nonexempt applicant at the end of orientation. The orientation must be designed to inform the applicants of:

(1) the importance of locating and obtaining a job as soon as possible;

(2) the benefits that will be provided to support work;

(3) the manner by which benefits shall be paid;

(4) how other supportive services such as medical assistance, child care, transportation, and other work-related aid shall be available to support job search and work;

(5) the consequences for failure without good cause to comply with program requirements; and

(6) the appeal process.

Subd. 5. [JOB SEARCH PLAN.] Within seven days from the date of issuance of the initial payment, the participant must meet with the employment advisor. With advice from the employment advisor, the participant must develop a job search plan (JSP) based on existing job markets, prior employment, work experience, and transferable work skills. A job search must be planned and conducted for a period of up to eight consecutive weeks from the date of eligibility and for at least 32 hours per week. The types of and target number of job openings to be pursued per week must be written in the job search plan. The following activities may be included in the job search plan:

(1) motivational counseling;

- (2) job networking or training on how to locate job openings;
- (3) development of a personal resume; and
- (4) information on how to conduct job interviews and establish a personal job network.

Following the development of the JSP or the employability development plan (EDP) under subdivision 8, the employment advisor must assist the participant to obtain benefits under sections 256.7346 and 256.7347 to support the job search or employability development plan. The provider must attach to the appropriate plan the summary of the necessary enabling services and benefits to be furnished by the provider. The provider or its representative and the participant must sign the plan, with its attachment, to indicate a self-sufficiency agreement between the provider and the participant.

Subd. 6. [IMMEDIATE JOB SEARCH.] A participant must be required to begin job search within seven days after the date of issuance of initial payment for at least 32 hours per week for up to eight weeks, unless exempted under subdivision 1 or deferred under subdivision 8. Within the first five days of job search, the participant is required to initiate informational contacts with prospective employers, generate additional job leads from the job network, review references and experiences from previous employment, and carry out the other activities under the job search plan developed under subdivision 5.

Subd. 7. [JOB SEARCH STATUS REPORT.] The participant must submit a completed JSP status report form to the employment advisor every two weeks during the job search process.

Subd. 8. [EMPLOYABILITY DEVELOPMENT PLAN.] At the discretion and approval of the employment advisor, the participant may be deferred from the requirement to conduct at least 32 hours of job search per week for up to eight consecutive weeks, if during the development of the job search plan, the participant is determined to:

(1) not have worked within the past 12 months and not have a high school or a general equivalency diploma provided the participant agrees to develop and carry out an EDP instead of job search plan, and concurrently work for at least 16 hours per week in a temporary public service job. The EDP must include the employment goals and specific outcomes the participant must achieve;

(2) potentially have a difficulty in obtaining and retaining a job due to lack of proficiency in the English language, provided that the participant is attending an intensive program designed to remedy the language deficiency, agrees to develop an EDP instead of a job search plan and concurrently work for at least 16 hours per week in a temporary service job; or

(3) be within six months of completing any post-secondary training program, provided that the participant agrees to develop and carry out an EDP instead of a job search plan, and concurrently work for a minimum number of hours per week in a temporary public service job. The EDP must include the employment goal and specific outcomes that the participant must achieve. The participant that is deferred under this subdivision may choose to work in a job other than a public service job for a minimum number of hours per week rather than in a temporary public service job. For individuals who are participating in an educational program under this paragraph and who are attending school full time as determined by the institution there is no work requirement.

For individuals participating in an educational program on a part-time basis as determined by the institution, the minimum number of hours that a participant must work shall be increased in inverse proportion to the number of credit hours being taken, up to a maximum of eight hours weekly work.

During vacation periods of one month or more, a 16-hour per week minimum work requirement shall apply.

The participant may be deferred for up to six months. At the end of the deferment period, the participant must develop a job search plan and conduct at least 32 hours of job search per week for up to eight consecutive weeks, and submit reports as required under subdivisions 6 and 7.

Subd. 9. [EDP STATUS REPORT.] The participant who is deferred from job search under

subdivision 8 must submit a completed EDP status report form to the employment advisor every 14 days as long as the participant continues to be deferred.

Subd. 10. [JOB OFFER.] The participant must not refuse any job offer, provided that the job is within the participant's physical and mental abilities, pays hourly gross wages of not less than the applicable state or federal minimum wage, and meets health and safety standards set by federal, state, and local agencies. If a job is offered, the participant must inform the county and provider immediately to redetermine eligibility for and extent of benefits and services to support work. To enhance job retention, the provider may provide services such as motivational counseling or on-site problem solving for up to six months. The participant who has completed at least six months of work in a nonsubsidized job shall be encouraged to participate in a training program that would improve the participant's ability to obtain a job that pays a higher wage.

Subd. 11. [DUTY TO REPORT.] The participant must immediately inform the county and provider regarding any changes related to the participant's employment status.

Subd. 12. [REQUIREMENT TO WORK IN A TEMPORARY PUBLIC SERVICE JOB.] (a) If after the completion of the maximum eight weeks of job search the participant has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant to which the recipient is entitled, whichever is applicable, the participant is required to work in a temporary public service job for up to 67 working days for (1) at least 32 hours per week, or (2) a period equivalent to the result of dividing the AFDC or FGA grant to which the recipient is entitled, whichever is applicable, by the federal hourly minimum wage, or applicable hourly state minimum wage, or the hourly rate of pay for individuals employed in the same occupation at the site, whichever is highest. If the result is more than 128 hours per month, the participant's requirement to work in a temporary public service job shall not be more than 32 hours per week.

(b) Within seven days from the date of issuance of the initial payment, the participant that is deferred under subdivision 8, clause (1), clause (2), or clause (3), and is participating in an educational program or part-time basis must work in a temporary public service job as required.

(c) The provider shall strive to match the profile of the participant with the needs of the employers that are participating in a temporary jobs program under section 256.7345.

Subd. 13. [TERMINATION OF WORK ASSIGNMENT.] If after 67 working days in a temporary public service job, under subdivision 12, paragraph (a), the participant has not secured a nonsubsidized job, the employer must terminate the work assignment and inform the county or the provider. The county or provider must briefly assess the participant's status and refer the participant to other work and training programs.

#### Sec. 13. [256.7344] [JOB DEVELOPMENT AND SUBSIDY.]

Subdivision 1. [JOB INVENTORY.] The provider must develop an inventory of job openings including full-time, part-time, permanent, temporary or seasonal, and training positions, in partnership with private and public employers, local industry councils, and employment agencies. To the extent possible, the inventory must include specific information regarding job openings, must be updated on a weekly basis, and must be available to all participants on a daily basis.

Subd. 2. [JOB SUBSIDY.] The county may use all or part of an AFDC or FGA benefit as a subsidy to employers for the purpose of providing work experience or training to the participant who has completed the job search plan, provided that (1) the job to be subsidized is permanent and full time, and pays an hourly rate of at least \$6 per hour; (2) the employer agrees to retain the participant after satisfactory completion of the work experience or training period; and (3) the participant has first tried to secure a nonsubsidized job by following the job search plan. The subsidy may be available for up to six months.

#### Sec. 14. [256.7345] [TEMPORARY JOBS PROGRAM.]

Subdivision 1. [PROGRAM ESTABLISHED.] The provider must establish and operate a program to provide temporary jobs to participants who, after eight weeks of job search, are not hired into a nonsubsidized or a subsidized job, or are deferred under section 256.7343, subdivision

8. The temporary jobs to be created under this section must be public service jobs that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, community service, services to the aged or disabled citizens, and child care.

Subd. 2. [ASSIGNMENT TO TEMPORARY PUBLIC SERVICE JOBS.] The provider must assign the participant that is within completion of the required eight weeks of job search and has failed to secure a nonsubsidized or a subsidized job for at least 32 hours per week, or does not earn a net income from self-employment that is equal to at least the AFDC or FGA monthly grant to which the recipient is entitled, whichever is applicable, to a temporary public service job. The assignment must be made seven days before the end of the job search and be based on section 256.7343, subdivision 12. The participant that is deferred under section 256.7343, subdivision 8, will be assigned by the provider to a temporary public service job within seven days of the date of issuance of the initial payment.

Subd. 3. [PARTICIPANT'S STATUS.] The participant who is working in a temporary public service job under this section is not considered an employee for the purposes of unemployment insurance compensation, retirement, or civil service laws, and shall not perform work ordinarily performed by a public employee.

Subd. 4. [CONTINUOUS JOB SEARCH REQUIREMENT.] At the discretion of the employer or the provider, the participant who is working in a temporary public service job under section 256.7343, subdivision 12, may be required to continue to look for a job for up to eight hours per week.

Subd. 5. [EXCUSED ABSENCES.] The participant who is working in a temporary public service job may be allowed excused absences from the assigned temporary job site up to eight hours per month. For the purposes of this subdivision, "excused absence" means absence due to temporary illness or injury of the caretaker or a member of the caretaker's family, the unavailability of licensed child care or unavailability of transportation needed to go to and from the work site, or a nonmedical emergency. For the purposes of this subdivision, "emergency" means a sudden, unexpected occurrence or situation of a serious or urgent nature that requires action.

Subd. 6. [MOVE TO A DIFFERENT COUNTY.] If the applicant or recipient who is required under the work first program moves to a different county in Minnesota, the benefits and enabling services as agreed upon in the self-sufficiency agreement shall be provided by the pilot county where the applicant or recipient originated as long as the move was included in the job search or employability development plan. If the applicant or recipient is moving to a different county for failure to comply with the requirements of the work first program, the applicant or recipient will not be eligible for AFDC or FGA in Minnesota for at least six months from the date of the move.

Sec. 15. [256.7346] [TRANSITIONAL BENEFITS TO SUPPORT WORK; RENT AND UTILITIES VENDOR PAYMENT.]

Payments for rent and utilities up to the amount of the AFDC or FGA benefits to which the assistance unit is entitled shall be provided in the form of vendor payments for as many months as the recipient is eligible or six months, whichever comes first. The residual amount after vendor payment, if any, will be paid to the AFDC or FGA recipient, unless it is used as a wage subsidy under section 256.7344, subdivision 2. This provision shall apply to all applicants including those meeting the exemption categories under section 256.7343, subdivision 1, or the deferral categories under section 256.7343, subdivision 8. To the extent needed, a job search allowance shall be provided for up to eight weeks to cover expenses related to the job search. Before the job search allowance is issued, it must be approved by the employment advisor and clearly described in the job search plan.

Sec. 16. [256.7347] [ELIGIBILITY FOR FOOD STAMPS, MEDICAL ASSISTANCE, AND CHILD CARE.]

The participant shall be treated as an AFDC or FGA recipient for food stamps, medical assistance, and child care eligibility purposes. As with an AFDC recipient, the participant who leaves the program as a result of increased earnings from employment shall be eligible for transitional medical assistance and child care.

Sec. 17. [256.7348] [SANCTIONS AND APPEAL PROCESS.]

Subdivision 1. [GOOD CAUSE.] (a) For the purpose of this subdivision, "good cause" means absence due to: temporary illness or injury of the participant or a member of the participant's family; the unavailability of licensed child care or the unavailability of transportation needed to attend orientation or conduct job search; or an emergency as defined under section 256.7345, subdivision 5.

(b) An applicant who is required, but fails, without good cause, to participate in program orientation under section 256.7343, subdivision 4, shall be denied AFDC and FGA benefits. The applicant will not be eligible for AFDC or FGA in Minnesota for the next six months.

(c) Applicants and recipients in AFDC-UP cases who are subject to the vendor payment provisions of section 256.7346 and required to attend program orientation under section 256.7343, subdivision 4, are subject to the job search, work experience, and sanction provisions of sections 256.736, subdivision 14, and 256.737 and not the job search and work provisions under work first program.

(d) If, after receiving a written warning from the county, the participant fails without good cause to conduct at least 32 hours of job search per week in any given two-week period, the participant is required to immediately begin work for at least 16 hours per week in a temporary public service job. The required 32 hours per week of job search will be reduced to 16 hours.

(e) If the participant who is deferred under section 256.7343, subdivision 8, fails without good cause to comply with the activities described in the EDP, the participant will lose the deferment status, provided that the participant has received at least two written warnings from the provider.

(f) If the participant refuses to work in a temporary public service job or is terminated from a temporary public service job for failure to work, benefits to the assistance unit shall be terminated and the participant is not eligible for aid under the AFDC or FGA program for at least six months from the date of refusal or termination. If the participant, before completing at least three consecutive months of employment, voluntarily quits a nonsubsidized or a subsidized job, or is terminated, the participant shall immediately be assigned to work in a temporary public service job for at least 32 hours per week for at least 67 working days, unless the participant is hired or rehired into a nonsubsidized or subsidized job.

Subd. 2. [NOTICE OF SANCTIONS.] If the county determines that the participant has failed or refused without good cause, as defined in subdivision 1, to cooperate with the program requirements, the county shall inform the participant in writing of the county's intent to impose an applicable sanction under subdivision 1, and the participant's opportunity to have a conciliation conference, upon request, within five days of receipt of the notice, before sanction is imposed.

Sec. 18. [256.7349] [FUNDING.]

Subdivision 1. [BLOCK GRANT.] A block grant to fund the entire program including, but not limited to, the costs for program administration and provision of cash benefits and program services including the entire costs of vendor payments made on behalf of clients and the entire cost of the temporary jobs program, will be paid to the county agency or provider participating in the work first program. Counties may request additional funds if there are unexpected increases in caseload.

Subd. 2. [LEVERAGING GRANT AMOUNT TO SECURE OTHER FUNDS.] The county agency or the provider in cooperation with the department may leverage the grant amount to secure other funds from employers, foundations, and the community for the purpose of developing additional components to benefit children and improve the program.

Subd. 3. [EMPLOYER REIMBURSEMENT.] The employer shall be reimbursed for wages paid to participants under section 256.7344, subdivision 2."

Page 41, after line 10, insert:

"Sec. 34. Minnesota Statutes 1994, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner and who is a resident of the state shall be eligible for and entitled to general assistance if the person or family is:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the county agency through its director or designated representative;

(4) a person who resides in a shelter facility described in subdivision 3;

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(6) a person who has an application pending for, or is appealing termination of benefits from, the social security disability program or the program of supplemental security income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(7) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(8) ~~a person who, following participation in the work readiness program, completion of an individualized employability assessment by the work readiness service provider, and consultation between the county agency and the work readiness service provider, the work readiness service provider determines is not employable.~~ has been assessed by a vocational specialist and, in consultation with the county agency, has been determined to be unemployable for purposes of this item, a person is considered employable if the county agency determines that there exist positions of employment in the local labor market, regardless of the current availability of openings for those positions, that the person is capable of performing. The person's eligibility under this category must be reassessed at least annually by the county agency and must be based upon the results of a new individualized employability assessment completed by the work readiness service provider. The recipient shall, if otherwise eligible, continue to receive general assistance while the annual individualized employability assessment is completed by the work readiness service provider, rather than receive work readiness payments under section 256D.051. Subsequent eligibility for general assistance is dependent upon the county agency determining, following consultation with the work readiness service provider, that the person is not employable, or the person meeting the requirements of another general assistance category of eligibility. The county agency must provide notice to the person not later than 30 days before annual eligibility under this item ends, informing the person of the date annual eligibility will end and the need for vocational assessment if the person wishes to continue eligibility under this clause. For purposes of establishing eligibility under this clause, it is the applicant's or recipient's duty to obtain any needed vocational assessment;

(9) a person who is determined by the county agency, in accordance with emergency and permanent rules adopted by the commissioner, to be learning disabled, provided that if a rehabilitation plan for the person is developed or approved by the county agency, the person is following the plan;

(10) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is

approved by the director of the county agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the county agency. For purposes of this clause, "legally emancipated" means a person under the age of 18 years who: (i) has been married; (ii) is on active duty in the uniformed services of the United States; (iii) has been emancipated by a court of competent jurisdiction; or (iv) is otherwise considered emancipated under Minnesota law, and for whom county social services has not determined that a social services case plan is necessary, for reasons other than that the child has failed or refuses to cooperate with the county agency in developing the plan;

(11) a woman in the last trimester of pregnancy who does not qualify for aid to families with dependent children. A woman who is in the last trimester of pregnancy who is currently receiving aid to families with dependent children may be granted emergency general assistance to meet emergency needs;

(12) a person who is eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;

(13) a person who lives more than two hours round-trip traveling time from any potential suitable employment;

(14) a person who is involved with protective or court-ordered services that prevent the applicant or recipient from working at least four hours per day;

(15) (i) a family as defined in section 256D.02, subdivision 5, which is ineligible for the aid to families with dependent children program. ~~If all children in the family are six years of age or older, or if suitable child care is available for children under age six at no cost to the family, all the adult members of the family must register for and cooperate in the work readiness program under section 256D.051. If one or more of the children is under the age of six and suitable child care is not available without cost to the family, all the adult members except one adult member must register for and cooperate with the work readiness program under section 256D.051. The adult member who must participate in the work readiness program is the one having earned the greater of the incomes, excluding in-kind income, during the 24-month period immediately preceding the month of application for assistance. When there are no earnings or when earnings are identical for each adult, the applicant must designate the adult who must participate in work readiness and that designation must not be transferred or changed after program eligibility is determined as long as program eligibility continues without an interruption of 30 days or more. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination as provided by the termination provisions of section 256D.051, subdivision 1a, paragraph (b). The time limits of section 256D.051, subdivision 1, do not apply to persons eligible under this clause; (ii) Notwithstanding the work and training requirements for first-time applicants and recipients under the work first program under section 256.7341, and unless all adults in the family are exempt under section 256D.051, subdivision 3a, one adult in the family must participate in and cooperate with the food stamp employment and training program under section 256D.051 each month that the family receives general assistance benefits. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. The designation may be changed once annually at the annual redetermination of eligibility. If no designation is made or if the adults cannot agree, the county agency shall designate the adult having earned the greater of the incomes, including in-kind income, during the 24-month period immediately preceding the month of application for general assistance, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate which adult must participate. The recipient's participation must begin on the first day of the first full month following the determination of eligibility for general assistance benefits. To the extent of available resources, and with the county agency's consent, the recipient may voluntarily continue to participate in food stamp employment and training services for up to three additional consecutive months immediately following termination of general assistance benefits in order to complete the provisions of the recipient's employability development plan. If the adult member fails without~~

good cause to participate in or cooperate with the food stamp employment and training program, the county agency shall concurrently terminate that person's eligibility for general assistance and food stamps for two months or until compliance is achieved, whichever is shorter, using the notice, good cause, conciliation and termination procedures specified in section 256D.051; or

(16) a person over age 18 whose primary language is not English and who is attending high school at least half time.

(b) Persons or families who are not state residents but who are otherwise eligible for general assistance may receive emergency general assistance to meet emergency needs.

(c) As a condition of eligibility under paragraph (a), clauses (1), (3), (5), (8), and (9), the recipient must complete an interim assistance agreement and must apply for other maintenance benefits as specified in section 256D.06, subdivision 5, and must comply with efforts to determine the recipient's eligibility for those other maintenance benefits.

(d) The burden of providing documentation for a county agency to use to verify eligibility for general assistance or ~~work readiness~~ for exemption from the food stamp employment and training program is upon the applicant or recipient. The county agency shall use documents already in its possession to verify eligibility, and shall help the applicant or recipient obtain other existing verification necessary to determine eligibility which the applicant or recipient does not have and is unable to obtain."

Page 42, delete section 26 and insert:

"Sec. 36. Minnesota Statutes 1994, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. ~~[WORK REGISTRATION FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.]~~ (a) Except as provided in this subdivision, persons who are residents of the state and whose income and resources are less than the standard of assistance established by the commissioner, but who are not categorically eligible under section 256D.05, subdivision 1, are eligible for the work readiness program for ~~The commissioner shall implement a food stamp employment and training program in order to meet the food stamp employment and training participation requirements of the United States Department of Agriculture. Unless all adult members of the food stamp household are exempt under subdivision 3a, one nonexempt adult recipient in each household must participate in the food stamp employment and training program each month that the household is eligible for food stamps, up to a maximum period of six calendar months during any 12 consecutive calendar month period, subject to the provisions of paragraph (d), subdivision 3, and section 256D.052, subdivision 4. If the household contains more than one nonexempt adult, the adults may determine which adult must participate. The designation may be changed only once annually at the annual redetermination of eligibility. If no designation is made or if the adults cannot agree, the county agency shall designate the adult having earned the greater of the incomes, including in-kind income, during the 24-month period immediately preceding the month of application for food stamp benefits, as the adult that must participate. When there are no earnings or when earnings are identical for each adult, the county agency shall designate the adult that must participate. The person's eligibility period begins participation in food stamp employment and training services must begin on the first day of the calendar month following the date of application eligibility for assistance or following the date all eligibility factors are met, whichever is later; however, food stamps. With the county agency's consent, and to the extent of available resources, the person may voluntarily continue to participate in work readiness food stamp employment and training services for up to three additional consecutive months immediately following the last month of benefits end of the six-month mandatory participation period in order to complete the provisions of the person's employability development plan. After July 1, 1992, if orientation is available within three weeks after the date eligibility is determined, initial payment will not be made until the registrant attends orientation to the work readiness program. Prior to terminating work readiness assistance the county agency must provide advice on the person's eligibility for general assistance medical care and must assess the person's eligibility for general assistance under section 256D.05 to the extent possible, using information in the case file, and determine the person's eligibility for general assistance. A determination that the person is not eligible for general assistance must be stated in the notice of termination of work readiness benefits.~~

~~(b) Persons, families, and married couples who are not state residents but who are otherwise eligible for work readiness assistance may receive emergency assistance to meet emergency needs.~~

~~(c) Except for family members who must participate in work readiness services under the provisions of section 256D.05, subdivision 1, clause (15), any person who would be defined for purposes of the food stamp program as being enrolled or participating at least half time in an institution of higher education or a post-secondary program is ineligible for the work readiness program. Post secondary education does not include the following programs: (1) high school equivalency; (2) adult basic education; (3) English as a second language; (4) literacy training; and (5) skill specific technical training that has a course of study of less than three months, that is not paid for using work readiness funds, and that is specified in the work readiness employability development plan developed with the recipient prior to the recipient beginning the training course.~~

~~(d) Notwithstanding the provisions of sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits due to exhaustion of the period of eligibility specified in paragraph (a) or (d).~~

Sec. 37. Minnesota Statutes 1994, section 256D.051, subdivision 1a, is amended to read:

Subd. 1a. [WORK READINESS PAYMENTS NOTICES; CONCILIATION CONFERENCE; SANCTIONS.] ~~(a) Except as provided in this subdivision, grants of work readiness shall be determined using the standards of assistance, exclusions, disregards, and procedures which are used in the general assistance program. Work readiness shall be granted in an amount that, when added to the nonexempt income actually available to the assistance unit, the total amount equals the applicable standard of assistance.~~

~~(b) Except as provided in section 256D.05, subdivision 6, work readiness assistance must be paid on the first day of each month.~~

~~At the time the county agency notifies the assistance unit household that it is eligible for family general assistance or work readiness assistance and by the first day of each month of services food stamps, the county agency must inform all mandatory registrants employment and training services participants as identified in subdivision 1 in the assistance unit household that they must comply with all work readiness food stamp employment and training program requirements that each month, including the requirement to attend an initial orientation to the food stamp employment and training program and that work readiness food stamp eligibility will end at the end of the month unless the registrants participants comply with work readiness the requirements specified in the notice. A registrant who fails, without good cause, to comply with requirements during this time period, including attendance at orientation, will lose family general assistance or work readiness eligibility without notice under section 256D.101, subdivision 1, paragraph (b). The registrant shall, however, be sent a notice no later than five days after eligibility ends, which informs the registrant that family general assistance or work readiness eligibility has ended in accordance with this section for failure to comply with work readiness requirements. The notice shall set forth the factual basis for such determination and advise the registrant of the right to reinstate eligibility upon a showing of good cause for the failure to meet the requirements. Subsequent assistance must not be issued unless the person completes an application, is determined eligible, and complies with the work readiness requirements that had not been complied with, or demonstrates that the person had good cause for failing to comply with the requirement. The time during which the person is ineligible under these provisions is counted as part of the person's period of eligibility under subdivision 1.~~

~~(c) Notwithstanding the provisions of section 256D.01, subdivision 1a, paragraph (d), when one member of a married couple has exhausted the five months of work readiness eligibility in a 12-month period and the other member has one or more months of eligibility remaining within the same 12-month period, the standard of assistance applicable to the member who remains eligible is the first adult standard in the aid to families with dependent children program.~~

~~(d) Notwithstanding sections 256.045 and 256D.10, during the pendency of an appeal, work readiness payments and services shall not continue to a person who appeals the termination of benefits under paragraph (b).~~

(b) A participant who fails without good cause to comply with food stamp employment and training program requirements of this section, including attendance at orientation, will lose food stamp eligibility for two months or until the county agency determines that the participant has complied with the program requirements, whichever is shorter. If the participant is not the head of household, the person shall be considered an ineligible household member for food stamp purposes. If the participant is the head of household, the entire household is ineligible to participate as provided in Code of Federal Regulations, title 7, section 273.7(g). "Good cause" means circumstances beyond the control of the participant, such as illness or injury, illness or injury of another household member requiring the participant's presence, a household emergency, or the inability to obtain child care for children between the ages of six and 12 or to obtain transportation needed in order for the participant to meet the food stamp employment and training program participation requirements.

(c) The county agency shall mail or hand deliver a notice to the participant not later than five days after determining that the participant has failed without good cause to comply with food stamp employment and training program requirements which specifies the requirements that were not complied with, the factual basis for the determination of noncompliance, the right to reinstate eligibility upon a showing of good cause or the failure to meet the requirements, must ask the reason for the noncompliance, and must identify the participant's appeal rights. The notice must request that the participant inform the county agency if the participant believes that good cause existed for the failure to comply, must offer the participant a conciliation conference as provided in paragraph (d), and must state that the county agency intends to terminate eligibility for food stamp benefits due to failure to comply with food stamp employment and training program requirements.

(d) The county agency must offer a conciliation conference to participants who have failed to comply with food stamp employment and training program requirements. The purpose of the conference is to determine the cause for noncompliance, to attempt to resolve the problem causing the noncompliance so that all requirements are complied with, and to determine if good cause for noncompliance was present. The conciliation period shall run for ten working days from the date of the notice required in paragraph (c). Information about how to request a conciliation conference must be specified in the notice required in paragraph (c). If the county agency determines that the participant, during the conciliation period, complied with all food stamp employment and training program requirements that the recipient was required to comply with prior to and during the conciliation period, or if the county agency determines that good cause for failing to comply with the requirements was present, a sanction on the participant's or household's food stamp eligibility shall not be imposed.

(e) If the county agency determines that the participant did not comply during the conciliation period with all food stamp employment and training program requirements that were in effect prior to and during the conciliation period, and if the county agency determines that good cause was not present, the county must provide a ten-day notice of termination of food stamp benefits. The termination notice must be issued following the last day of the conciliation period. The amount of food stamps that are withheld from the household and determination of the impact of the sanction on other household members is governed by Code of Federal Regulations, title 7, section 273.7.

(f) The participant may appeal the termination of food stamp benefits under the provisions of section 256.045.

Sec. 38. Minnesota Statutes 1994, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [COUNTY AGENCY DUTIES.] (a) The county agency shall provide to ~~registrants~~ food stamp recipients a ~~work readiness~~ food stamp employment and training program. The ~~work readiness~~ program must include:

(1) orientation to the ~~work readiness~~ food stamp employment and training program;

(2) an individualized employability assessment and an individualized employability development plan that includes assessment of literacy, ability to communicate in the English language, educational and employment history, and that estimates the length of time it will take the ~~registrant~~ participant to obtain employment. The employability assessment and development

plan must be completed in consultation with the ~~registrant~~ participant, must assess the ~~registrant's~~ participant's assets, barriers, and strengths, and must identify steps necessary to overcome barriers to employment. A copy of the employability development plan must be provided to the registrant;

(3) referral to available accredited remedial or skills training programs designed to address ~~registrant's~~ participant's barriers to employment;

(4) referral to available programs ~~including the Minnesota employment and economic development program~~ that provide subsidized or unsubsidized employment as necessary;

(5) a job search program, including job seeking skills training; and

(6) other activities, to the extent of available resources designed by the county agency to prepare the ~~registrant~~ participant for permanent employment.

~~The work readiness program may include a public sector or nonprofit work experience component only if the component is established according to section 268.90.~~

In order to allow time for job search, the county agency may not require an individual to participate in the ~~work readiness~~ food stamp employment and training program for more than 32 hours a week. The county agency shall require an individual to spend at least eight hours a week in job search or other ~~work readiness~~ food stamp employment and training program activities.

(b) The county agency shall prepare an annual plan for the operation of its ~~work readiness~~ food stamp employment and training program. The plan must be submitted to and approved by the commissioner of economic security. The plan must include:

(1) a description of the services to be offered by the county agency;

(2) a plan to coordinate the activities of all public entities providing employment-related services in order to avoid duplication of effort and to provide services more efficiently;

(3) a description of the factors that will be taken into account when determining a client's employability development plan; and

~~(4) provisions to assure that applicants and recipients are evaluated for eligibility for general assistance prior to termination from the work readiness program; and~~

~~(5) provisions to ensure that the county agency's employment and training service provider provides each recipient with an orientation, employability assessment, and employability development plan as specified in paragraph (a), clauses (1) and (2), within 30 days of the recipient's application eligibility for assistance.~~

Sec. 39. Minnesota Statutes 1994, section 256D.051, is amended by adding a subdivision to read:

Subd. 2a. [DUTIES OF COMMISSIONER.] In addition to any other duties imposed by law, the commissioner shall:

(1) based on sections 256D.051 and 256D.052 and Code of Federal Regulations, title 7, section 273.7, supervise the administration of food stamp employment and training services to county agencies;

(2) disburse money appropriated for food stamp employment and training services to county agencies based upon the county's costs as specified in section 256D.06;

(3) accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for food stamp employment and training services; and

(4) cooperate with other agencies including any agency of the United States or of another state in all matters concerning the powers and duties of the commissioner under sections 256D.051 and 256D.052.

Sec. 40. Minnesota Statutes 1994, section 256D.051, subdivision 3, is amended to read:

Subd. 3. ~~[REGISTRANT PARTICIPANT DUTIES.]~~ In order to receive ~~work-readiness~~ food stamp assistance, a registrant shall: (1) cooperate with the county agency in all aspects of the ~~work-readiness~~ food stamp employment and training program; (2) accept any suitable employment, including employment offered through the job training partnership act, and other employment and training options; and (3) participate in ~~work-readiness~~ food stamp employment and training activities assigned by the county agency. The county agency may terminate assistance to a registrant who fails to cooperate in the ~~work-readiness~~ food stamp employment and training program, as provided in subdivision 1a.

Sec. 41. Minnesota Statutes 1994, section 256D.051, subdivision 3a, is amended to read:

Subd. 3a. ~~[PERSONS REQUIRED TO REGISTER FOR AND PARTICIPATE IN THE WORK-READINESS FOOD STAMP EMPLOYMENT AND TRAINING PROGRAM.]~~ ~~Each person in a work-readiness assistance unit who is 18 years old or older must register for and participate in the work-readiness program. A person in the assistance unit who is at least 16 years old but less than 19 years old and who is not a full-time secondary school student is required to register and participate. A student who was enrolled as a full-time student during the last school term must be considered a full-time student during summers and school holidays. (a) To the extent required under Code of Federal Regulations, title 7, section 273.7(a), each applicant for and recipient of food stamps is required to register for work as a condition of eligibility for food stamp benefits. Applicants and recipients are registered by signing an application or annual reapplication for food stamps, and must be informed that they are registering for work by signing the form.~~

(b) The following food stamp recipients are exempt from mandatory participation in food stamp employment and training services:

(1) recipients of benefits under the AFDC program, Minnesota supplemental aid program, or the general assistance program, except that an adult who receives general assistance under section 256D.05, subdivision 1, paragraph (b), is not exempt unless that person qualifies under one of the remaining exemption provisions in this paragraph;

(2) a child;

(3) a recipient over age 55;

(4) a recipient who has a mental or physical illness, injury, or incapacity which is expected to continue for at least 30 days and which impairs the recipient's ability to obtain or retain employment as evidenced by professional certification or the receipt of temporary or permanent disability benefits issued by a private or government source;

(5) a parent or other household member responsible for the care of either a dependent child in the household who is under age six or a person in the household who is professionally certified as having a physical or mental illness, injury, or incapacity. Only one parent or other household member may claim exemption under this provision;

(6) a recipient receiving unemployment compensation or who has applied for unemployment compensation and has been required to register for work with the department of economic security as part of the unemployment compensation application process;

(7) a recipient participating each week in a drug addiction or alcohol abuse treatment and rehabilitation program, provided the operators of the treatment and rehabilitation program, in consultation with the county agency, recommend that the recipient not participate in the food stamp employment and training program;

(8) a recipient employed or self-employed for 30 or more hours per week at employment paying at least minimum wage, or who earns wages from employment equal to or exceeding 30 hours multiplied by the federal minimum wage;

(9) a student enrolled at least half time in any school, training program, or institution of higher education. When determining if a student meets this criteria, the school's, program's or institution's criteria for being enrolled half time shall be used; or

(10) a recipient who the county agency anticipates will receive less than \$50 in food stamp benefits per month for at least the next three months.

Sec. 42. Minnesota Statutes 1994, section 256D.051, subdivision 3b, is amended to read:

Subd. 3b. [~~WORK READINESS PARTICIPATION REQUIREMENTS ORIENTATION.~~] A work readiness registrant meets the work readiness participation requirements if the registrant:

(1) completes the specific tasks or assigned duties that were identified by the county agency in the notice required under section 256D.101, subdivision 1, paragraph (a); and

(2) meets the requirements in subdivisions 3 and 8. The county agency or its employment and training service provider must provide an orientation to food stamp employment and training services to each nonexempt food stamp recipient within 30 days of the date that food stamp eligibility is determined. The orientation must inform the participant of the requirement to participate in services, the date, time, and address to report to for services, the name and telephone number of the food stamp employment and training service provider, the consequences for failure without good cause to comply, the services and support services available through food stamp employment and training services and other providers of similar services, and must encourage the participant to view the food stamp program as a temporary means of supplementing the family's food needs until the family achieves self-sufficiency through employment. The orientation may be provided through audio-visual methods, but the participant must have the opportunity for face-to-face interaction with county agency staff.

Sec. 43. Minnesota Statutes 1994, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [~~SERVICE COSTS.~~] Within the limits of available resources, the commissioner shall reimburse 92 percent of county agency expenditures for providing work readiness food stamp employment and training services including direct participation expenses and administrative costs, except as provided in section 256.017. State work readiness food stamp employment and training funds shall be used only to pay the county agency's and work readiness food stamp employment and training service provider's actual costs of providing participant support services, direct program services, and program administrative costs for persons who participate in work readiness such employment and training services. Beginning July 1, 1991, The average annual reimbursable cost for providing work readiness food stamp employment and training services to a recipient for whom an individualized employability development plan is not completed must not exceed \$60 for the work readiness food stamp employment and training services, and \$223 \$240 for necessary recipient support services such as transportation or child care needed to participate in work readiness services food stamp employment and training program. If an individualized employability development plan has been completed, the average annual reimbursable cost for providing work readiness food stamp employment and training services must not exceed \$283, except that the total annual average reimbursable cost shall not exceed \$804 for recipients who participate in a pilot project work experience program under Laws 1993, First Special Session chapter 1, article 6, section 55, \$300 for all services and costs necessary to implement the plan, including the costs of training, employment search assistance, placement, work experience, on-the-job training, other appropriate activities, the administrative and program costs incurred in providing these services, and necessary recipient support services such as tools, clothing, and transportation needed to participate in work readiness food stamp employment and training services. Beginning July 1, 1991, the state will reimburse counties, up to the limit of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991. Payment to counties under this subdivision is subject to the provisions of section 256.017. The county agency may expend additional county funds over and above the dollar limits of this subdivision without state reimbursement.

Sec. 44. Minnesota Statutes 1994, section 256D.051, subdivision 6b, is amended to read:

Subd. 6b. [~~FEDERAL REIMBURSEMENT.~~] Federal financial participation from the United States Department of Agriculture for work readiness food stamp employment and training expenditures that are eligible for reimbursement through the food stamp employment and training program are dedicated funds and are annually appropriated to the commissioner of human services for the operation of the work readiness food stamp employment and training program. Federal

financial participation for the nonstate portion of work readiness food stamp employment and training costs must be paid to the county agency that incurred the costs.

Sec. 45. Minnesota Statutes 1994, section 256D.051, subdivision 8, is amended to read:

Subd. 8. [VOLUNTARY QUIT.] A person who is required to participate in work readiness food stamp employment and training services is not eligible for general assistance or work readiness payments or services food stamps if, without good cause, the person refuses a legitimate offer of, or quits, suitable employment within 60 days before the date of application. A person who is required to participate in work readiness food stamp employment and training services and, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving general assistance or work readiness payments or services food stamps shall be terminated from the general assistance or work readiness food stamp program as specified in subdivision 1a.

Sec. 46. Minnesota Statutes 1994, section 256D.051, subdivision 9, is amended to read:

Subd. 9. [SUBCONTRACTORS.] A county agency may, at its option, subcontract any or all of the duties under subdivision 2 this section to a public or private entity approved by the commissioner of economic security.

Sec. 47. Minnesota Statutes 1994, section 256D.051, subdivision 17, is amended to read:

Subd. 17. [START WORK GRANTS.] Within the limit of available appropriations, the county agency may make grants necessary to enable work readiness recipients food stamp employment training program participants to accept bona fide offers of employment. The grants may be made for costs directly related to starting employment, including transportation costs, clothing, tools and equipment, license or other fees, and relocation. Start work grants are available once in any 12-month period to a recipient participant. The commissioner shall allocate money appropriated for start work grants to counties based on each county's work readiness food stamp employment and training program caseload in the 12 months ending in March for each following state fiscal year and may reallocate any unspent amounts."

Page 44, after line 21, insert:

"Sec. 50. Minnesota Statutes 1994, section 256D.052, subdivision 3, is amended to read:

Subd. 3. [~~SERVICES PROVIDED PARTICIPANT LITERACY TRANSPORTATION COSTS.~~] Within the limits of the state appropriation the county agency must provide transportation to enable people food stamp employment and training participants to participate in literacy training under this section. The state shall reimburse county agencies for the costs of providing transportation under this section up to the amount of the state appropriation. Counties must make every effort to ensure that child care is available as needed by recipients who are pursuing literacy training."

Page 49, delete section 33

Page 54, delete lines 29 to 31 and insert:

"Subd. 11. [GENERAL ASSISTANCE GRANTS.] \$..... is appropriated to cover the projected expansion in the general assistance caseload attributable to the transfer of some work readiness clients to general assistance."

Page 55, after line 2, insert:

"Subd. 15. [WORK FIRST PROGRAM.] \$..... is appropriated for purposes of implementing sections 256.7341 to 256.7349.

Sec. 39. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to delete the words "work readiness" wherever they appear in Minnesota Statutes, sections 256D.01 to 256D.21, in the next and subsequent editions of Minnesota Statutes."

Page 55, line 4, before "Minnesota" insert "Subdivision 1."

Page 55, after line 4, insert:

"Subd. 2. Minnesota Statutes 1994, sections 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113, are repealed."

Page 55, line 19, after the period, insert "Sections 34, 36 to 47, 50 and 63, subdivision 2, (256D.05, subdivision 1; 256D.051, subdivisions 1, 1a, 2, 2a, 3, 3a, 3b, 6, 6b, 8, 9, and 17; 256D.052, subdivision 3; instruction to revisor; Repealer: 256D.051, subdivisions 10, 13, 14, and 15; 256D.052, subdivisions 1, 2, and 4; 256D.091; 256D.101; 256D.111; and 256D.113) are effective July 1, 1995, and apply to all applications for assistance received on or after that date. Individuals eligible for and receiving work readiness assistance on June 30, 1995, shall, if otherwise eligible, be entitled to receive assistance for the remainder of their six-month entitlement and shall be subject to the provisions of the work readiness program in effect on June 30, 1995, for the remainder of their six-month entitlement period."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Knutson	Oliver	Runbeck
Berg	Johnson, D.E.	Kramer	Olson	Scheevel
Bertram	Johnston	Lesewski	Ourada	Stevens
Chandler	Kiscaden	Limmer	Pariseau	Terwilliger
Dille	Kleis	Neuville	Robertson	

Those who voted in the negative were:

Anderson	Hanson	Lessard	Pappas	Solon
Beckman	Hottinger	Marty	Piper	Spear
Berglin	Janezich	Merriam	Pogemiller	Vickerman
Betzold	Johnson, D.J.	Metzen	Price	Wiener
Chmielewski	Johnson, J.B.	Moe, R.D.	Reichgott Junge	
Cohen	Kelly	Mondale	Riveness	
Finn	Krentz	Morse	Sams	
Flynn	Kroening	Murphy	Samuelson	

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

Mr. Ourada moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 48, after line 27, insert:

"Sec. 32. [TIME LIMIT ON AFDC BENEFITS.]

Subdivision 1. [WAIVER AUTHORIZED.] The commissioner of human services shall seek a statewide waiver of the requirements of the program of aid to families with dependent children, in order to limit the time that an AFDC household can continue to receive assistance.

Subd. 2. [TIME LIMIT OF 24 MONTHS IMPLEMENTATION.] The waiver request authorized by this section shall be submitted by the commissioner of human services and evaluated as part of the AFDC waiver package authorized by the 1995 legislature. The waiver authorized by this section shall become effective on the first day of the first month after receipt of federal approval. All families receiving AFDC benefits on that date may continue to receive benefits for no more than 24 additional consecutive months. All households that become eligible on or after that date may receive benefits for no more than 24 months out of a 48-month period. Households who lose eligibility for benefits because of the time limits imposed under this waiver are eligible to apply after 36 months have elapsed since losing eligibility due to the time limits for an additional 24 months of benefits out of another 48-month period.

After receiving federal approval for the waiver, and after its implementation under the following subdivision, the commissioner of finance, with the assistance of the commissioner of human services, must estimate the savings resulting from implementation of the waiver request by January 1, 1998, and by each January 1 thereafter, and must transfer this amount to an account in the general fund to be known as the "welfare dependency education account." Money in this account shall not cancel and shall be appropriated by the legislature for education purposes.

Subd. 3. [CONTINUED ELIGIBILITY FOR MEDICAL ASSISTANCE.] Subject to federal approval and contingent on federal financial participation, recipients that lose AFDC eligibility due to the time limits imposed under this section, but who otherwise would be eligible for medical assistance, must be provided continuing categorical eligibility for medical assistance during the 36-month period. The 36-month period begins to run on the first day of the month subsequent to the month in which the household loses benefits due to the time limit.

Subd. 4. [CONTINUED ELIGIBILITY FOR CHILD CARE ASSISTANCE.] As part of this waiver request, the commissioner shall seek federal approval to provide 12 months of child care assistance with federal financial participation to families otherwise eligible for AFDC who lose benefits because of the time limits imposed by this section. The 12-month period begins to run on the first day of the first month subsequent to the month in which the household loses benefits due to the time limit. If the waiver request authorized by this section is not granted, the commissioner shall seek legislation to make families who lose AFDC eligibility because of the time limits, a priority under Minnesota Statutes, section 256H.03.

Subd. 5. [CONTINUED ELIGIBILITY FOR EMPLOYMENT AND TRAINING SERVICES.] As part of the waiver request authorized by this section, the commissioner shall seek federal approval and federal financial participation to provide 12 months of employment and training services to families who lose benefits because of the time limits imposed by this section. The 12-month period begins to run on the first day of the first month subsequent to the month in which the household loses benefits due to the time limit.

Subd. 6. [EXTENSION OF BENEFITS BEYOND 24 MONTHS.] The waiver request must provide for an extension of the eligibility period beyond 24 months for families who meet certain conditions. In each month after the 24-month time limit expires that each person in the assistance household meets at least one of the following conditions, the household may receive AFDC benefit payments:

- (1) the person receives a supplemental security income payment;
- (2) the person is the head of the household, is not a legally responsible relative of a dependent child in the household, and is not included in determining the amount of the household's benefit;
- (3) the person is under 18 years of age;
- (4) the person is incapacitated or is needed in the home to care for another member of the household who is incapacitated;
- (5) the person is needed in the home to care for a child who is under the age of three; or
- (6) the county agency determines, in accordance with rules promulgated by the commissioner, that unusual circumstances exist that warrant an additional month of benefit payments and an extension of the benefit period.

Subd. 7. [COORDINATION WITH OTHER PROGRAMS.] (a) Families who lose eligibility for AFDC because of the time limits are not eligible for general assistance under Minnesota Statutes, section 256D.05, subdivision 1, paragraph (a), clause (15), during their period of ineligibility for AFDC because of the time limits.

(b) In setting up the waiver, the commissioner shall exempt families participating in the Minnesota family investment plan under Minnesota Statutes, sections 256.031 to 256.0361, who are headed by a single parent and are in the first 24 months of their transitional status under Minnesota Statutes, section 256.035.

(c) The commissioner shall coordinate the design and implementation of the waiver with operation of the STRIDE program under Minnesota Statutes, section 256.736."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Finn moved to amend the Ourada amendment to H.F. No. 5 as follows:

Page 1, after line 10, insert:

"If the federal government approves the waiver request, this provision becomes effective at such time that there is a statewide unemployment rate of three percent or less, and the federal minimum wage is at least \$6 per hour."

Page 1, line 14, delete "The"

Page 1, delete lines 15 and 16

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Ourada amendment, as amended.

The roll was called, and there were yeas 28 and nays 33, as follows:

Those who voted in the affirmative were:

Belanger	Johnson, D.J.	Laidig	Neuville	Runbeck
Berg	Johnston	Langseth	Oliver	Scheevel
Bertram	Kelly	Larson	Olson	Stevens
Chmielewski	Kiscaden	Lesewski	Ourada	Terwilliger
Frederickson	Knutson	Lessard	Pariseau	
Johnson, D.E.	Kramer	Limmer	Robertson	

Those who voted in the negative were:

Anderson	Flynn	Kroening	Murphy	Sams
Beckman	Hanson	Marty	Pappas	Samuelson
Berglin	Hottinger	Merriam	Piper	Spear
Betzold	Janezich	Metzen	Pogemiller	Vickerman
Chandler	Johnson, J.B.	Moe, R.D.	Price	Wiener
Cohen	Kleis	Mondale	Reichgott Junge	
Finn	Krentz	Morse	Riveness	

The motion did not prevail. So the Ourada amendment, as amended, was not adopted.

Mr. Frederickson moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 48, after line 17, insert:

"Subd. 8. [GRANT AMOUNT WAIVER.] The commissioner of human services shall seek federal waivers as necessary in order to adjust AFDC assistance payment amounts so that, notwithstanding the provisions of Minnesota Statutes, section 256.74, subdivision 1, the amount of assistance granted to an eligible family that has resided in Minnesota for less than 12 months shall be the lesser of the maximum assistance payment that would have been received by that family from the state of immediate prior residence, or the amount calculated in accordance with Minnesota Rules, parts 9500.2440 to 9500.2480."

Page 48, line 18, delete "8" and insert "9"

Page 48, line 23, delete "9" and insert "10"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Beckman	Betzold	Dille	Janezich	Johnston
Belanger	Chandler	Finn	Johnson, D.E.	Kelly
Berg	Chmielewski	Frederickson	Johnson, D.J.	Kiscaden
Bertram	Cohen	Hanson	Johnson, J.B.	Kleis

Knutson	Lesewski	Morse	Pogemiller	Samuelson
Kramer	Lessard	Murphy	Price	Scheevel
Krentz	Limmer	Neuville	Reichgott Junge	Stevens
Kroening	Merriam	Oliver	Riveness	Terwilliger
Laidig	Metzen	Olson	Robertson	Vickerman
Langseth	Moe, R.D.	Ourada	Runbeck	
Larson	Mondale	Pariseau	Sams	

The motion prevailed. So the amendment was adopted.

Mr. Stevens moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 44, after line 10, insert:

"Sec. 28. Minnesota Statutes 1994, section 256D.09, subdivision 2a, is amended to read:

Subd. 2a. ~~[REPRESENTATIVE PAYEE VENDOR PAYMENTS FOR DRUG DEPENDENT PERSONS.] Notwithstanding subdivision 1, the commissioner shall adopt rules, and may adopt emergency rules, governing the assignment of a representative payee and management of the general assistance or work readiness assistance grant of a drug dependent person as defined in section 254A.02, subdivision 5. The representative payee is responsible for deciding how the drug dependent person's benefits can best be used to meet that person's needs. The determination of drug dependency must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use. Upon receipt of the assessor's determination of drug dependency, the county shall determine whether a representative payee will be assigned to manage the person's benefits. The chemical use assessment, the decision to refer a person for the assessment, and the county determination of whether a representative payee will be assigned are subject to the administrative and judicial review provisions of section 256.045. However, notwithstanding any provision of section 256.045 to the contrary, an applicant or recipient who is referred for an assessment and is otherwise eligible to receive a general assistance or work readiness benefit, may only be provided with emergency general assistance or vendor payments pending the outcome of an administrative or judicial review. If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person applying for or receiving financial assistance or a work readiness assistance grant is drug dependent, as defined in section 254A.02, subdivision 5, the person may shall be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete and the results of the assessment made available to the county agency. A reasonable basis for questioning whether a person is drug dependent referring an individual for an assessment exists when:~~

- (1) the person has required detoxification two or more times in the past 12 months;
- (2) the person appears intoxicated at the county agency as indicated by two or more of the following:
  - (i) the odor of alcohol;
  - (ii) slurred speech;
  - (iii) disconjugate gaze;
  - (iv) impaired balance;
  - (v) difficulty remaining awake;
  - (vi) consumption of alcohol;
  - (vii) responding to sights or sounds that are not actually present;
  - (viii) extreme restlessness, fast speech, or unusual belligerence;
- (3) the person has been involuntarily committed for drug dependency at least once in the past 12 months; or
- (4) the person has received treatment, including domiciliary care, for drug abuse or dependency at least twice in the past 12 months.

~~The assignment to representative payee status must be reviewed at least every 12 months. The county agency shall designate the representative payee after consultation with the recipient. The county agency shall select the representative payee from appropriate individuals, or public or nonprofit agencies, including those suggested by the recipient, but the county agency's designation of representative payee prevails, subject to the administrative and judicial review provisions of section 256.045.~~

The assessment and determination of drug dependency, if any, must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use. The county shall only provide emergency general assistance or vendor payments to an otherwise eligible applicant or recipient who is determined to be drug dependent, except up to 15 percent of the grant amount the person would otherwise receive may be paid in cash. Notwithstanding subdivision 1, the commissioner of human services shall also require county agencies to provide assistance only in the form of vendor payments to all eligible recipients who assert chemical dependency as a basis for eligibility under section 256D.05, subdivision 1, paragraph (a), clauses (1) and (6).

The determination of drug dependency shall be reviewed at least every 12 months. If the county determines a recipient is no longer drug dependent, the county may cease vendor payments and provide the recipient payments in cash.

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Belanger	Frederickson	Kramer	Neuville	Robertson
Berg	Johnson, D.E.	Laidig	Oliver	Runbeck
Bertram	Johnston	Langseth	Olson	Scheevel
Betzold	Kelly	Larson	Ourada	Stevens
Chandler	Kiscaden	Lessard	Pappas	Terwilliger
Chmielewski	Kleis	Limmer	Pariseau	Vickerman
Dille	Knutson	Metzen	Riveness	

Those who voted in the negative were:

Anderson	Hanson	Kroening	Piper	Solon
Beckman	Hottinger	Marty	Pogemiller	Spear
Berglin	Janezich	Merriam	Price	Wiener
Cohen	Johnson, D.J.	Moe, R.D.	Reichgott Junge	
Finn	Johnson, J.B.	Morse	Sams	
Flynn	Krentz	Murphy	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 5, the unofficial engrossment, as follows:

Page 1, after line 34, insert:

"Section 1. [256.0111] [TARGETS RELATED TO CHILDREN LIVING IN POVERTY.]

Subdivision 1. [GOVERNOR'S RECOMMENDATION.] By the fourth Monday in January of each odd-numbered year, the governor shall submit to the legislature a recommended target for the maximum acceptable number of Minnesota children living in poverty for the next two bienniums. The recommended target must specify:

(1) the maximum acceptable number of children who are homeless or living in substandard housing;

(2) the maximum acceptable number of children failing to get adequate nutrition; and

(3) the maximum acceptable number of children who are left unsupervised for lack of affordable child care while the parent works.

Subd. 2. [LEGISLATIVE RESOLUTION.] By March 15 of each odd-numbered year, the legislature shall by concurrent resolution adopt targets for the maximum acceptable number of Minnesota children living in poverty for the next two bienniums. The resolution must specify:

(1) the maximum acceptable number of children who are homeless or living in substandard housing;

(2) the maximum acceptable number of children failing to get adequate nutrition; and

(3) the maximum acceptable number of children who are left unsupervised for lack of affordable child care while the parent works.

The resolution must be based on the February forecast prepared under section 16A.103 and take into consideration the targets recommended by the governor under subdivision 1."

Page 53, after line 15, insert:

"Sec. 39. [TARGETS RELATING TO CHILDREN LIVING IN POVERTY REQUIRED IN 1995.]

For purposes of Minnesota Statutes, section 256.0111, the governor shall provide the recommended targets required under Minnesota Statutes, section 256.0111, subdivision 1, by July 1, 1995, and the concurrent resolution may be adopted by the legislature during a special session in the 1995 calendar year, if one occurs, or shall be adopted within four weeks of the beginning of the 1996 legislative session."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

H.F. No. 5 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 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

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

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

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

**S.F. No. 877:** A bill for an act relating to construction; changing and clarifying law relating to the building code and zoning law; amending Minnesota Statutes 1994, sections 16B.59; 16B.60, subdivisions 1 and 4; 16B.61, subdivisions 1, 2, and 5; 16B.63, subdivision 3, and by adding a subdivision; 16B.65, subdivisions 1, 3, 4, and 7; 16B.67; 16B.70; 366.10; 366.12; 366.16; 394.33, subdivision 2; 394.361, subdivision 3; 462.358, subdivisions 2a and 9; and 462.359, subdivision 4.

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

Page 5, line 32, delete everything after "if"

Page 5, line 33, delete everything before "binding" and insert "adopted under chapter 14, are"

Page 7, lines 15 and 16, reinstate the stricken language

Page 10, line 4, strike the second "the"

Page 10, line 5, strike "general" and insert "a special revenue"

Page 15, after line 2, insert:

**"ARTICLE 3  
INTERSTATE COMPACT**

Section 1. Minnesota Statutes 1994, section 16B.75, is amended to read:

16B.75 [INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS.]

The state of Minnesota ratifies and approves the following compact:

**INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS**

**ARTICLE I**

**FINDINGS AND DECLARATIONS OF POLICY**

(1) The compacting states find that:

(a) Industrialized/modular buildings are constructed in factories in the various states and are a growing segment of the nation's affordable housing and commercial building stock.

(b) The regulation of industrialized/modular buildings varies from state to state and locality to locality, which creates confusion and burdens state and local building officials and the industrialized/modular building industry.

(c) Regulation by multiple jurisdictions imposes additional costs, which are ultimately borne by the owners and users of industrialized/modular buildings, restricts market access and discourages the development and incorporation of new technologies.

(2) It is the policy of each of the compacting states to:

(a) Provide the states which regulate the design and construction of industrialized/modular buildings with a program to coordinate and uniformly adopt and administer the states' rules and regulations for such buildings, all in a manner to assure interstate reciprocity.

(b) Provide to the United States Congress assurances that would preclude the need for a voluntary preemptive federal regulatory system for modular housing, as outlined in Section 572 of the Housing and Community Development Act of 1987, including development of model standards for modular housing construction, such that design and performance will insure quality, durability and safety; will be in accordance with life-cycle cost-effective energy conservation standards; all to promote the lowest total construction and operating costs over the life of such housing.

## ARTICLE II

### DEFINITIONS

As used in this compact, unless the context clearly requires otherwise:

(1) "Commission" means the interstate industrialized/modular buildings commission.

(2) "Industrialized/modular building" means any building which is of closed construction, i.e. constructed in such a manner that concealed parts or processes of manufacture cannot be inspected at the site, without disassembly, damage or destruction, and which is made or assembled in manufacturing facilities, off the building site, for installation, or assembly and installation, on the building site. "Industrialized/modular building" includes, but is not limited to, modular housing which is factory-built single-family and multifamily housing (including closed wall panelized housing) and other modular, nonresidential buildings. "Industrialized/modular building" does not include any structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974.

(3) "Interim reciprocal agreement" means a formal reciprocity agreement between a noncompacting state wherein the noncompacting state agrees that labels evidencing compliance with the model rules and regulations for industrialized/modular buildings, as authorized in Article VIII, section (9), shall be accepted by the state and its subdivisions to permit installation and use of industrialized/modular buildings. Further, the noncompacting state agrees that by legislation or regulation, and appropriate enforcement by uniform administrative procedures, the noncompacting state requires all industrialized/modular building manufacturers within that state to comply with the model rules and regulations for industrialized/modular buildings.

(4) "State" means a state of the United States, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(5) "Uniform administrative procedures" means the procedures adopted by the commission (after consideration of any recommendations from the rules development committee) which state and local officials, and other parties, in one state, will utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard of requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies.

(6) "Model rules and regulations for industrialized/modular buildings" means the construction standards adopted by the commission (after consideration of any recommendations from the rules development committee) which govern the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The construction standards and any amendments thereof shall conform insofar as practicable to model building codes and referenced standards generally accepted and in use throughout the United States.

## ARTICLE III

### CREATION OF COMMISSION

The compacting states hereby create the Interstate Industrialized/Modular Buildings Commission, hereinafter called commission. Said commission shall be a body corporate of each compacting state and an agency thereof. The commission shall have all the powers and duties set forth herein and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states.

## ARTICLE IV

### SELECTION OF COMMISSIONERS

The commission shall be selected as follows. As each state becomes a compacting state, one resident shall be appointed as commissioner. The commissioner shall be selected by the governor of the compacting state, being designated from the state agency charged with regulating industrialized/modular buildings or, if such state agency does not exist, being designated from among those building officials with the most appropriate responsibilities in the state. The

commissioner may designate another official as an alternate to act on behalf of the commissioner at commission meetings which the commissioner is unable to attend.

Each state commissioner shall be appointed, suspended, or removed and shall serve subject to and in accordance with the laws of the state which said commissioner represents; and each vacancy occurring shall be filled in accordance with the laws of the state wherein the vacancy exists.

~~When~~ For every three state commissioners that have been appointed in the manner described, those state commissioners shall select one additional commissioner who shall be a representative of manufacturers of ~~industrial- residential- or commercial-use industrialized/modular buildings.~~ ~~When~~ For every six state commissioners that have been appointed in the manner described, the state commissioners shall select a ~~second~~ one additional commissioner who shall be a representative of consumers of industrialized/modular buildings. ~~With each addition of three state commissioners, the state commissioners shall appoint one additional representative commissioner, alternating between a representative of manufacturers of industrialized/modular buildings and consumers of industrialized/modular buildings. The ratio between state commissioners and representative commissioners shall be three to one.~~ In the event states withdraw from the compact or, for any other reason, the number of state commissioners is reduced, the state commissioners shall remove the last added representative commissioner as necessary to maintain a the ratio of state commissioners to representative commissioners of three to one described herein.

Upon a majority vote of the state commissioners, the state commissioners may remove, fill a vacancy created by, or replace any representative commissioner, provided that any replacement is made from the same representative group and a ~~three to one ratio~~ the ratio described herein is maintained. Unless provided otherwise, the representative commissioners have the same authority and responsibility as the state commissioners.

In addition, the commission may have as a member one commissioner representing the United States government if federal law authorizes such representation. Such commissioner shall not vote on matters before the commission. Such ~~commission~~ commissioner shall be appointed by the President of the United States, or in such other manner as may be provided by Congress.

## ARTICLE V

### VOTING

Each commissioner (except the commissioner representing the United States government) shall be entitled to one vote on the commission. A majority of the commissioners shall constitute a quorum for the transaction of business. Any business transacted at any meeting of the commission must be by affirmative vote of a majority of the quorum present and voting.

## ARTICLE VI

### ORGANIZATION AND MANAGEMENT

The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall also select a secretariat, which shall provide an individual who shall serve as secretary of the commission. The commission shall fix and determine the duties and compensation of the secretariat. The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the commission.

The commission shall adopt a seal.

The commission shall adopt bylaws, rules, and regulations for the conduct of its business, and shall have the power to amend and rescind these bylaws, rules, and regulations.

The commission shall establish and maintain an office at the same location as the office maintained by the secretariat for the transaction of its business and may meet at any time, but in any event must meet at least once a year. The chairman may call additional meetings and upon the request of a majority of the commissioners of three or more of the compacting states shall call an additional meeting.

The commission annually shall make the governor and legislature of each compacting state a

report covering its activities for the preceding year. Any donation or grant accepted by the commission or services borrowed shall be reported in the annual report of the commission and shall include the nature, amount and conditions, if any, of the donation, gift, grant or services borrowed and the identity of the donor or lender. The commission may make additional reports as it may deem desirable.

## ARTICLE VII COMMITTEES

The commission will establish such committees as it deems necessary, including, but not limited to, the following:

(1) An executive committee which functions when the full commission is not meeting, as provided in the bylaws of the commission. The executive committee will ensure that proper procedures are followed in implementing the commission's programs and in carrying out the activities of the compact. The executive committee shall be elected by vote of the commission. It shall be comprised of at least three and no more than nine commissioners, selected from those commissioners who are representatives of the governor of their respective state the state commissioners and one member of the industry commissioners and one member of the consumer commissioners.

(2) A rules development committee appointed by the commission. The committee shall be consensus-based and consist of not less than seven nor more than 21 members. Committee members will include state building regulatory officials; manufacturers of industrialized/modular buildings; private, third-party inspection agencies; and consumers. This committee may recommend procedures which state and local officials, and other parties, in one state, may utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies. This committee may also recommend construction standards for the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The committee will submit its recommendations to the commission, for the commission's consideration in adopting and amending the uniform administrative procedures and the model rules and regulations for industrialized/modular buildings. The committee may also review the regulatory programs of the compacting states to determine whether those programs are consistent with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings and may make recommendations concerning the states' programs to the commission. In carrying out its functions, the rules committee may conduct public hearings and otherwise solicit public input and comment.

(3) Any other advisory, coordinating or technical committees, membership on which may include private persons, public officials, associations or organizations. Such committees may consider any matter of concern to the commission.

(4) Such additional committees as the commission's bylaws may provide.

## ARTICLE VIII POWER AND AUTHORITY

In addition to the powers conferred elsewhere in this compact, the commission shall have power to:

(1) Collect, analyze and disseminate information relating to industrialized/modular buildings.

(2) Undertake studies of existing laws, codes, rules and regulations, and administrative practices of the states relating to industrialized/modular buildings.

(3) Assist and support committees and organizations which promulgate, maintain and update model codes or recommendations for uniform administrative procedures or model rules and regulations for industrialized/modular buildings.

(4) Adopt and amend uniform administrative procedures and model rules and regulations for industrialized/modular buildings.

(5) Make recommendations to compacting states for the purpose of bringing such states' laws, codes, rules and regulations and administrative practices into conformance with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings, provided that such recommendations shall be made to the appropriate state agency with due consideration for the desirability of uniformity while also giving appropriate consideration to special circumstances which may justify variations necessary to meet unique local conditions.

(6) Assist and support the compacting states with monitoring of plan review programs and inspection programs, which will assure that the compacting states have the benefit of uniform industrialized/modular building plan review and inspection programs.

(7) Assist and support organizations which train state and local government and other program personnel in the use of uniform industrialized/modular building plan review and inspection programs.

(8) Encourage and promote coordination of state regulatory action relating to manufacturers, public or private inspection programs.

(9) Create and sell labels to be affixed to industrialized/modular building units, constructed in or regulated by compacting states, where such labels will evidence compliance with the model rules and regulations for industrialized/modular buildings, enforced in accordance with the uniform administrative procedures. The commission may use receipts from the sale of labels to help defray the operating expenses of the commission.

(10) Assist and support compacting states' investigations into and resolutions of consumer complaints which relate to industrialized/modular buildings constructed in one compacting state and sited in another compacting state.

(11) Borrow, accept or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, association, person, firm or corporation.

(12) Accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation, and may receive, utilize and dispose of the same.

(13) Establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

(14) Enter into contracts and agreements, including but not limited to, interim reciprocal agreements with noncompacting states.

## ARTICLE IX

### FINANCE

The commission shall submit to the governor or designated officer or officers of each compacting state a budget of its estimated expenditures for such period as may be required by the laws of that state for presentation to the legislature thereof.

Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the compacting states. The total amount of appropriations requested under any such budget shall be apportioned among the compacting states as follows: one-half in equal shares; one-fourth among the compacting states in accordance with the ratio of their populations to the total population of the compacting states, based on the last decennial federal census; and one-fourth among the compacting states in accordance with the ratio of industrialized/modular building units manufactured in each state to the total of all units manufactured in all of the compacting states.

The commission shall not pledge the credit of any compacting state. The commission may meet any of its obligations in whole or in part with funds available to it by donations, grants, or sale of labels: provided that the commission takes specific action setting aside such funds prior to incurring any obligation to be met in whole or in part in such manner. Except where the commission makes use of funds available to it by donations, grants or sale of labels, the commission shall not incur any obligation prior to the allotment of funds by the compacting states adequate to meet the same.

The commission shall keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the commission shall be subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements of funds handled by the commission shall be audited yearly by a certified or licensed public accountant and the report of the audit shall be included in and become part of the annual report of the commission.

The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the compacting states and any person authorized by the commission.

Nothing contained in this article shall be construed to prevent commission compliance relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

## ARTICLE X

### ENTRY INTO FORCE AND WITHDRAWAL

This compact shall enter into force when enacted into law by any three states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof. The commission shall arrange for notification of all compacting states whenever there is a new enactment of the compact.

Any compacting state may withdraw from this compact by enacting a statute repealing the same. No withdrawal shall affect any liability already incurred by or chargeable to a compacting state prior to the time of such withdrawal.

## ARTICLE XI

### RECIPROCITY

If the commission determines that the standards for industrialized/modular buildings prescribed by statute, rule or regulation of compacting state are at least equal to the commission's model rules and regulations for industrialized/modular buildings, and that such state standards are enforced by the compacting state in accordance with the uniform administrative procedures, industrialized/modular buildings approved by such a compacting state shall be deemed to have been approved by all the compacting states for placement in those states in accordance with procedures prescribed by the commission.

## ARTICLE XII

### EFFECT ON OTHER LAWS AND JURISDICTION

Nothing in this compact shall be construed to:

(1) Withdraw or limit the jurisdiction of any state or local court or administrative officer or body with respect to any person, corporation or other entity or subject matter, except to the extent that such jurisdiction pursuant to this compact, is expressly conferred upon another agency or body.

(2) Supersede or limit the jurisdiction of any court of the United States.

## ARTICLE XIII

### CONSTRUCTION AND SEVERABILITY

This compact shall be liberally construed so as to effectuate the purposes thereof. The provisions of this compact shall be severable and if any phrase, clause, sentence or provision of this compact is declared to be contrary to the constitution of any state or of the United States or the

applicability thereof to any government, agency, person or circumstances is held invalid, the validity of the remainder of this compact and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby. If this compact shall be held contrary to the constitution of any state participating therein, the compact shall remain in full force and effect as to the remaining party states and in full force and effect as to the state affected as to all severable matters."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "amending the interstate compact on industrialized/modular buildings;"

Page 1, line 7, after the third semicolon, insert "16B.75;"

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 Veterans, to which was re-referred**

**S.F. No. 759:** A bill for an act relating to economic development; changing certain departmental operating procedures; altering the corporate structure of Advantage Minnesota, Inc.; clarifying economic development authority powers; amending Minnesota Statutes 1994, sections 116J.58, subdivision 1; 116J.693, subdivisions 2, 3, 4, and 5; 116N.02, subdivision 1; 116N.06; and 446A.03, subdivision 4.

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

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

**S.F. No. 606:** A bill for an act relating to family law; authorizing courts to require parties to participate in orientation programs in proceedings involving children; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Page 1, line 9, delete "contested"

Page 1, line 13, after the period, insert "Upon request of a party and a showing of good cause, the court shall excuse the party from attending the program."

Page 1, line 16, delete "If"

Page 1, line 17, delete everything before the second "the"

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

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

**S.F. No. 642:** A bill for an act relating to human services; child support obligation and enforcement; amending Minnesota Statutes 1994, sections 256.978, subdivision 1; 518.171, subdivision 2a; 518.575; 518.611, subdivisions 1, 2, and 8a; 518.613, subdivisions 1 and 2; 518.614, subdivision 1; 518C.310; 548.15; and 609.375, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1994, section 518.561.

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

Pages 1 to 5, delete article 1 and insert:

"ARTICLE 1

EMPLOYER REPORTING

Section 1. [256.998] [EMPLOYMENT REGISTRY.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Date of hiring" means the earlier of: (1) the first day for which a worker is owed compensation by an employer; or (2) the first day that a worker reports to work or performs labor or services for an employer.

(c) "Earnings" means payment owed by an employer for labor or services rendered by a worker.

(d) "Worker" means a person who resides or works in Minnesota and performs services for compensation, in whatever form, for an employer. Worker does not include persons hired for domestic service in the private home of the employer, as defined in the federal tax code.

(e) "Employer" means a person or entity located or doing business in this state that employs one or more workers for payment, and includes the state, political or other governmental subdivisions of the state, and the federal government.

(f) "Hiring" means engaging a person to perform services for compensation and includes the reemploying or return to work of any previous worker who was laid off, furloughed, separated, granted a leave without pay, or terminated from employment.

Subd. 2. [REGISTRY ESTABLISHED.] The commissioner of human services shall establish a centralized employment registry for the purpose of receiving and maintaining information from employers on newly hired or rehired workers. The commissioner of human services shall take reasonable steps to inform the state's employers of the requirements of this section and the acceptable processes by which employers can comply with the requirements of this section.

Subd. 3. [DUTY TO REPORT.] Employers doing business in this state shall report to the commissioner of human services the hiring of any worker who resides or works in this state to whom the employer anticipates paying earnings. Employers shall submit reports required under this subdivision within 15 calendar days of the date of hiring of the worker.

Subd. 4. [MEANS TO REPORT.] Employers may report by delivering, mailing, or telefaxing a copy of the worker's federal W-4 form or W-9 form or any other document that contains the required information, submitting electronic media in a compatible format, toll-free telecommunication, or other means authorized by the commissioner of human services that will result in timely reporting. The commissioner shall provide employers with appropriately marked or addressed envelopes or other documents to facilitate the required reporting.

Subd. 5. [REPORT CONTENTS.] Reports required under this section must contain:

(1) the worker's name, address, social security number, and date of birth when available, which can be hand-written or otherwise added to the W-4 form, W-9 form, or other document submitted; and

(2) the employer's name, address, and federal identification number.

Subd. 6. [SANCTIONS.] If an employer fails to report under this section, the commissioner of human services shall send the employer a written notice of noncompliance requesting that the employer comply with the reporting requirements of this section. The notice of noncompliance must explain the reporting procedure under this section and advise the employer of the penalty for noncompliance. An employer who has received a notice of noncompliance and later incurs a second violation is subject to a civil penalty of \$50 for each intentionally unreported worker. An employer who has received a notice of noncompliance and later incurs a third or subsequent violation is subject to a civil penalty of \$500 for each intentionally unreported worker. These penalties may be imposed and collected by the commissioner of human services.

Subd. 7. [ACCESS TO DATA.] The commissioner of human services shall retain the information reported to the employment registry for a period of six months. Data in the employment registry may be disclosed to federal agencies, local agencies of this state, and state and local agencies of other states for purposes of enforcing state and federal laws governing child support.

The commissioner of human services shall charge a state or federal department or agency accessing the information contained in the employment registry the proportionate costs of gathering and furnishing information under this subdivision.

Subd. 8. [AUTHORITY TO CONTRACT.] The commissioner may contract for services to carry out this section.

Sec. 2. Minnesota Statutes 1994, section 518.171, subdivision 2a, is amended to read:

~~Subd. 2a. [EMPLOYER AND OBLIGOR NOTICE RESPONSIBILITY.] If an individual is hired for employment, the employer shall request that the individual disclose whether the individual has court ordered medical support obligations that are required by law to be withheld from income and the terms of the court order, if any. The employer shall request that the individual disclose whether the individual has been ordered by a court to provide health and dental dependent insurance coverage. The~~ An individual shall disclose this information at the time of hiring. If an individual discloses that if medical support is required to be withheld, the ~~If an employee discloses that medical support is required to be withheld, the employer shall begin withholding according to the terms of the order and pursuant to section 518.611, subdivision 8. If an individual discloses an obligation to obtain health and dental dependent insurance coverage and coverage is available through the employer, the employer shall make all application processes known to the individual upon hiring and enroll the employee and dependent in the plan pursuant to subdivision 3.~~

Sec. 3. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of human services to allow the commissioner to implement the employment registry under section 1, to be available until June 30, 1997.

Sec. 4. [REPEALER.]

Minnesota Statutes 1994, sections 518.561; and 518.611, subdivision 8, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective January 1, 1997."

Page 9, line 8, delete "At least once" and insert "Twice"

Page 9, line 13, delete "(3)" and strike "has not made a child support payment"

Page 9, line 16, delete the new language

Page 9, strike line 17

Page 9, line 18, strike "taxes."

Page 9, line 20, before "The" insert "(3) is not in compliance with a written payment agreement regarding both current support and arrearages approved by the public authority."

Page 9, line 21, delete the new language and insert "publish the name of each obligor in the newspaper or newspapers of widest circulation in the area where the obligor is most likely to be residing. For each publication, the commissioner shall release the list of all names being published not earlier than the first day on which names appear in any newspaper."

Page 9, line 26, delete the third "the"

Page 9, delete lines 27 and 28

Page 9, line 29, delete "bankruptcy," and delete the second comma

Page 9, line 30, before the period, insert "; or (iii) other circumstances as determined by the commissioner"

Page 15, line 21, strike "and"

Page 15, line 30, strike the period and insert "; and"

Page 15, line 31, delete "Determine" and insert "determine"

Page 15, line 35, delete "such" and insert "these"

Page 16, line 5, before "Upon" insert "Subdivision 1. [GENERAL.] Except as provided in subdivision 2," and reinstate the stricken language

Page 16, line 6, reinstate the stricken language and delete the new language

Page 16, line 36, before "When" insert "Except as provided in subdivision 2," and reinstate the stricken language and delete the new language

Page 17, line 3, delete "full"

Page 17, line 4, delete "in full"

Page 17, after line 5, insert:

"Subd. 2. [CHILD SUPPORT OR MAINTENANCE JUDGMENT.] In the case of a judgment for child support or spousal maintenance, an execution or certificate of satisfaction need not be filed with the court until the judgment is satisfied in full."

Page 17, delete section 12 and insert:

"Sec. 12. [SUSPENSION OF PUBLICATIONS.]

Notwithstanding Minnesota Statutes, section 518.575, the commissioner of human services may not publish names of delinquent child support obligors until January 1, 1997."

Page 17, line 22, after the period, insert "Section 12 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "enforcement," insert "appropriating money;"

Page 1, line 9, delete "chapter 518" and insert "chapters 256; and 518"

Page 1, line 10, delete "section 518.561" and insert "sections 518.561; and 518.611, subdivision 8"

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**

**S.F. No. 799:** A bill for an act relating to crime prevention; clarifying the reasonable person standard for manslaughter in the first degree; clarifying certain acts that constitute murder in the first degree; amending Minnesota Statutes 1994, sections 609.185; and 609.20.

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

Page 3, after line 22, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective August 1, 1995, and apply to crimes committed on or after that date."

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

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

**S.F. No. 98:** A bill for an act relating to public safety; requiring landlords of residential rental buildings to conduct a criminal conviction background check of individuals employed as building managers or caretakers; requiring criminal background checks for individuals employed as managers or caretaking employees in manufactured park homes; requiring 24-hour oral or written notice before entry of certain buildings used as dwellings, including apartments and manufactured homes; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapters 327; and 504.

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

Delete everything after the enacting clause and insert:

"Section 1. [299C.66] [CITATION.]

Sections 299C.66 to 299C.71 may be cited as the "Kari Koskinen manager background check act."

Sec. 2. [299C.67] [DEFINITIONS.]

Subdivision 1. [TERMS.] The definitions in this section apply to sections 299C.66 to 299C.71.

Subd. 2. [BACKGROUND CHECK CRIME.] "Background check crime" means:

(a)(1) a felony violation of section 609.185 (first degree murder); 609.19 (second degree murder); 609.20 (first degree manslaughter); 609.221 (first degree assault); 609.222 (second degree assault); 609.223 (third degree assault); 609.25 (kidnapping); 609.342 (first degree criminal sexual conduct); 609.343 (second degree criminal sexual conduct); 609.344 (third degree criminal sexual conduct); 609.345 (fourth degree criminal sexual conduct); 609.561 (first degree arson); or 609.749 (harassment and stalking);

(2) an attempt to commit a crime in clause (1); or

(3) a conviction for a crime in another jurisdiction that would be a violation under clause (1) or an attempt under clause (1) in this state; or

(b)(1) a felony violation of section 609.195 (third degree murder); 609.205 (second degree manslaughter); 609.21 (criminal vehicular homicide and injury); 609.2231 (fourth degree assault); 609.224 (fifth degree assault); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.255 (false imprisonment); 609.52 (theft); 609.582, subdivision 1 or 2 (burglary); 609.713 (terroristic threats); or a nonfelony violation of section 609.749 (harassment and stalking);

(2) an attempt to commit a crime in clause (1); or

(3) a conviction for a crime in another jurisdiction that would be a violation under clause (1) or an attempt under clause (1) in this state.

Subd. 3. [CJIS.] "CJIS" means the Minnesota criminal justice information system.

Subd. 4. [MANAGER.] "Manager" means an individual who is hired or is applying to be hired by an owner and who has or would have the means, within the scope of the individual's duties, to enter tenants' dwelling units. "Manager" does not include a person who is hired on a casual basis and not in the ongoing course of the business of the owner.

Subd. 5. [OWNER.] "Owner" has the meaning given in section 566.18, subdivision 3. However, "owner" does not include a person who owns, operates, or is in control of a health care facility or a home health agency licensed by the commissioner of health or human services under chapter 144, 144A, or 245A.

Subd. 6. [SUPERINTENDENT.] "Superintendent" means the superintendent of the bureau of criminal apprehension.

Subd. 7. [TENANT.] "Tenant" has the meaning given in section 566.18, subdivision 2.

Sec. 3. [299C.68] [BACKGROUND CHECKS ON MANAGERS.]

Subdivision 1. [WHEN REQUIRED.] Before hiring a manager, an owner shall request the superintendent to conduct a background check under this section. An owner may employ a manager after requesting a background check under this section before receipt of the background check report, provided that the owner complies with section 299C.69. An owner may request a background check for a currently employed manager under this section. By August 1, 1996, an owner shall request the superintendent to conduct a background check under this section for managers hired before August 1, 1995, who are currently employed.

Subd. 2. [PROCEDURES.] The superintendent shall develop procedures to enable an owner to request a background check to determine whether a manager is the subject of a reported conviction for a background check crime. The superintendent shall perform the background check by retrieving and reviewing data on background check crimes maintained in the CJIS computers. If the manager has resided in Minnesota for less than five years or upon request of the owner, the superintendent shall also conduct a search of the national criminal records repository, including the criminal justice data communications network. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall recover the cost of a background check through a fee charged to the owner.

Subd. 3. [FORM.] The superintendent shall develop a standardized form to be used for requesting a background check, which must include:

(1) a notification to the manager that the owner will request the superintendent to perform a background check under this section;

(2) a notification to the manager of the manager's rights under subdivision 4; and

(3) a signed consent by the manager to conduct the background check.

If the manager has resided in Minnesota for less than five years, or if the owner is requesting a search of the national criminal records repository, the form must be accompanied by the fingerprints of the manager on whom the background check is to be performed.

Subd. 4. [MANAGER'S RIGHTS.] (a) The owner shall notify the manager of the manager's rights under paragraph (b).

(b) A manager who is the subject of a background check request has the following rights:

(1) the right to be informed that the owner will request a background check on the manager to determine whether the manager has been convicted of a crime specified in section 299C.67, subdivision 2;

(2) the right to be informed by the owner of the superintendent's response to the background check and to obtain from the owner a copy of the background check report;

(3) the right to obtain from the superintendent any record that forms the basis for the report;

(4) the right to challenge the accuracy and completeness of information contained in the report or record under section 13.04, subdivision 4; and

(5) the right to be informed by the owner if the manager's application to be employed by the owner or to continue as an employee has been denied because of the result of the background check.

Subd. 5. [RESPONSE OF BUREAU.] The superintendent shall respond to a background check request within a reasonable time not to exceed ten working days after receiving the signed form under subdivision 3. If a search is being done of the national criminal records repository and that portion of the background check is not completed, the superintendent shall notify the owner that the background check is not complete and shall provide that portion of the background check to

the owner as soon as it is available. The superintendent's response must indicate whether the manager has ever been convicted of a background check crime and, if so, a description of the crime, date and jurisdiction of conviction, and date of discharge of the sentence.

Subd. 6. [EQUIVALENT BACKGROUND CHECK.] (a) An owner may satisfy the requirements of this section by obtaining a background check from a private business or a local law enforcement agency rather than the superintendent if the scope of the background check provided by the private business or local law enforcement agency is at least as broad as that of a background check performed by the superintendent and the response to the background check request occurs within a reasonable time not to exceed ten working days after receiving the signed form described in subdivision 3. Local law enforcement agencies may access the criminal justice data network to perform the background check.

(b) A private business or local law enforcement agency providing a background check under this section must use a notification form similar to the form described in subdivision 3, except that the notification form must indicate that the background check will be performed by the private business or local law enforcement agency using records of the superintendent and other data sources.

Sec. 4. [299C.69] [OWNER DUTIES IF MANAGER CONVICTED OF BACKGROUND CHECK CRIME.]

(a) If the superintendent's response indicates that the manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (a), the owner may not hire the manager or, if the manager was hired pending completion of the background check, shall terminate the manager's employment. Except as provided in paragraph (c), if an owner otherwise knows that a manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (a), the owner shall terminate the manager's employment.

(b) If the superintendent's response indicates that the manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (b), the owner may not hire the manager unless more than ten years have elapsed since the date of discharge of the sentence. If the manager was hired pending completion of the background check, the owner shall terminate the manager's employment unless more than ten years have elapsed since the date of discharge of the sentence. Except as provided in paragraph (c), if an owner otherwise knows that a manager has been convicted of a background check crime defined in section 299C.67, subdivision 2, paragraph (b), the owner shall terminate the manager's employment unless more than ten years have elapsed since the date of discharge of the sentence.

(c) If an owner knows that a manager hired before August 1, 1995, was convicted of a background check crime for an offense committed before August 1, 1995, the owner may continue to employ the manager. However, the owner shall notify all tenants and prospective tenants whose dwelling units would be accessible to the manager of the crime for which the manager has been convicted and of the right of a current tenant to terminate the tenancy under this paragraph, if the manager was convicted of a background check crime defined in:

(1) section 299C.67, subdivision 2, paragraph (a); or

(2) section 299C.67, subdivision 2, paragraph (b), unless more than ten years have elapsed since the sentence was discharged.

Notwithstanding a lease provision to the contrary, a current tenant who receives a notice under this paragraph may terminate the tenancy within 60 days of receipt of the notice by giving the owner at least 14 days' advance notice of the termination date.

(d) The owner shall notify the manager of any action taken under this subdivision.

Sec. 5. [299C.70] [PENALTY.]

An owner who knowingly fails to comply with the requirements of section 299C.68 or 299C.69 is guilty of a misdemeanor.

Sec. 6. [299C.71] [BUREAU OF CRIMINAL APPREHENSION IMMUNITY.]

The bureau of criminal apprehension is immune from any civil or criminal liability that might otherwise arise under section 299C.68, based on the accuracy or completeness of records it receives from the Federal Bureau of Investigation, if the bureau acts in good faith.

Sec. 7. [504.183] [TENANT'S RIGHT TO PRIVACY.]

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

(a) "Building" has the meaning given in section 566.18, subdivision 7.

(b) "Landlord" means the owner as defined in section 566.18, subdivision 3, the owner's agent, or other person acting under the owner's direction and control.

(c) "Tenant" has the meaning given in section 566.18, subdivision 2.

Subd. 2. [ENTRY BY LANDLORD.] A landlord may not enter the premises rented by a tenant except:

(1) if specifically requested by the tenant;

(2) for a reasonable business purpose and after giving the tenant reasonable notice under the circumstances of the intent to enter; or

(3) as provided in subdivision 4.

A tenant may not waive and the landlord may not require the tenant to waive the tenant's right to prior notice of entry under this section as a condition of entering into or maintaining the lease.

Subd. 3. [REASONABLE PURPOSE.] For purposes of subdivision 2, a reasonable business purpose includes:

(1) showing the unit to prospective tenants after the current tenant has given notice to move to the owner or owner's agent;

(2) performing maintenance work; and

(3) allowing inspections by state, county, or city officials charged in the enforcement of health, housing, building, fire prevention, or housing maintenance codes.

Subd. 4. [EXCEPTION TO NOTICE REQUIREMENT.] (a) Notwithstanding subdivision 2, a landlord may enter the premises rented by a tenant without prior notice to the tenant if the landlord reasonably believes that:

(1) immediate entry is necessary to prevent injury to persons or property because of emergencies relating to maintenance or building security;

(2) immediate entry is requested by a peace officer; or

(3) immediate entry is necessary to determine a tenant's safety when requested to do so by a member of the tenant's family or a friend of the tenant or if the tenant has requested the landlord to monitor the tenant's safety.

(b) If the landlord enters the premises under this subdivision when the tenant is not present, the landlord shall disclose the entry by placing a written disclosure of the entry in a conspicuous place in the premises.

Subd. 5. [PENALTY.] If a landlord violates this section, the tenant is entitled to rescission of the lease, recovery of any damage deposit less any proven damages to the rental property, and a \$100 civil penalty for each violation. A tenant shall follow the procedures in sections 566.18 to 566.33 to enforce the provisions of this section."

Delete the title and insert:

"A bill for an act relating to public safety; requiring owners of residential rental buildings to request criminal background checks of managers; prohibiting owners from hiring or continuing to employ certain individuals as managers and requiring notices; requiring the superintendent of the bureau of criminal apprehension to assist in the performance of the background checks; limiting owner entry of residential dwellings; imposing penalties; proposing coding for new law in Minnesota Statutes, chapters 299C; and 504."

And when so amended the bill do pass and be re-referred to the Committee on Jobs, Energy and Community Development. Amendments adopted. Report adopted.

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

**S.F. No. 11:** A bill for an act relating to the environment; exempting newer motor vehicles from annual air pollution emissions inspections; amending Minnesota Statutes 1994, section 116.61, subdivision 2.

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

Page 1, line 22, delete everything after "vehicle"

Page 1, line 23, delete "time of registration" and insert "the model year of which is no more than four years earlier than the year in which it is being registered"

Page 1, after line 23, insert:

"Sec. 2. [REPORT ON NEED FOR VEHICLE EMISSION INSPECTION PROGRAM.]

(a) The commissioner of the pollution control agency, in consultation with the United States Environmental Protection Agency, shall take all reasonable steps to enable the state, by July 1, 1998, to comply with the federal Clean Air Act without having to continue the motor vehicle emission inspection program.

(b) By December 15, 1997, the commissioner shall submit to the chairs of the environment and natural resources committees of the legislature a report that includes:

(1) a description of the commissioner's efforts under paragraph (a) and the results of those efforts;

(2) an analysis of the state's attainment status under the federal Clean Air Act as it relates to the need for a motor vehicle emission inspection program; and

(3) recommendations regarding continuation of the motor vehicle emission inspection program after July 1, 1998."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring a report;"

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

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

**S.F. No. 217:** A bill for an act relating to family law; providing for enforcement of child support obligations; authorizing programs; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 168A.05, subdivisions 2, 3, 7, and by adding subdivisions; 168A.16; 214.101, subdivisions 1 and 4; 256.01, by adding a subdivision; 518.24; 518.551, subdivision 12, and by adding a subdivision; and 518.611, subdivision 8; proposing coding for new law in Minnesota Statutes, chapters 171; 256; and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.551, subdivision 5a; and 518.561.

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 1994, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;
- (9) to the Minnesota department of economic security for the purpose of monitoring the eligibility of the data subject for reemployment insurance, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;
- (12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;
- (13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);
- (14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;
- (15) the current address of a recipient of aid to families with dependent children may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties;
- (16) the current address of a recipient of general assistance, work readiness, or general

assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient, and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c); ~~or~~

(18) data on a child support obligor who is in arrears may be disclosed for purposes of publishing the data pursuant to section 518.575; or

(19) data in the employment registry may be disclosed under section 256.998, subdivision 7.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), or (17), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 2. Minnesota Statutes 1994, section 168A.05, subdivision 2, is amended to read:

Subd. 2. [RECORD OF CERTIFICATES ISSUED.] The department shall maintain a record of all certificates of title issued by it:

- (1) Under a distinctive title number assigned to the vehicle;
- (2) By vehicle identifying number;
- (3) Alphabetically, under the name of the owner.

Such record shall consist of the certificate of title, including the notations of all security interests recorded, assigned, terminated, or released and liens filed by a public authority responsible for child support enforcement of which the department has notice, of duplicate certificates issued or applied for, and such other information as the department may deem proper.

Sec. 3. Minnesota Statutes 1994, section 168A.05, subdivision 3, is amended to read:

Subd. 3. [CONTENT OF CERTIFICATE.] Each certificate of title issued by the department shall contain:

- (1) the date issued;
- (2) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;
- (3) the names and addresses of any secured parties in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate, or as otherwise determined by the department;
- (4) any liens filed by a public agency responsible for child support enforcement against the owner;

(5) the title number assigned to the vehicle;

~~(5)~~ (6) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

~~(6)~~ (7) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

~~(7)~~ (8) with respect to vehicles subject to sections 325F.6641 and 325F.6642, the appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed"; and

~~(8)~~ (9) any other data the department prescribes.

Sec. 4. Minnesota Statutes 1994, section 168A.05, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL PROCESS RELATING TO CERTIFICATE OR VEHICLE.] A certificate of title for a vehicle is not subject to garnishment, attachment, execution, or other judicial process, but this subdivision does not prevent a lawful levy upon the vehicle or the lawful enforcement of an administrative lien or judgment debt or lien filed by a public authority responsible for child support enforcement.

Sec. 5. Minnesota Statutes 1994, section 168A.05, is amended by adding a subdivision to read:

Subd. 8. [LIENS FILED FOR ENFORCEMENT OF CHILD SUPPORT.] This subdivision applies if the court or a public authority responsible for child support enforcement orders or directs the commissioner to enter a lien, as provided in section 518.551, subdivision 14. If a certificate of title is applied for by the owner, the department shall enter a lien on the title in the name of the state of Minnesota or in the name of the obligee in accordance with the notice. The lien on the title is subordinate to any bona fide purchase money security interest as defined in section 336.9-107 regardless of when the purchase money security interest is perfected. With respect to all other security interests, the lien is perfected as of the date entered on the title. The lien is subject to an exemption in an amount of \$4,500.

Sec. 6. Minnesota Statutes 1994, section 168A.16, is amended to read:

168A.16 [INAPPLICABLE LIENS AND SECURITY INTERESTS.]

(a) Sections 168A.01 to 168A.31 do not apply to or affect:

(1) A lien given by statute or rule of law to a supplier of services or materials for the vehicle;

(2) A lien given by statute to the United States, ~~this state, or any political subdivision of this state;~~

(3) A security interest in a vehicle created by a manufacturer or dealer who holds the vehicle for sale.

(b) Sections 168A.17 to 168A.19 do not apply to or affect a lien given by statute or assignment to this state or any political subdivision of this state.

Sec. 7. Minnesota Statutes 1994, section 168A.20, is amended by adding a subdivision to read:

Subd. 4. [SATISFACTION OF LIEN FOR CHILD SUPPORT.] If the secured party is a public authority or a child support or maintenance obligee with a lien under section 168A.05, subdivision 8, upon either the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the owner, or the execution by the owner of a written payment agreement determined to be acceptable by the public authority or the obligee, within 15 days the secured party shall execute a release of security interest on the form prescribed by the department and mail or deliver the notification with release to the owner or any person who delivers to the secured party an authorization from the owner to receive the release.

Sec. 8. Minnesota Statutes 1994, section 168A.21, is amended to read:

168A.21 [DISCLOSURE OF SECURITY INTEREST.]

Subdivision 1. [GENERAL.] A secured party named in a certificate of title shall upon written request of the owner or of another secured party named on the certificate disclose any pertinent information as to the security agreement and the indebtedness secured by it.

Subd. 2. [CHILD SUPPORT.] A secured party that is a public authority or an obligee with a lien under section 168A.05, subdivision 8, shall, upon written request of the owner, disclose the amount of the judgment debt secured.

Sec. 9. Minnesota Statutes 1994, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] (a) The department shall be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of \$2;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$2;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$4.

(b) In addition to each of the fees required under paragraph (a), clauses (1) and (3), the department shall be paid:

(1) from July 1, 1994, to June 30, 1997, \$3.50; but then

(2) after June 30, 1997, \$1.

The additional fee collected under this paragraph must be deposited in the transportation services fund and credited to the state patrol motor vehicle account established in section 299D.10.

Sec. 10. [171.186] [SUSPENSION; NONPAYMENT OF SUPPORT.]

Subdivision 1. [SUSPENSION.] The commissioner shall suspend a person's driver's license or operating privileges without a hearing upon receipt of a court order or notice from a public authority responsible for child support enforcement that states that the driver is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the public authority responsible for child support enforcement, in accordance with section 518.551, subdivision 13.

Subd. 2. [NOTICE.] Upon suspending a driver's license or operating privileges under this section, the department shall immediately notify the licensee, in writing, by mailing a notice addressed to the licensee at the licensee's last known address.

Subd. 3. [DURATION.] A license or operating privilege must remain suspended and may not be reinstated, nor may a license be subsequently issued to the person, until the commissioner receives notice from the court or public authority responsible for child support enforcement that the person is in compliance with all current orders of support or written payment agreements regarding both current support and arrearages. A fee may not be assessed for reinstatement of a license under this section.

Sec. 11. Minnesota Statutes 1994, section 214.101, subdivision 1, is amended to read:

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

(b) If a licensing board receives an order from a court or a notice from a public authority responsible for child support enforcement ~~agency~~ under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court or the public ~~agency~~ authority to be in

arrears in child support or maintenance payments, or both, the board shall, within 30 days of receipt of the court order or public agency authority notice, ~~provide notice to the licensee and hold a hearing. If the board finds that the person is licensed by the board and evidence of full payment of arrearages found to be due by the court or the public agency is not presented at the hearing, the board shall suspend the license unless it determines that probation is appropriate under subdivision 2. The only issues to be determined by the board are whether the person named in the court order or public agency notice is a licensee, whether the arrearages have been paid, and whether suspension or probation is appropriate. The board may not consider evidence with respect to the appropriateness of the underlying child support order or the ability of the person to comply with the order. The board may not lift the suspension until the licensee files with the board proof showing that the licensee is current in child support payments and maintenance~~ suspend the license as directed by the order or notice.

Sec. 12. Minnesota Statutes 1994, section 214.101, subdivision 4, is amended to read:

Subd. 4. [VERIFICATION OF PAYMENTS.] ~~Before A board may terminate probation, remove a suspension, not issue, reinstate, or renew a license of a person who has been suspended or placed on probation or is the subject of an order or notice under this section, it shall contact until it receives notification from the court or public agency authority that referred the matter to the board to determine confirming that the applicant is not in arrears for in either child support or maintenance or both payments, or confirming that the person is in compliance with a written payment plan regarding both current support and arrearages. The board may not issue or renew a license until the applicant proves to the board's satisfaction that the applicant is current in support payments and maintenance.~~

Sec. 13. [256.996] [COOPERATION FOR THE CHILDREN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in consultation with a representative from the office of administrative hearings and the office of the attorney general and with input from community groups, shall develop and implement the cooperation for the children program as an effort to promote parental relationships with children. The program must be designed with three distinct components:

- (1) addressing the needs of parents for educational services pertaining to issues of child custody and visitation arrangements;
- (2) providing a nonjudicial forum to aid in the resolution of custody and visitation issues through facilitation of written agreements; and
- (3) providing mediation services to resolve conflicts related to custody and visitation issues, when appropriate.

Subd. 2. [PROGRAM DESIGN.] (a) The cooperation for the children program must be administered by the office of administrative hearings and, by contract, implemented in selected counties. The program may accept referrals from the district court, the child support administrative process, or self-referral by individuals. The program must be designed to provide services to individuals who are parents by virtue of birth or adoption of a child, individuals adjudicated as parents through a paternity action or through the recognition of parentage process, or individuals who have experienced a marriage dissolution. The program must be designed to screen all referrals for domestic abuse. The program must coordinate with existing agencies, such as court services, to provide program services to parents. If a participating county operates a parenting education program, a nonjudicial conflict resolution program, or a mediation program, the cooperation for the children program must utilize the existing programs to the greatest extent possible in an effort to minimize costs.

(b) The voluntary issue resolution component of the cooperation for the children program must facilitate the parents' discussion of custody and visitation issues in dispute. If there are allegations or indications of domestic abuse, the program shall allow the parents to attend separate sessions with the program facilitator. If agreement of both parties is reached to the disputed issues through the program and the agreement contains a sufficient factual basis to support a finding that the terms are in the best interests of the children, the agreement may be incorporated into a proposed order by program counsel for submission to an administrative law judge or district court judge for execution as a court order.

(c) The mediation component of the program must utilize certified mediators who are competent in recognizing the dynamics of domestic abuse and sensitive to the cultural issues of the participants. Relationships that involve allegations or indications of domestic abuse are not appropriate for mediation services through the cooperation for the children program.

(d) In cases where no agreement is voluntarily reached through the program, both parents must be provided with forms sufficient to allow them access to the district court to seek formal adjudication of the dispute.

Subd. 3. [DEMONSTRATION.] The commissioner shall contract with the office of administrative hearings and any county to administer and operate a demonstration project of the cooperation for the children program.

Subd. 4. [EVALUATION.] By January 15, 1997, and every two years after that, the office of administrative hearings shall submit a report to the legislature that identifies the following information relevant to the implementation of this section:

(1) the number of citizens offered and provided services by the program;

(2) the circumstances in which the program provided services, whether in paternity adjudications, situations involving recognition of parentage executions, dissolutions, or postdecree matters;

(3) the reduction in court actions and the increase in family stability resulting from the use of the program; and

(4) the cost of implementation and operation of the program in the participating counties.

Sec. 14. [256.997] [CHILD SUPPORT OBLIGOR COMMUNITY SERVICE WORK EXPERIENCE PROGRAM.]

Subdivision 1. [AUTHORIZATION.] The commissioner of human services may contract with a county that operates a community work experience program or a judicial district department of corrections that operates a community work experience program to include child support obligors who are physically able to work and fail to pay child support as participants in the community work experience program.

Subd. 2. [LIMITATIONS.] (a) Except as provided in paragraph (f), a person ordered to participate in a work program under section 518.617 shall do so if services are available.

(b) A person may not be required to participate for more than 32 hours per week in the program under this section.

(c) A person may not be required to participate for more than six weeks for each finding of contempt.

(d) If a person is required by a governmental entity to participate in another work or training program, the person may not be required to participate in a program under this section in a week for more than 32 hours minus the number of hours the person is required to participate in the other work or training program in that week.

(e) If a person is employed, the person may not be required to participate in a program under this section in a week for more than 80 percent of the difference between 40 hours and the number of hours actually worked in the unsubsidized job during that week, to a maximum of 32 hours.

(f) A person who works an average of 32 hours or more per week in an unsubsidized job is not required to participate in a program under this section.

Subd. 3. [NOTICE TO COURT.] If a person completes six weeks of participation in a program under this section, the county operating the program shall inform the court administrator, by affidavit, of that completion.

Subd. 4. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] (a) This subdivision applies to payment of any claims resulting from an alleged injury or death of a

participant in a community work experience program established and operated by a county or a judicial district department of corrections under this section.

(b) Claims of \$1,000 or less that are subject to this section must be investigated by the county agency responsible for supervising the work to determine if the claim is valid and if the loss is covered by the claimant's insurance. The investigating county agency shall submit all valid claims to the commissioner of human services. The commissioner shall pay the portion of an approved claim that is not covered by the claimant's insurance within three months of the date of submission. On or before February 1 of each year, the commissioner shall submit to the appropriate committees of the senate and the house of representatives a list of claims paid during the preceding calendar year that are to be reimbursed by legislative appropriation for claims that exceed the original appropriation provided to the commissioner to operate this program. Unspent money from this appropriation carries over to the second year of the biennium, and any unspent money remaining at the end of the second year must be returned to the general fund. A claim in excess of \$1,000 and a claim that was not paid by the commissioner may be presented to, heard, and determined by the appropriate committees of the senate and house of representatives and, if approved, paid under the legislative claims procedure.

(c) Claims for worksite injuries not otherwise covered by this section must be referred to the commissioner of labor and industry for assessment. The commissioner of labor and industry shall verify the validity of the claim and recommend compensation. The compensation recommended must afford the same protection for on-site injuries at the same level and to the same extent as provided in chapter 176.

(d) Compensation paid under this section is limited to reimbursement for medical expenses and compensation for disability as impairment compensation or death. Compensation may not be paid under this section for pain and suffering or lost wages. Payments made under this section must be reduced by any proceeds received by the claimant from any insurance policy covering the loss. For the purposes of this section, "insurance policy" does not include the medical assistance program authorized under chapter 256B or the general assistance medical care program authorized under chapter 256D.

(e) The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The claimant may not seek damages from any state or county insurance policy or self-insurance program.

(f) A claim is not valid for purposes of this subdivision if the local agency responsible for supervising the work cannot verify:

(1) that appropriate safety training and information is provided to all persons being supervised by the agency under this subdivision; and

(2) that all programs involving work by those persons comply with federal Occupational Safety and Health Administration and state department of labor and industry safety standards.

A claim that is not valid because of failure to verify safety training or compliance with safety standards may not be paid by the commissioner of human services or through the legislative claims process and must be heard, decided, and paid, if appropriate, by the local government unit responsible for supervising the work of the claimant.

Subd. 5. [TRANSPORTATION EXPENSES.] A county shall reimburse a person for reasonable transportation costs incurred because of participation in a program under this section, up to a maximum of \$25 per month.

Subd. 6. [PAYMENT TO COUNTY.] The commissioner shall pay a county \$200 for each person who participates in the program under this section in that county. The county is responsible for any additional costs of the program.

## Sec. 15. [256.998] [EMPLOYMENT REGISTRY.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Date of hiring" means the earlier of: (1) the first day for which a worker is owed compensation by an employer; or (2) the first day that a worker reports to work or performs labor or services for an employer.

(c) "Earnings" means payment owed by an employer for labor or services rendered by a worker.

(d) "Worker" means a person who resides or works in Minnesota and performs services for compensation, in whatever form, for an employer. Worker does not include persons hired for domestic service in the private home of the employer, as defined in the federal tax code.

(e) "Employer" means a person or entity located or doing business in this state that employs one or more workers for payment, and includes the state, political or other governmental subdivisions of the state, and the federal government.

(f) "Hiring" means engaging a person to perform services for compensation and includes the reemploying or return to work of any previous worker who was laid off, furloughed, separated, granted a leave without pay, or terminated from employment.

Subd. 2. [REGISTRY ESTABLISHED.] The commissioner of human services shall establish a centralized employment registry for the purpose of receiving and maintaining information from employers on newly hired or rehired workers. The commissioner of human services shall take reasonable steps to inform the state's employers of the requirements of this section and the acceptable processes by which employers can comply with the requirements of this section.

Subd. 3. [DUTY TO REPORT.] Employers doing business in this state shall report to the commissioner of human services the hiring of any worker who resides or works in this state to whom the employer anticipates paying earnings. Employers shall submit reports required under this subdivision within 15 calendar days of the date of hiring of the worker.

Subd. 4. [MEANS TO REPORT.] Employers may report by delivering, mailing, or telefaxing a copy of the worker's federal W-4 form or W-9 form or any other document that contains the required information, submitting electronic media in a compatible format, toll-free telecommunication, or other means authorized by the commissioner of human services that will result in timely reporting. The commissioner shall provide employers with appropriately marked or addressed envelopes or other documents to facilitate the required reporting.

Subd. 5. [REPORT CONTENTS.] Reports required under this section must contain:

(1) the worker's name, address, social security number, and date of birth when available, which can be hand-written or otherwise added to the W-4 form, W-9 form, or other document submitted; and

(2) the employer's name, address, and federal identification number.

Subd. 6. [SANCTIONS.] If an employer fails to report under this section, the commissioner of human services shall send the employer a written notice of noncompliance requesting that the employer comply with the reporting requirements of this section. The notice of noncompliance must explain the reporting procedure under this section and advise the employer of the penalty for noncompliance. An employer who has received a notice of noncompliance and later incurs a second violation is subject to a civil penalty of \$50 for each intentionally unreported worker. An employer who has received a notice of noncompliance and later incurs a third or subsequent violation is subject to a civil penalty of \$500 for each intentionally unreported worker. These penalties may be imposed and collected by the commissioner of human services.

Subd. 7. [ACCESS TO DATA.] The commissioner of human services shall retain the information reported to the employment registry for a period of six months. Data in the employment registry may be disclosed to federal agencies, local agencies of this state, and state and local agencies of other states for the purposes of enforcing state and federal laws governing child support.

The commissioner of human services shall charge a state or federal department or agency accessing the information contained in the employment registry the proportionate costs of gathering and furnishing information under this subdivision.

Sec. 16. Minnesota Statutes 1994, section 518.171, subdivision 2a, is amended to read:

Subd. 2a. [EMPLOYER AND OBLIGOR NOTICE RESPONSIBILITY.] ~~If an individual is hired for employment, the employer shall request that the individual disclose whether the individual has court ordered medical support obligations that are required by law to be withheld from income and the terms of the court order, if any. The employer shall request that the individual disclose whether the individual has been ordered by a court to provide health and dental dependent insurance coverage. The~~ An individual shall disclose this information at the time of hiring. ~~If an individual discloses that if medical support is required to be withheld, the~~ If an employee discloses that medical support is required to be withheld, the employer shall begin withholding according to the terms of the order and pursuant to section 518.611, subdivision 8. If an individual discloses an obligation to obtain health and dental dependent insurance coverage and coverage is available through the employer, the employer shall make all application processes known to the individual upon hiring and enroll the employee and dependent in the plan pursuant to subdivision 3.

Sec. 17. Minnesota Statutes 1994, section 518.24, is amended to read:

518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. The obligor is presumed to have an income from a source sufficient to pay the maintenance or support order. A child support or maintenance order constitutes prima facie evidence that the obligor has the ability to pay the award. If the obligor disobeys the order, it is prima facie evidence of contempt. The court may cite the obligor for contempt under this section, section 518.617, or chapter 588.

Sec. 18. Minnesota Statutes 1994, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] (a) Upon petition of an obligee, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the court may direct the licensing board or other licensing agency to ~~conduct a hearing~~ suspend the license under section 214.101 ~~concerning suspension of the obligor's license.~~ If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

(b) If a public agency authority responsible for child support enforcement finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the public agency authority may direct the licensing board or other licensing agency to ~~conduct a hearing~~ suspend the license under section 214.101 ~~concerning suspension of the obligor's license.~~ If the obligor is a licensed attorney, the public agency authority may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the public agency authority.

(c) At least 30 days before notifying a licensing authority under paragraph (b), the public authority shall mail a written notice to the license holder addressed to the license holder's last known address that the public authority intends to seek license suspension under this subdivision

and that the license holder must request a hearing within 30 days in order to contest the suspension. If the license holder makes a written request for a hearing within 30 days of the date of the notice, either a court hearing or a contested administrative proceeding must be held under section 518.5511, subdivision 4. Notwithstanding any law to the contrary, the license holder must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the license holder. The notice may be served personally or by mail.

(d) The administrative law judge, on behalf of the public authority, or the court shall order the licensing board or licensing agency to suspend the license if the judge finds that:

(1) the person is licensed by a licensing board or other state agency that issues an occupational license; and

(2) the person has not made full payment of arrearages found to be due by the public authority or has not executed or is not in compliance with a payment plan approved by the court, an administrative law judge, or the public authority.

(e) Within 30 days of the date on which the obligor either makes full payment of arrearages found to be due by the court or public authority or executes and initiates good faith compliance with a written payment plan approved by the court, an administrative law judge, or the public authority, the court or public authority responsible for child support enforcement shall notify the licensing board or licensing agency that the obligor is no longer ineligible for license issuance, reinstatement, or renewal under this subdivision.

Sec. 19. Minnesota Statutes 1994, section 518.551, is amended by adding a subdivision to read:

Subd. 13. [DRIVER'S LICENSE SUSPENSION.] (a) Upon motion of an obligee, if a court finds that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the court shall order the commissioner of public safety to suspend the obligor's driver's license. The court's order must be stayed for 90 days in order to allow the obligor to execute a written payment agreement regarding both current support and arrearages, which payment agreement must be approved by either the court or the public authority responsible for child support enforcement. If the obligor has not executed or is not in compliance with a written payment agreement regarding both current support and arrearages after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the court. An obligee may not bring a motion under this paragraph within 12 months of a denial of a previous motion under this paragraph.

(b) If a public authority responsible for child support enforcement determines that the obligor has been or may be issued a driver's license by the commissioner of public safety and the obligor is in arrears in court-ordered child support or maintenance payments or both in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, and not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license. The remedy under this subdivision is in addition to any other enforcement remedy available to the public authority.

(c) At least 90 days prior to notifying the commissioner of public safety pursuant to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to seek suspension of the obligor's driver's license and that the obligor must request a hearing within 30 days in order to contest the suspension. If the obligor makes a written request for a hearing within 30 days of the date of the notice, either a court hearing or a contested administrative proceeding must be held under section 518.5511, subdivision 4. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a

hearing within 30 days of the date of the notice, and the obligor does not execute a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to suspend the obligor's driver's license under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the district court or the administrative law judge shall order the commissioner of public safety to suspend the obligor's driver's license or operating privileges unless the court or administrative law judge determines that the obligor has executed and is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority.

(e) An obligor whose driver's license or operating privileges are suspended may provide proof to the court or the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements regarding both current support and arrearages. Within 15 days of the receipt of that proof, the court or public authority shall inform the commissioner of public safety that the obligor's driver's license or operating privileges should no longer be suspended.

(f) On January 1, 1997, and every two years after that, the commissioner of human services shall submit a report to the legislature that identifies the following information relevant to the implementation of this section:

- (1) the number of child support obligors notified of an intent to suspend a driver's license;
- (2) the amount collected in payments from the child support obligors notified of an intent to suspend a driver's license;
- (3) the number of payment agreements executed in response to notification of an intent to suspend a driver's license;
- (4) the number of drivers' licenses suspended; and
- (5) the cost of implementation and operation of the requirements of this section.

Sec. 20. Minnesota Statutes 1994, section 518.551, is amended by adding a subdivision to read:

Subd. 14. [MOTOR VEHICLE LIEN.] (a) Upon motion of an obligee, if a court finds that the obligor is the registered owner of a motor vehicle and the obligor is a debtor for a judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in an amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the court shall order the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, in accordance with section 168A.05, subdivision 8, unless the court finds that the obligor is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or that the obligor's interest in the motor vehicle is valued at less than \$4,500. The court's order must be stayed for 90 days in order to allow the obligor to either execute a written payment agreement regarding both current support and arrearages, which agreement shall be approved by either the court or the public authority responsible for child support enforcement, or to allow the obligor to demonstrate that the ownership interest in the motor vehicle is valued at less than \$4,500. If the obligor has not executed or is not in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or has not demonstrated that the ownership interest in the motor vehicle is valued at less than \$4,500 after the 90 days expires, the court's order becomes effective and the commissioner of public safety shall record the lien. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

- (b) If a public authority responsible for child support enforcement determines that the obligor is

the registered owner of a motor vehicle and the obligor is a debtor for judgment debt resulting from nonpayment of court-ordered child support or maintenance payments, or both, in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the public authority shall direct the commissioner of public safety to enter a lien in the name of the obligee or in the name of the state of Minnesota, as appropriate, under section 168A.05, subdivision 8, unless the public authority determines that the obligor is in compliance with a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or that the obligor's ownership interest in the motor vehicle is valued at less than \$4,500. The remedy under this subdivision is in addition to any other enforcement remedy available to the public agency.

(c) At least 90 days prior to notifying the commissioner of public safety pursuant to paragraph (b), the public authority must mail a written notice to the obligor at the obligor's last known address, that it intends to record a lien on the obligor's motor vehicle certificate of title and that the obligor must request a hearing within 30 days in order to contest the action. If the obligor makes a written request for a hearing within 30 days of the date of the notice, either a court hearing or a contested administrative proceeding must be held under section 518.5511, subdivision 4. Notwithstanding any law to the contrary, the obligor must be served with 14 days' notice in writing specifying the time and place of the hearing and the allegations against the obligor. The notice may be served personally or by mail. If the public authority does not receive a request for a hearing within 30 days of the date of the notice and the obligor does not execute a written payment agreement regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority or demonstrate to the public authority that the obligor's ownership interest in the motor vehicle is valued at less than \$4,500 within 90 days of the date of the notice, the public authority shall direct the commissioner of public safety to record the lien under paragraph (b).

(d) At a hearing requested by the obligor under paragraph (c), and on finding that the obligor is in arrears in court-ordered child support or maintenance payments or both in the amount equal to or greater than four times the obligor's total monthly support and maintenance payments, the district court or the administrative law judge shall order the commissioner of public safety to record the lien unless the court or administrative law judge determines that:

(1) the obligor has executed and is in compliance with a written payment agreement regarding both current support and arrearages determined to be acceptable by the court, an administrative law judge, or the public authority; or

(2) the obligor has demonstrated that the ownership interest in the motor vehicle is valued at less than \$4,500.

(e) An obligor who has had a lien recorded against a motor vehicle certificate of title may provide proof to the court or the public authority responsible for child support enforcement that the obligor is in compliance with all written payment agreements regarding both current support and arrearages. Within 15 days of the receipt of that proof, the court or public authority shall execute a release of security interest under section 168A.20, subdivision 4, and mail or deliver the release to the owner or other authorized person.

#### **Sec. 21. [518.553] [PAYMENT AGREEMENTS.]**

In proposing or approving proposed written payment agreements for purposes of section 518.551, the court, an administrative law judge, or the public authority shall take into consideration the amount of the arrearages, the amount of the current support order, the pendency of a request for modification, and the earnings of the obligor.

#### **Sec. 22. [518.616] [ADMINISTRATIVE SEEK EMPLOYMENT ORDERS.]**

Subdivision 1. [COURT ORDER.] For any support order being enforced by the public authority, the public authority may seek a court order requiring the obligor to seek employment if employment of the obligor cannot be verified and if the obligor is in arrears in court-ordered child support or maintenance payments, or both, in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment plan. Upon proper notice being given to the obligor, the court shall enter a seek

employment order if it finds that the obligor has not provided proof of gainful employment and has not consented to an order for income withholding under section 518.611 or 518.613 or entered into a written payment plan approved by the court, an administrative law judge, or the public authority.

Subd. 2. [CONTENTS OF ORDER.] The order to seek employment shall:

(1) order that the obligor seek employment within a determinate amount of time;

(2) order that the obligor file with the public authority on a weekly basis a report of at least five new attempts to find employment or of having found employment, which report must include the names, addresses, and telephone numbers of any employers or businesses with whom the obligor attempted to seek employment and the name of the individual contact to whom the obligor made application for employment or to whom an inquiry was directed;

(3) notify the obligor that failure to comply with the order is evidence of a willful failure to pay support under section 518.617;

(4) order that the obligor provide the public authority with verification of any reason for noncompliance with the order; and

(5) specify the duration of the order, not to exceed three months.

Sec. 23. [518.617] [CONTEMPT PROCEEDINGS FOR NONPAYMENT OF SUPPORT.]

Subdivision 1. [GROUNDS.] If a person against whom an order or decree for support has been entered under this chapter, chapter 256, or a comparable law from another jurisdiction, is in arrears in court-ordered child support or maintenance payments in an amount equal to or greater than three times the obligor's total monthly support and maintenance payments and is not in compliance with a written payment plan approved by the court, an administrative law judge, or the public authority, the person may be cited and punished by the court for contempt under section 518.64, chapter 588, or this section. Failure to comply with a seek employment order entered under section 518.616 is evidence of willful failure to pay support.

Subd. 2. [COURT OPTIONS.] (a) If a court cites a person for contempt under this section, and the obligor lives in a county that contracts with the commissioner of human services under section 256.997, the court may order the performance of community service work up to 32 hours per week for six weeks for each finding of contempt if the obligor:

(1) is able to work full time;

(2) works an average of less than 32 hours per week; and

(3) has actual weekly gross income averaging less than 40 times the federal minimum hourly wage under United States Code, title 29, section 206(a)(1), or is voluntarily earning less than the obligor has the ability to earn, as determined by the court.

An obligor is presumed to be able to work full time. The obligor has the burden of proving inability to work full time.

(b) A person ordered to do community service work under paragraph (a) may, during the six-week period, apply to the court to be released from the community service work requirement if the person:

(1) provides proof to the court that the person is gainfully employed and submits to an order for income withholding under section 518.611 or 518.613;

(2) enters into a written payment plan regarding both current support and arrearages approved by the court, an administrative law judge, or the public authority; or

(3) provides proof to the court that, subsequent to entry of the order, the person's circumstances have so changed that the person is no longer able to fulfill the terms of the community service order.

Subd. 3. [CONTINUING OBLIGATIONS.] The performance of community service work does not relieve a child support obligor of any unpaid accrued or accruing support obligation.

Sec. 24. [CHILD SUPPORT ASSURANCE WAIVER.]

The commissioner of human services shall seek a waiver from the secretary of the United States Department of Health and Human Services to enable the department of human services to operate a demonstration project of child support assurance. The commissioner shall seek authority from the legislature to implement a demonstration project of child support assurance when enhanced federal funds become available for this purpose.

Sec. 25. [APPROPRIATIONS.]

Subdivision 1. [CHILD SUPPORT OBLIGOR COMMUNITY SERVICE WORK EXPERIENCE PROGRAM.] \$..... is appropriated from the general fund to the commissioner of human services to fund the child support obligor community service work experience program in section 14, to be available until June 30, 1997.

Subd. 2. [MOTOR VEHICLE CERTIFICATES OF TITLE.] \$..... is appropriated from the general fund to the commissioner of public safety to fund the necessary changes to the existing computer system to allow for memorialization of liens on motor vehicle certificates of title and to allow for suspension of drivers' licenses, to be available until June 30, 1997.

Subd. 3. [SUSPENSION OF DRIVERS' LICENSES.] \$..... is appropriated from the general fund to the commissioner of human services to allow the commissioner to seek the suspension of drivers' licenses under Minnesota Statutes, section 518.551, subdivision 13, to be available until June 30, 1997.

Subd. 4. [EMPLOYMENT REGISTRY.] \$..... is appropriated from the general fund to the commissioner of human services to allow the commissioner to implement the employment registry under section 15, to be available until June 30, 1997.

Subd. 5. [PUBLIC EDUCATION.] \$..... is appropriated from the general fund to the commissioner of human services for transfer to the attorney general for continuance of the child support public education campaign, to be available until June 30, 1997.

Subd. 6. [COOPERATION FOR THE CHILDREN PROGRAM.] (a) \$..... is appropriated from the general fund to the commissioner of human services for purposes of developing and implementing the cooperation for the children program under section 13, to be available until June 30, 1997.

(b) \$..... is appropriated from the general fund to the commissioner of human services, for transfer to the office of administrative hearings, for purposes of developing and implementing the cooperation for the children program, to be available until June 30, 1997.

Sec. 26. [REPEALER.]

Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.561; and 518.611, subdivision 8, are repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 2 to 10, 15, and 19, are effective January 1, 1996."

Delete the title and insert:

"A bill for an act relating to family law; providing for enforcement of child support obligations; expanding enforcement remedies for child support; authorizing programs; providing for resolution of custody and visitation disputes; imposing penalties; appropriating money; amending Minnesota Statutes 1994, sections 13.46, subdivision 2; 168A.05, subdivisions 2, 3, 7, and by adding a subdivision; 168A.16; 168A.20, by adding a subdivision; 168A.21; 168A.29, subdivision 1; 214.101, subdivisions 1 and 4; 518.171, subdivision 2a; 518.24; and 518.551, subdivision 12, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 171; 256;

and 518; repealing Minnesota Statutes 1994, sections 214.101, subdivisions 2 and 3; 518.561; and 518.611, subdivision 8."

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

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

**S.F. No. 619:** A bill for an act relating to lawful gambling; regulating lawful purpose expenditures; providing for contributions to certain compulsive gambling programs; amending Minnesota Statutes 1994, section 349.12, subdivision 25.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1994, section 240.01, subdivision 18, is amended to read:

Subd. 18. [ON-TRACK PARI-MUTUEL BETTING.] "On-track pari-mutuel betting" means wagering conducted at a licensed racetrack, ~~or at a class E licensed facility whose wagering system is electronically linked to a licensed racetrack.~~

Sec. 2. Minnesota Statutes 1994, section 240.01, subdivision 23, is amended to read:

Subd. 23. [FULL RACING CARD.] "Full racing card" means three or more races that are: (1) part of a horse racing program being conducted at a racetrack; and (2) being simulcast or telereace simulcast at a licensed racetrack ~~or telereace facility.~~

Sec. 3. Minnesota Statutes 1994, section 240.10, is amended to read:

**240.10 [LICENSE FEES.]**

The fee for a class A license is \$10,000 per year. The fee for a class B license is \$100 for each assigned racing day on which racing is actually conducted, and \$50 for each day on which simulcasting is authorized and actually takes place. The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. ~~The fee for a class E license is \$1,000 per year.~~ Fees imposed on class B and class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08 but no annual fee for a class C license may exceed \$100.

License fee payments received must be paid by the commission to the state treasurer for deposit in the general fund.

Sec. 4. Minnesota Statutes 1994, section 240.19, is amended to read:

**240.19 [CONTRACTS.]**

The commission shall by rule require that all contracts entered into by a class A, class B, or class D, ~~or class E~~ licensee for the provision of goods or services, including concessions contracts, be subject to commission approval. The rules must require that the contract include an affirmative action plan establishing goals and timetables consistent with the Minnesota Human Rights Act, chapter 363. The rules may also establish goals to provide economic opportunity for disadvantaged and emerging small businesses, racial minorities, women, and disabled individuals. The commission may require a contract holder to submit to it documents and records the commission deems necessary to evaluate the contract.

Sec. 5. Minnesota Statutes 1994, section 240.23, is amended to read:

**240.23 [RULEMAKING AUTHORITY.]**

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in this chapter to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, and class D, ~~and class E~~ licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts;

(i) affirmative action in employment and contracting by class A, class B, and class D licensees; and

(j) ~~the operation of teleracing facilities; and~~

~~(k)~~ any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 6. Minnesota Statutes 1994, section 240.27, subdivision 2, is amended to read:

Subd. 2. [HEARING; APPEAL.] An order to exclude a person from any or all licensed racetracks ~~or licensed teleracing facilities~~ in the state must be made by the commission at a public hearing of which the person to be excluded must have at least five days' notice. If present at the hearing, the person must be permitted to show cause why the exclusion should not be ordered. An appeal of the order may be made in the same manner as other appeals under section 240.20.

Sec. 7. Minnesota Statutes 1994, section 240.27, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO RACETRACKS.] Upon issuing an order excluding a person from any or all licensed racetracks ~~or licensed teleracing facilities~~, the commission shall send a copy of the order to the excluded person and to all racetracks or teleracing facilities named in it, along with other information as it deems necessary to permit compliance with the order.

Sec. 8. Minnesota Statutes 1994, section 240.27, subdivision 4, is amended to read:

Subd. 4. [PROHIBITIONS.] It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack ~~or a teleracing facility~~ named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack ~~or a teleracing facility~~ knowingly to permit an excluded person to enter or be on the premises.

Sec. 9. Minnesota Statutes 1994, section 240.27, subdivision 5, is amended to read:

Subd. 5. [EXCLUSIONS BY RACETRACK.] The holder of a license to conduct racing ~~or operate a teleracing facility~~ may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises ~~or teleracing facility~~ may appeal the exclusion to the commission and must be given a public hearing on the appeal upon request. At the hearing the person must be given the opportunity to show cause why the exclusion should not have been ordered. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack ~~or teleracing~~

facility making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 240.20.

Sec. 10. Minnesota Statutes 1994, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

(g) "Used gambling device" means a gambling device five or more years old from the date of manufacture.

(h) "Test" means the process of examining a gambling device to determine its characteristics or compliance with the established requirements of any jurisdiction.

(i) "Testing facility" means a person in Minnesota who is engaged in the testing of gambling devices for use in any jurisdiction.

Sec. 11. Minnesota Statutes 1994, section 299L.03, subdivision 1, is amended to read:

Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under this chapter or chapter 240, 349, or 349A, the employees of the division of gambling enforcement have free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

(1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.166;

(2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;

(3) records required to be maintained under chapter 240, 297E, 349, or 349A are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 340A;

(5) races are conducted by a person licensed under chapter 240; or

(6) gambling devices are manufactured, or distributed, or tested, including places of storage under section 299L.07.

Sec. 12. Minnesota Statutes 1994, section 299L.05, is amended to read:

299L.05 [GAMBLING VIOLATIONS; RESTRICTIONS ON FURTHER ACTIVITY.]

An owner of an establishment is prohibited from having lawful gambling under chapter 349 conducted on the premises, or selling any lottery tickets under chapter 349A, ~~or having a video game of chance as defined under section 349.50 located on the premises,~~ if a person was convicted of violating section 609.76, subdivision 1, clause (7), or 609.76, subdivision (2), for an activity occurring on the owner's premises.

Sec. 13. Minnesota Statutes 1994, section 299L.07, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] Except as provided in subdivision 2, a person may not (1) manufacture, sell, offer to sell, lease, rent, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, or (2) operate a testing facility, without first obtaining a license under this section.

Sec. 14. Minnesota Statutes 1994, section 299L.07, subdivision 2, is amended to read:

Subd. 2. [EXCLUSIONS.] Notwithstanding subdivision 1, a gambling device:

(1) ~~may be manufactured without a license as provided in section 349.40; and~~

(2) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year;

(2) may be possessed by a person not licensed under this section if the person holds a permit issued under section 19; and

(3) may be possessed by a state agency, with the written authorization of the director, for display or evaluation purposes only and not for the conduct of gambling.

Sec. 15. Minnesota Statutes 1994, section 299L.07, is amended by adding a subdivision to read:

Subd. 2b. [TESTING FACILITIES.] (a) A person licensed as a testing facility may possess a gambling device only for the purpose of performing tests on the gambling device.

(b) No person may be licensed as a testing facility under this section who is licensed as a manufacturer or distributor of gambling devices under this section or as a manufacturer or distributor of gambling equipment under chapter 349.

Sec. 16. Minnesota Statutes 1994, section 299L.07, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] An application for a ~~manufacturer's or distributor's~~ license under this section must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota; and

(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts of omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.

Sec. 17. Minnesota Statutes 1994, section 299L.07, subdivision 5, is amended to read:

Subd. 5. [INVESTIGATION.] Before a ~~manufacturer's or distributor's~~ license under this section is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.

Sec. 18. Minnesota Statutes 1994, section 299L.07, subdivision 6, is amended to read:

Subd. 6. [LICENSE FEES.] (a) A license issued under this section is valid for one year.

(b) For a person who distributes 100 or fewer used gambling devices per year, the fee is \$1,500. For a person who distributes more than 100 used gambling devices per year, the fee is \$2,000.

(c) For a person who manufactures or distributes 100 or fewer new, or new and used gambling devices in a year, the fee is \$5,000. For a person who manufactures or distributes more than 100 new, or new and used gambling devices in a year, the fee is \$7,500.

(d) For a testing facility the fee is \$5,000.

Sec. 19. [299L.08] [TEMPORARY POSSESSION; PERMIT.]

Subdivision 1. [PERMIT AUTHORIZED.] The director may issue a temporary permit for a person to possess a gambling device for the purpose of displaying the gambling device at a trade show, convention, or other event where gambling devices are displayed.

Subd. 2. [APPLICATION; FEE.] An application for a temporary permit under this section must contain:

- (1) the applicant's name, address, and telephone number;
- (2) the name, date, and location of the event where the gambling device will be displayed;
- (3) the method or methods by which the gambling device will be transported to the event, including the name of all carriers performing the transportation and the date of expected shipment;
- (4) the individual or individuals who will be responsible for the gambling device while it is in Minnesota;
- (5) the type, make, model, and serial number of the device;
- (6) the location where the device will be stored in Minnesota while not at the event location;
- (7) the date on which the device will be transported outside Minnesota;
- (8) evidence satisfactory to the director that the applicant is registered and in compliance with 24 United States Code, sections 1171 to 1178; and
- (9) other information the director deems necessary.

The fee for a permit under this section is \$100.

Subd. 3. [TERMS.] A permit under this section authorizes possession of a gambling device only during the period and for the event named in the permit. The permit authorizes the possession of a gambling device for display, educational, and information purposes only, and does not authorize the conduct of any gambling. The permit may not extend for more than 72 hours beyond the end of the event named in the permit.

Subd. 4. [INSPECTION.] The director may conduct inspections of events where gambling devices are displayed to insure compliance with this section and other laws relating to gambling."

Page 4, after line 34, insert:

"Sec. 21. [REPEALER.]

Minnesota Statutes 1994, section 240.01, subdivisions 17, 20, and 21, are repealed."

Page 4, line 36, delete "Section 1 is" and insert "Sections 19 and 20 are"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to gambling; eliminating obsolete references to pari-mutuel teleracing; requiring licensing for testing of gambling devices; providing for temporary permits for display of gambling devices; regulating lawful purpose expenditures; providing for contributions

for certain compulsive gambling programs; amending Minnesota Statutes 1994, sections 240.01, subdivisions 18 and 23; 240.10; 240.19; 240.23; 240.27, subdivisions 2, 3, 4, and 5; 299L.01, subdivision 1; 299L.03, subdivision 1; 299L.05; 299L.07, subdivisions 1, 2, 4, 5, 6, and by adding a subdivision; and 349.12, subdivision 25; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1994, section 240.01, subdivisions 17, 20, and 21."

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

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

**S.F. No. 1100:** A bill for an act relating to lawful gambling; allowing unlimited use of the proceeds of lawful gambling for payment of real estate taxes and assessments; amending Minnesota Statutes 1994, section 349.12, subdivision 25.

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

Page 2, line 28, reinstate the stricken language

Page 2, delete lines 29 to 32 and insert:

"(i) ~~the amount which an organization may expend under board rule on rent~~ for premises used for bingo, the amount which an organization may expend under board rules on rent for bingo; or and

(ii) ~~\$15,000 per year~~ for premises used for other forms of lawful gambling;

(A) 100 percent of the real estate taxes and assessments for premises constructed, acquired, or expanded, if the construction, acquisition, or expansion was started before August 1, 1990; and

(B) for other premises, \$35,000 per year;"

Amend the title as follows:

Page 1, line 4, after "assessments" insert "for certain premises"

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 759, 799, 619 and 1100 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Novak moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1020. The motion prevailed.

Mr. Novak moved that the name of Ms. Johnson, J.B. be added as a co-author to S.F. No. 1165. The motion prevailed.

Ms. Hanson moved that her name be stricken as a co-author to S.F. No. 1239. The motion prevailed.

Ms. Hanson moved that her name be stricken as a co-author to S.F. No. 1240. The motion prevailed.

Mr. Solon moved that his name be stricken as a co-author to S.F. No. 1065. The motion prevailed.

Mr. Metzen moved that his name be stricken as a co-author to S.F. No. 1065. The motion prevailed.

Ms. Anderson moved that S.F. No. 352, No. 4 on General Orders, be stricken and returned to its author. The motion prevailed.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Messrs. Solon, Janezich, Stumpf, Beckman and Stevens introduced--**

**S.F. No. 1241:** A bill for an act relating to health; eliminating hospital peer groups for purposes of certain payments; repealing Minnesota Statutes 1994, section 256.969, subdivision 24.

Referred to the Committee on Health Care.

**Messrs. Price, Morse, Frederickson, Riveness and Merriam introduced--**

**S.F. No. 1242:** A bill for an act relating to natural resources; motor vehicles; establishing special critical habitat license plates; appropriating money; amending Minnesota Statutes 1994, section 84.943, subdivisions 3 and 5; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Environment and Natural Resources.

**Mr. Day introduced--**

**S.F. No. 1243:** A bill for an act relating to education; providing for independent school district No. 763, Medford, to deposit land sale proceeds into its general fund.

Referred to the Committee on Education.

**Messrs. Kelly, Chandler, Kroening and Johnson, D.J. introduced--**

**S.F. No. 1244:** A bill for an act relating to taxes; establishing a rental tax equity program for Duluth, Minneapolis, Saint Paul, and other eligible cities; appropriating money.

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

**Messrs. Metzen and Chmielewski introduced--**

**S.F. No. 1245:** A bill for an act relating to telecommunications; requiring telephone companies to provide telephone lines for independent public pay telephone service providers; requiring a flat rate for this access; proposing coding for new law in Minnesota Statutes, chapter 237.

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

**Messrs. Riveness, Metzen, Ms. Wiener, Messrs. Stevens and Bertram introduced--**

**S.F. No. 1246:** A bill for an act relating to state government; abolishing periodic reports.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Metzen; Moe, R.D.; Pogemiller; Ms. Wiener and Mr. Stevens introduced--**

**S.F. No. 1247:** A bill for an act relating to state government; clarifying statutory waiver requirements with respect to the housing finance agency for the civil service pilot project.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Kelly, Merriam, Spear, Cohen and Belanger introduced--**

**S.F. No. 1248:** A bill for an act relating to crime prevention; requiring applicants seeking initial peace officer licensure to have successfully completed a professional peace officer education program and to possess a bachelor's degree; requiring the board of peace officer standards and training to adopt rules; establishing a task force to assist the board in developing rules; requiring the board to report to the legislature; amending Minnesota Statutes 1994, section 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Crime Prevention.

**Mr. Oliver, Mses. Kiscaden, Piper, Messrs. Betzold and Terwilliger introduced--**

**S.F. No. 1249:** A bill for an act relating to health; establishing the Minnesota institute for women's health; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health Care.

**Messrs. Johnson, D.J.; Lessard; Chmielewski; Janezich and Solon introduced--**

**S.F. No. 1250:** A bill for an act relating to tax-forfeited land; modifying the terms of payment for certain tax-forfeited timber; amending Minnesota Statutes 1994, section 282.04, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Lessard; Johnson, D.J.; Chmielewski; Janezich and Solon introduced--**

**S.F. No. 1251:** A bill for an act relating to wood measurement; providing standard measurements for pulpwood, firewood, and other timber; amending Minnesota Statutes 1994, section 239.33.

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

**Messrs. Price and Stumpf introduced--**

**S.F. No. 1252:** A bill for an act relating to education; extending the expiration date of the advisory council for academic enrichment scholarships; modifying the duties of the higher education coordinating board; extending the expiration date of the higher education advisory council; modifying student advisory council to the higher education coordinating board; modifying the higher education board candidate advisory council to include higher education coordinating board candidates; modifying the progress report date of the higher education center on violence and abuse; amending Minnesota Statutes 1994, sections 126.56, subdivision 5; 135A.08, subdivisions 1, 2, and 3; 135A.10, subdivision 1; 135A.15, subdivision 1; 136A.01; 136A.02, subdivisions 1, 6, and 7; 136A.04, subdivision 1; 136A.043; 136A.05, subdivision 1; 136A.07; 136A.42; 136A.87; 136E.02, subdivision 3; 144.1487, subdivision 1; 144.1488, subdivisions 1 and 4; 144.1489, subdivisions 1, 3, and 4; 144.1490; and 144.1491, subdivision 2; Laws 1993, chapter 326, article 12, section 15, subdivisions 1, 4, and 5; repealing Minnesota Statutes 1994, sections 136A.04, subdivision 2; 136A.041; 136A.1352; 136A.1353; 136A.1354; 136A.85; 136A.86; 136A.88; 136D.77; 136D.81, subdivision 2; 144.1488, subdivision 2; and 148.236; Laws 1993, chapter 326, article 12, section 15, subdivision 2; and Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 8.

Referred to the Committee on Education.

**Mr. Samuelson introduced--**

**S.F. No. 1253:** A bill for an act relating to commerce; modifying the petroleum tank release cleanup program in the department of commerce; limiting the amount of the deductible required

on residential and small business sites; establishing registration requirements for consultants and contractors; amending Minnesota Statutes 1994, sections 115C.02, by adding a subdivision; 115C.09, subdivision 3; and 115C.11, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Mr. Samuelson introduced--**

**S.F. No. 1254:** A bill for an act relating to solid waste; requiring the state to remit solid waste assessments for landfill cleanup fund to be returned to certain counties; amending Minnesota Statutes 1994, section 116.07, subdivision 10.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Limmer, Spear and Berg introduced--**

**S.F. No. 1255:** A bill for an act relating to corrections; authorizing use of force in defense of assault in correctional facilities under the control of or licensed by the commissioner; amending Minnesota Statutes 1994, section 243.52.

Referred to the Committee on Crime Prevention.

**Messrs. Merriam, Lessard, Frederickson, Laidig and Morse introduced--**

**S.F. No. 1256:** A bill for an act relating to the environment; environmental quality board; modifying the environmental review program; amending Minnesota Statutes 1994, section 116D.04, subdivisions 1a, 2a, 2b, and 5a.

Referred to the Committee on Environment and Natural Resources.

**Mr. Samuelson introduced--**

**S.F. No. 1257:** A bill for an act relating to education; providing for independent school district No. 486, Swanville, to transfer funds from its bus purchase account to its general fund.

Referred to the Committee on Education.

**Ms. Berglin introduced--**

**S.F. No. 1258:** A bill for an act relating to health care; changing the indices used to adjust hospital and nursing home reimbursement rates; amending Minnesota Statutes 1994, sections 256.969, subdivision 1; and 256B.431, subdivision 21.

Referred to the Committee on Health Care.

**Messrs. Vickerman, Sams, Bertram and Morse introduced--**

**S.F. No. 1259:** A bill for an act relating to metropolitan government; requiring the metropolitan council to install an ethanol additive system on each of its diesel-powered transit buses; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Lessard introduced--**

**S.F. No. 1260:** A bill for an act relating to game and fish; establishing a special license for youthful deer hunters; extending authority to take does; increasing the pelting fee; eliminating the family hunting license; amending Minnesota Statutes 1994, sections 97A.475, subdivision 2; 97A.535, subdivision 1; 97B.301, subdivision 6; and 97B.311; and Minnesota Rules, part 6234.2800; repealing Minnesota Statutes 1994, section 97B.301, subdivision 5.

Referred to the Committee on Environment and Natural Resources.

**Mr. Vickerman introduced--**

**S.F. No. 1261:** A bill for an act relating to education; modifying the cooperative secondary facilities program; authorizing a cooperative secondary facilities grant; authorizing the sale of bonds; appropriating money; amending Minnesota Statutes 1994, section 124.493, by adding a subdivision.

Referred to the Committee on Education.

**Mr. Vickerman introduced--**

**S.F. No. 1262:** A bill for an act relating to education; modifying the cooperative secondary facilities program; authorizing a cooperative secondary facilities grant; authorizing the sale of bonds; appropriating money; amending Minnesota Statutes 1994, section 124.493, by adding a subdivision.

Referred to the Committee on Education.

**Messrs. Limmer, Larson, Chandler, Ms. Johnson, J.B. and Wiener introduced--**

**S.F. No. 1263:** A bill for an act relating to commerce; residential building contractors; regulating licensees, amending Minnesota Statutes 1994, sections 326.83, subdivision 5, and by adding a subdivision; 326.84, subdivision 3; 326.91, subdivision 1; and 326.95, subdivision 2.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Limmer introduced--**

**S.F. No. 1264:** A bill for an act relating to state government; requiring that certain purchases be made from Minnesota corrections industries; proposing coding for new law in Minnesota Statutes, chapter 16B.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Janezich, Johnson, D.J. and Stumpf introduced--**

**S.F. No. 1265:** A bill for an act relating to education; providing for athletic participation for pupils who enroll in a nonresident district; amending Minnesota Statutes 1994, section 120.062, by adding a subdivision.

Referred to the Committee on Education.

**Mr. Janezich introduced--**

**S.F. No. 1266:** A bill for an act relating to commerce; regulating motor vehicle service contracts and mechanical breakdown insurance; prohibiting certain provisions; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 65B.

Referred to the Committee on Commerce and Consumer Protection.

**Mr. Janezich introduced--**

**S.F. No. 1267:** A bill for an act relating to alcoholic beverages; authorizing the St. Louis county board to issue one on-sale intoxicating malt liquor license.

Referred to the Committee on Commerce and Consumer Protection.

**Messrs. Belanger, Laidig, Frederickson, Metzen and Price introduced--**

**S.F. No. 1268:** A bill for an act relating to the governor; providing that the governor may declare an inability to discharge duties of the office or may be declared unable to do so; amending Minnesota Statutes 1994, section 4.06.

Referred to the Committee on Governmental Operations and Veterans.

**Messrs. Limmer, Spear, Mses. Wiener, Lesewski and Anderson introduced--**

**S.F. No. 1269:** A bill for an act relating to crime; expanding the interference with privacy crime to include persons who intrude on the privacy of occupants of hotel sleeping rooms and tanning booths; amending Minnesota Statutes 1994, section 609.746, subdivision 1.

Referred to the Committee on Crime Prevention.

**Messrs. Dille and Bertram introduced--**

**S.F. No. 1270:** A bill for an act relating to agriculture; clarifying certain procedures for agricultural chemical response reimbursement; amending Minnesota Statutes 1994, sections 18E.02, by adding subdivisions; and 18E.04, subdivisions 2 and 4.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Dille and Bertram introduced--**

**S.F. No. 1271:** A bill for an act relating to agriculture; changing the definition of "eligible person" for purposes of agricultural chemical response; amending Minnesota Statutes 1994, section 18E.02, subdivision 5.

Referred to the Committee on Agriculture and Rural Development.

**Messrs. Metzen and Solon introduced--**

**S.F. No. 1272:** A bill for an act relating to commerce; securities; regulating disclosure of payment received for directing order flow; amending Minnesota Statutes 1994, section 80A.06, subdivision 5.

Referred to the Committee on Commerce and Consumer Protection.

**Mses. Anderson; Johnson, J.B.; Messrs. Frederickson, Chmielewski and Kroening introduced--**

**S.F. No. 1273:** A bill for an act relating to housing; establishing an affordable home ownership funding program; appropriating money; amending Minnesota Statutes 1994, section 462A.21, subdivision 8, and by adding a subdivision; and proposing coding for new law in Minnesota Statutes, chapter 462A.

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

**Messrs. Solon, Metzen and Spear introduced--**

**S.F. No. 1274:** A bill for an act relating to crime; imposing penalties for assaulting a police horse while it is being used for law enforcement purposes; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Crime Prevention.

**Ms. Anderson, Messrs. Knutson, Betzold, Mondale and Marty introduced--**

**S.F. No. 1275:** A bill for an act relating to metropolitan transit; appropriating money for security measures on metropolitan council transit vehicles.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Piper, Messrs. Marty, Morse, Chmielewski and Ms. Kiscaden introduced--**

**S.F. No. 1276:** A bill for an act relating to traffic regulations; directing the commissioner of transportation to establish a bicycle lane on marked interstate highway No. 90; prescribing operating rules for bicycles on a bicycle lane of an interstate highway; requiring a report; amending Minnesota Statutes 1994, section 169.222, by adding a subdivision.

Referred to the Committee on Transportation and Public Transit.

**Mr. Dille introduced--**

**S.F. No. 1277:** A bill for an act relating to education; providing funding for the assurance of mastery program; appropriating money.

Referred to the Committee on Education.

**Ms. Pappas, Mr. Cohen, Ms. Wiener, Runbeck and Mr. Kelly introduced--**

**S.F. No. 1278:** A bill for an act relating to local government; eliminating a requirement that independent school district No. 625 contract with the city of Saint Paul for facilities furnished by the city civil service bureau; amending Laws 1965, chapter 705, section 1, subdivision 3.

Referred to the Committee on Education.

**Messrs. Finn, Knutson, Ms. Ranum, Mr. Merriam and Ms. Kiscaden introduced--**

**S.F. No. 1279:** A bill for an act relating to privacy; providing for the classification of and access to government data; clarifying data provisions; providing for survival of actions under the data practices act; conforming provisions dealing with financial assistance data; providing for an information policy training program; appropriating money; amending Minnesota Statutes 1994, sections 13.03, by adding a subdivision; 13.06, subdivision 6; 13.08, subdivision 1; 13.10, subdivision 5; 13.32, subdivision 2; 13.43, subdivisions 2 and 5; 13.46, subdivision 2; 13.50, subdivision 2; 13.531; 13.551; 13.62; 13.643; 13.671; 13.76, subdivision 1; 13.761; 13.77; 13.78; 13.79; 13.82, subdivisions 5 and 10; 13.83, subdivision 2; 13.89, subdivision 1; 13.90; 13.99, subdivisions 1, 12, 20, 21a, 42a, 54, 55, 64, 78, 79, 112, and by adding subdivisions; 17.117, subdivision 12; 41.63; 41B.211; 116O.03, subdivision 7; 116S.02, subdivision 8; and 446A.11, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 1994, sections 13.69, subdivision 2; and 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17.

Referred to the Committee on Judiciary.

**Mr. Dille introduced--**

**S.F. No. 1280:** A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Meeker county.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 1281:** A bill for an act relating to education; encumbering money for postservice benefits for participants in youth community service; amending Minnesota Statutes 1994, section 121.707, subdivision 3.

Referred to the Committee on Education.

**Messrs. Hottinger, Pogemiller, Mondale, Dille and Day introduced--**

**S.F. No. 1282:** A bill for an act relating to taxation; eliminating the LGA/HACA offset from certain tax increment financing districts; providing for state grants to certain tax increment financing districts; appropriating money; amending Minnesota Statutes 1994, section 116J.556; repealing Minnesota Statutes 1994, sections 273.1399; and 469.175, subdivision 7a.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Runbeck introduced--**

**S.F. No. 1283:** A bill for an act relating to employment; modifying a definition; extending certain occupational safety and health requirements to certain independent contractors; eliminating occupational safety and health exemptions for technically qualified individuals; requiring notification for certain construction projects; modifying the admissibility of evidence obtained during an occupational safety and health inspection; modifying requirements relating to discrimination; amending Minnesota Statutes 1994, sections 182.651, subdivisions 7, 14, and 15; 182.6521; 182.653, subdivisions 4b 4c, 4f, and by adding a subdivision; 182.659, subdivision 1; and 182.669, subdivision 1; repealing Minnesota Statutes 1994, section 182.651, subdivision 16.

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

**Mr. Riveness, Mses. Piper, Robertson, Messrs. Chandler and Novak introduced--**

**S.F. No. 1284:** A bill for an act relating to human services; adding an exception to the group residential housing moratorium; amending Minnesota Statutes 1994, section 256I.04, subdivision 3.

Referred to the Committee on Family Services.

**Messrs. Kroening, Kramer, Betzold and Ms. Berglin introduced--**

**S.F. No. 1285:** A bill for an act relating to economic development; appropriating money for a multijurisdictional, collaborative reinvestment program.

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

**Messrs. Kelly and Spear introduced--**

**S.F. No. 1286:** A bill for an act relating to crime prevention; changing the membership of the peace officer standards and training board; directing that certain institutions implement programs to allow completion of core law enforcement courses in two quarters; requiring representation of higher education on the board's training committee; appropriating money; amending Minnesota Statutes 1994, section 626.841; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Crime Prevention.

**Mses. Krentz and Runbeck introduced--**

**S.F. No. 1287:** A bill for an act relating to education; modifying debt service equalization aid and levy; amending Minnesota Statutes 1994, section 124.95, subdivisions 3 and 4.

Referred to the Committee on Education.

**Ms. Johnson, J.B.; Messrs. Stevens and Chmielewski introduced--**

**S.F. No. 1288:** A bill for an act relating to education; providing full campus status to Cambridge Community College center; appropriating money.

Referred to the Committee on Education.

**Mr. Knutson, Ms. Kiscaden, Messrs. Kleis and Riveness introduced--**

**S.F. No. 1289:** A bill for an act relating to human services; requiring the commissioner of human services to seek a waiver to permit AFDC payments to be made on behalf of children voluntarily placed in foster care by their minor mothers.

Referred to the Committee on Family Services.

**Mr. Moe, R.D. introduced--**

**S.F. No. 1290:** A bill for an act relating to the legislature; abolishing the legislative commission to review administrative rules, the legislative commission on children, youth, and their families, the legislative water commission, the legislative commission on the economic status of women, the legislative commission on child protection, the legislative commission on health care access, the legislative commission on long-term health care, the legislative commission on waste management, and the legislative tax study commission; transferring functions of the legislative commission on Minnesota resources to the office of strategic and long-range planning; amending Minnesota Statutes 1994, sections 3.846, subdivision 2; 4.071, subdivision 2; 14.131; 14.15, subdivision 4; 14.19; 14.23; 14.26; 14.32, subdivision 2; 14.47, subdivisions 3, 6, and 8; 62J.04, subdivisions 1a and 9; 62Q.33, subdivision 5; 84.0274, subdivision 7; 85.019, subdivision 2; 86.72, subdivisions 2 and 3; 89.022, subdivision 2; 103A.43; 103B.321, subdivision 1; 115A.07, subdivision 3; 115A.15, subdivision 5; 115A.158, subdivision 2; 115A.165; 115A.193; 115A.22, subdivision 5; 115A.5501, subdivisions 2 and 4; 115A.551, subdivisions 4 and 5; 115A.557, subdivision 4; 115A.9157, subdivision 6; 115A.96, subdivision 2; 115A.961, subdivision 2; 115A.9651, subdivision 2; 115A.97, subdivisions 5 and 6; 115B.20, subdivisions 2, 5, and 6; 116C.712, subdivision 5; 116J.555, subdivision 2; 116P.02; 116P.03; 116P.05, subdivision 2, and by adding a subdivision; 116P.06; 116P.07; 116P.08, subdivisions 3, 4, 5, 6, and 7; 116P.09; 116P.10; 116P.11; 116P.12; 116Q.02; 256.9352, subdivision 3; 256B.431, subdivision 2i; 290.431; 290.432; and 473.846; repealing Minnesota Statutes 1994, sections 3.841; 3.842; 3.843; 3.844; 3.845; 3.861; 3.873; 3.887; 3.9222; 3.9227; 14.115, subdivision 8; 62J.04, subdivision 4; 62J.07; 62N.24; 103B.351; 115A.03, subdivision 16; 115A.08; 115A.14; 115A.29; 115A.38; 115A.411; 115A.913, subdivision 5; 115A.9157, subdivision 4; 115A.965, subdivision 7; 115A.981, subdivision 3; 115B.20, subdivision 6; 115B.22, subdivision 8; 115B.43, subdivision 4; 116P.05, subdivision 1; 256B.504; 473.149, subdivisions 2c and 6; 473.845, subdivision 4; and 473.848, subdivision 4.

Referred to the Committee on Rules and Administration.

**Mses. Berglin, Kiscaden, Messrs. Sams, Oliver and Ms. Piper introduced--**

**S.F. No. 1291:** A bill for an act relating to human services; expanding provisions for health care; amending Minnesota Statutes 1994, sections 256.9353, subdivisions 1 and 3; 256.9354, subdivision 5; 256.9363, subdivision 5; 256B.037, subdivisions 1, 3, 4, and by adding subdivisions; 256B.04, by adding a subdivision; 256B.055, by adding a subdivision; 256B.057, by adding subdivisions; 256B.0625, subdivision 30; and 256B.69, subdivisions 2 and 4; Laws 1993, First Special Session chapter 1, article 8, section 30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256; and 256B; repealing Minnesota Statutes 1994, section 256.9353, subdivisions 4 and 5.

Referred to the Committee on Health Care.

**Mr. Bertram introduced--**

**S.F. No. 1292:** A bill for an act relating to agriculture; establishing a pilot dairy education and technology transfer program; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

**Mr. Belanger, Ms. Johnston and Mr. Langseth introduced--**

**S.F. No. 1293:** A bill for an act relating to motor carriers; deregulating most motor carriers; making technical changes; providing for fees and penalties; amending Minnesota Statutes 1994, sections 168.013, subdivision 1e; 174A.02, subdivision 4; 174A.06; 221.011, subdivisions 7, 8, 9, 14, 15, 16, 23, 26, 37, and by adding subdivisions; 221.021; 221.022; 221.025; 221.041; 221.051; 221.061; 221.071; 221.081; 221.111; 221.121, subdivisions 1, 3, and 4; 221.122, subdivision 1; 221.124, subdivision 2; 221.131, subdivisions 2 and 3; 221.132; 221.141, subdivision 1; 221.151, subdivisions 1 and 2; 221.161, subdivisions 1 and 4; 221.172, subdivision 3; 221.185, subdivisions 1, 2, 4, 5a, and 9; 221.251, subdivision 1; 221.281; and 221.291, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1994, sections 221.011, subdivisions 10, 12, 24, 25, 28, 35, 36, 38, 39, 40, 41, 44, 45, and 46; 221.072; 221.101; 221.121, subdivisions 5, 6, 6c, 6d, 6e, 6f, and 6g; 221.131, subdivisions 6 and 7; 221.141, subdivision 6; 221.151, subdivision 3; 221.152; 221.153; 221.172, subdivisions 4, 5, 6, 7, and 8; and 221.296.

Referred to the Committee on Transportation and Public Transit.

**Mses. Pappas, Olson and Robertson introduced--**

**S.F. No. 1294:** A bill for an act relating to education; modifying determination of revenue for high school graduation incentives program and private alternative programs; amending Minnesota Statutes 1994, sections 126.22, subdivision 8; and 126.23.

Referred to the Committee on Education.

**Mr. Solon, Ms. Wiener, Messrs. Janezich, Stumpf and Larson introduced--**

**S.F. No. 1295:** A bill for an act relating to education; providing for faculty transfers between bargaining units for community colleges and technical colleges; amending Laws 1991, chapter 356, article 9, section 9, as amended.

Referred to the Committee on Education.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 1296:** A bill for an act relating to education; providing for a fund transfer for independent school district No. 139, Rush City.

Referred to the Committee on Education.

**Messrs. Samuelson and Merriam introduced--**

**S.F. No. 1297:** A bill for an act relating to human services; demonstration projects for long-term care services; requiring waiver requests.

Referred to the Committee on Health Care.

**Mr. Scheevel and Ms. Lesewski introduced--**

**S.F. No. 1298:** A bill for an act relating to workers' compensation; changing a rate calculation; amending Minnesota Statutes 1994, section 79.211, subdivision 1.

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

**Ms. Pappas, Mr. Metzen and Ms. Berglin introduced--**

**S.F. No. 1299:** A bill for an act relating to bilingual communication services; requiring the Spanish-speaking affairs council and the council on Asian-Pacific Minnesotans to report on

coordination with the department of administration; requiring all public agencies that deal directly with non-English-speaking people to provide information and services in the language of the non-English-speaking people; amending Minnesota Statutes 1994, sections 3.9223, subdivision 7; 3.9226, subdivision 7; and 15.441.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Pappas introduced--**

**S.F. No. 1300:** A bill for an act relating to the metropolitan airports commission; providing for the detachment of intermediate airport land from cities or school districts; amending Minnesota Statutes 1994, section 473.625.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Pappas introduced--**

**S.F. No. 1301:** A bill for an act relating to state government; adding duties relating to citizen participation to the office of volunteer services; appropriating money; amending Minnesota Statutes 1994, sections 16B.88, subdivisions 1, 2, 3, 4, and 5; 465.796, subdivision 2; and 465.797, subdivision 2.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Laidig introduced--**

**S.F. No. 1302:** A bill for an act relating to state government; consolidating and coordinating state environmental and natural resource programs; reorganizing and restructuring state agencies and departments; creating the sustainable environmental policy board; creating the department of environmental protection; adding powers and duties to the department of natural resources; transferring all the powers and duties of the environmental quality board, the pollution control agency, the board of water and soil resources, the office of environmental assistance, the harmful substances compensation board, the petroleum tank release compensation board, and the Minnesota public facilities authority, and abolishing these agencies; transferring certain powers and duties of the departments of commerce and trade and economic development; requiring further studies and reports; amending Minnesota Statutes 1994, sections 15.01; 15A.081, subdivision 1; 84.01, subdivisions 1 and 3; 84.027, by adding a subdivision; 103B.3355; 103D.101, subdivision 2; 115B.25, subdivision 2; 115B.28, subdivisions 1 and 4; 115B.35, subdivisions 1, 4, 5, and 6; 115C.07, subdivision 3; 115C.10, subdivision 1; 116.01; 116.02, subdivision 5; 116.03, subdivisions 1 and 2; 116C.01; 116C.02; 116C.03, subdivisions 1, 2, and 3a; 116C.04, subdivision 2; 116C.24, subdivisions 2, 2a, and 3; 116C.25; 116C.34; 144.871, subdivision 5; 326.71, subdivision 5; 446A.02, subdivision 3; 446A.04, subdivisions 1 and 5; 446A.07, subdivisions 4, 5, and 6; 446A.071, subdivisions 3, 4, and 5; 446A.10, by adding a subdivision; 446A.12, subdivision 1; 473.811, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116C; repealing Minnesota Statutes 1994, sections 103B.101, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, and 10; 103B.205, subdivision 2; 103B.305, subdivision 2; 103B.3363, subdivision 2; 103C.101, subdivision 12; 103D.011, subdivision 5; 115A.03, subdivisions 8a and 22a; 115A.055; 115B.27; 115C.07, subdivisions 1 and 2; 115D.03, subdivision 4; 116.02, subdivisions 1, 2, 3, and 4; 116.03, subdivision 6; 116.04; 446A.02, subdivision 2; and 446A.03.

Referred to the Committee on Governmental Operations and Veterans.

**Mr. Riveness introduced--**

**S.F. No. 1303:** A bill for an act relating to the city of Richfield; authorizing the formation of nonprofit corporations for the purpose of owning low and moderate income housing developments.

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

**Mses. Runbeck, Olson, Mrs. Pariseau and Mr. Kramer introduced--**

**S.F. No. 1304:** A bill for an act relating to workers' compensation; permitting certain collective bargaining agreements; proposing coding for new law in Minnesota Statutes, chapter 176.

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

**Mses. Olson, Robertson and Mr. Scheevel introduced--**

**S.F. No. 1305:** A bill for an act relating to education; funding appropriations deficiencies for the 1994-1995 biennium; appropriating money.

Referred to the Committee on Education.

**Messrs. Merriam, Stumpf, Pogemiller, Mses. Olson and Robertson introduced--**

**S.F. No. 1306:** A bill for an act relating to education; allowing for intra district enrollment options; allowing for transportation; providing for the allocation of school district revenue to the education sites in the districts; providing for site decision teams; determining allocation of authority and responsibility; changing AFDC deadlines; amending Minnesota Statutes 1994, sections 123.12, subdivision 1; 123.33, subdivision 1, and by adding a subdivision; 123.951; and 124.175; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

**Mr. Dille introduced--**

**S.F. No. 1307:** A bill for an act relating to the city of Hutchinson; authorizing the city to impose certain sales, liquor, and food taxes.

Referred to the Committee on Taxes and Tax Laws.

**Mr. Spear, Ms. Piper, Mr. Metzen and Ms. Berglin introduced--**

**S.F. No. 1308:** A bill for an act relating to controlled substances; medical care; allowing physicians to prescribe marijuana and Tetrahydrocannabinols for the treatment of any medical conditions; amending Minnesota Statutes 1994, sections 152.02, subdivisions 2 and 3; and 152.21, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1994, sections 152.21, subdivisions 1, 2, 3, 4, 5, and 7.

Referred to the Committee on Health Care.

**Mr. Neuville, Mses. Flynn, Berglin and Kiscaden introduced--**

**S.F. No. 1309:** A bill for an act relating to civil actions; prohibiting certain unlawful practices against seniors or disabled or vulnerable persons; suspending the statute of limitations on actions brought by vulnerable adults; amending Minnesota Statutes 1994, section 541.15; proposing coding for new law in Minnesota Statutes, chapter 513.

Referred to the Committee on Judiciary.

**Mr. Frederickson introduced--**

**S.F. No. 1310:** A bill for an act relating to state government; providing for the development of a long-range expenditure plan for state expenditures; creating a budget reserve account; restricting use of budget reserve and cash flow account balances; amending Minnesota Statutes 1994, sections 16A.152, subdivisions 1, 2, 3, 4, and by adding a subdivision; 121.904, subdivision 4a; and 124.195, subdivisions 7 and 10; proposing coding for new law in Minnesota Statutes, chapter 16A; repealing Minnesota Statutes 1994, sections 121.904, subdivisions 4c and 4d.

Referred to the Committee on Finance.

**Messrs. Spear, Neuville and Marty introduced--**

**S.F. No. 1311:** A bill for an act relating to crimes; expanding the criteria for vehicle license plate impoundment to include driving without a valid license and failure to provide or show proof of vehicle insurance; amending Minnesota Statutes 1994, section 168.042, subdivisions 1 and 2.

Referred to the Committee on Crime Prevention.

**Ms. Johnston, Mrs. Pariseau, Ms. Hanson and Mr. Betzold introduced--**

**S.F. No. 1312:** A bill for an act relating to the metropolitan council; modifying the areas from which council members are appointed; amending Minnesota Statutes 1994, section 473.123, subdivisions 2a and 3; repealing Minnesota Statutes 1994, section 473.123, subdivisions 3a and 3c.

Referred to the Committee on Metropolitan and Local Government.

**Ms. Johnston introduced--**

**S.F. No. 1313:** A bill for an act relating to capital improvements; appropriating money for the acquisition and protection of Eagle Creek in Scott county; authorizing the sale of state bonds.

Referred to the Committee on Environment and Natural Resources.

**Messrs. Mondale, Stevens, Ms. Johnson, J.B.; Messrs. Merriam and Lessard introduced--**

**S.F. No. 1314:** A bill for an act relating to the environment; modifying provisions relating to the voluntary investigation and cleanup program; creating a pilot program to encourage voluntary compliance with environmental requirements; limiting penalties for facilities that perform audits, report violations, and correct the violations in a timely manner; establishing a recognition program for facilities that voluntarily meet environmental requirements; amending Minnesota Statutes 1994, sections 115B.175, subdivisions 2, 3, and by adding a subdivision; and 115B.178, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 1315:** A bill for an act relating to state departments; establishing the bureau of criminal apprehension as an independent agency of the executive branch; transferring the criminal justice information system unit to the bureau; transferring the responsibilities of the liquor control division to the department of commerce; amending Minnesota Statutes 1994, sections 3.732, subdivision 1; 15A.081, subdivision 1; 16B.14; 16B.46; 16B.54, subdivision 2; 297C.09; 297C.10, subdivision 1; 299A.02; 299A.31, subdivision 1; 299A.331, subdivision 1; 299A.38, subdivision 1; 299C.01; 299C.03; 299C.06; 299C.13; 299C.50; 340A.201; 352B.01, subdivision 2; 360.0753, subdivision 6; 611A.20, subdivision 2; 624.7151; 626.5531, subdivision 2; 626.562, subdivision 1; and 634.16.

Referred to the Committee on Governmental Operations and Veterans.

**Ms. Kiscaden, Messrs. Morse, Oliver and Riveness introduced--**

**S.F. No. 1316:** A bill for an act relating to human services; provisions for long-term care community services; coverage for personal care services; amending Minnesota Statutes 1994, sections 256B.0625, subdivision 19a; 256B.0627, subdivisions 1, 2, 4, and 5; 256B.0628, subdivision 2; 256B.0911, subdivision 2; 256B.0913, subdivisions 4, 5, 8, 12, and 14; 256B.0915, subdivisions 3, 5, and by adding a subdivision; and 256B.093, subdivisions 1, 2, and 3; 256I.03, subdivision 5, and by adding a subdivision; 256I.04; 256I.05, subdivisions 1, 1a, and 5; and

256I.06, subdivisions 2 and 6; Laws 1993, First Special Session chapter 1, article 8, section 30, subdivision 2.

Referred to the Committee on Health Care.

**Ms. Kiscaden, Messrs. Janezich and Oliver introduced--**

**S.F. No. 1317:** A bill for an act relating to human services; changing procedures for intermediate care facilities; establishing a study of cost-effective services; changing provisions for recovery of overpayments made to vendors; changing provisions for nursing facilities; changing vendor rates for day training and habilitation services; medical assistance; amending Minnesota Statutes 1994, sections 144.0723, subdivisions 1, 2, 3, 4, and 6; 252.292, subdivision 4; 252.46, subdivisions 1, 3, 6, 17, and by adding a subdivision; 256B.0641, subdivision 1; 256B.431, subdivisions 2j, 15, 22, 24, and by adding subdivisions; 256B.432, subdivisions 1, 2, 3, 5, and 6; 256B.501, subdivisions 1, 3, 3c, 3g, 8, and by adding subdivisions; repealing Minnesota Statutes 1994, sections 144.0723, subdivision 5; 252.47; and 256B.501, subdivisions 3d, 3e, and 3f.

Referred to the Committee on Health Care.

**Messrs. Langseth, Stumpf, Chmielewski, Mses. Krentz and Johnson, J.B. introduced--**

**S.F. No. 1318:** A bill for an act relating to transportation; requiring study on impact of telecommuting on transportation and resulting effects on other areas affecting Minnesota citizens; appropriating money.

Referred to the Committee on Transportation and Public Transit.

**MEMBERS EXCUSED**

Ms. Ranum, Messrs. Day and Stumpf were excused from the Session of today. Mr. Novak was excused from the Session of today at 1:10 p.m. Ms. Krentz and Mr. Sams were excused from the Session of today from 10:00 to 10:30 a.m.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 22, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate