

## THIRTY-SEVENTH DAY

St. Paul, Minnesota, Monday, April 10, 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, Rev. Gary Mikkelsen.

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

The President declared a quorum present.

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

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1590, 1024 and 429. The motion prevailed.

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

**S.F. No. 1590:** A bill for an act relating to health; insurance; providing for certain breast cancer coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 1, delete lines 14 and 15

And when so amended the bill do pass.

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

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

**S.F. No. 1647:** A bill for an act relating to insurance; long-term care; permitting the sale of policies with longer waiting periods with disclosure to the purchaser; amending Minnesota Statutes 1994, sections 62A.48, subdivision 1; and 62A.50, subdivision 3.

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

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

**S.F. No. 801:** A bill for an act relating to health; recodifying and modifying provisions relating to lead abatement law; amending Minnesota Statutes 1994, sections 16B.61, subdivision 3; 116.87, subdivision 2; 144.99, subdivision 1; 268.92, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, and by adding a subdivision; and 462A.05, subdivision 15c; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1994, sections 115C.082, subdivision 2; 144.871; 144.872; 144.873; 144.874; 144.876; 144.877; 144.8771; 144.878; 144.8781; 144.8782; and 144.879.

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

Page 3, lines 29 to 32, delete the new language and strike the old language

Page 4, after line 2, insert:

"Subdivision 1. [CITATION.] Sections 144.9501 to 144.9509 may be cited as the "childhood lead poisoning act."

Page 4, line 3, delete "Subdivision 1" and insert "Subd. 2"

Page 4, line 5, delete "2" and insert "3"

Page 4, line 28, delete "3" and insert "4"

Page 5, line 2, delete "4" and insert "5"

Page 5, line 4, delete "5" and insert "6"

Page 5, line 6, delete "6" and insert "7"

Page 5, line 8, delete "7" and insert "8"

Page 5, line 11, delete "8" and insert "9"

Page 5, line 16, delete "9" and insert "10"

Page 5, line 24, delete "10" and insert "11"

Page 5, delete lines 31 to 36

Page 6, delete lines 1 to 7

Page 7, after line 15, insert:

"Subd. 21. [LEAD-SAFE DIRECTIVES.] "Lead-safe directives" means methods for construction, renovation, remodeling, or maintenance activities that are not regulated as abatement or lead hazard reduction and that are performed so that they do not:

- (1) violate the standards under section 144.9508;
  - (2) create lead dust through the use of prohibited practices;
  - (3) leave debris or a lead residue that can form a dust;
  - (4) provide a readily accessible source of lead dust, lead paint, lead paint chips, or lead contaminated soil, after the use of containment methods; and
  - (5) result in improper disposal of lead contaminated debris, dust, or soil."
- Page 7, line 16, delete "21" and insert "22"
- Page 7, line 18, delete "22" and insert "23"
- Page 7, line 20, delete "23" and insert "24"
- Page 8, line 6, delete "24" and insert "25"
- Page 8, line 9, delete "25" and insert "26"
- Page 8, line 11, delete "26" and insert "27"
- Page 8, line 14, delete "27" and insert "28"
- Page 8, line 29, delete "28" and insert "29"
- Page 8, line 31, delete "29" and insert "30"
- Page 8, line 33, delete "30" and insert "31"
- Page 9, line 24, after "results" insert "after the analysis"
- Page 9, line 28, delete "to (4)" and insert "and (2)"
- Page 9, line 29, delete "48 hours" and insert "two working days" and delete "with a written" and insert "fax, or electronic transmission, with written or electronic confirmation within one month"
- Page 9, line 30, delete "confirmation within three days"
- Page 9, line 31, delete "70" and insert "15"
- Page 9, line 32, after the semicolon, insert "or"
- Page 9, delete lines 33 to 36
- Page 10, delete lines 1 to 3
- Page 10, line 4, delete "(4)" and insert "(2)" and before the comma, insert "or by electronic transmission"
- Page 10, line 5, delete "equal to or"
- Page 10, after line 6, insert:
- "The commissioner shall coordinate with hospitals, medical clinics, medical laboratories, and other facilities performing blood lead analysis to develop a universal reporting form and mechanism."
- Page 16, line 19, delete from "develop" through page 16, line 32, to "certification" and insert "propose to the legislature a program to certify residences as lead safe by February 15, 1996"
- Page 25, line 17, delete "material on" and insert "the lead-safe directives and any other materials describing"
- Page 32, line 25, before "misdemeanor" insert "petty"

Page 35, line 22, delete "first four" and insert "priority for"

Page 35, line 24, delete "assigned" and after "work" insert "assigned"

Page 38, line 23, reinstate the stricken language and delete "ten"

Page 40, line 17, before "floor" insert "one noncarpeted" and delete "levels, soil samples of bare soil," and insert "sample"

Page 40, line 18, before "deteriorated" insert "bare soil and of"

Page 40, line 24, after "commissioner" insert "of health"

Page 40, line 25, delete "health" and insert "economic security"

Page 40, line 28, after the period, insert "Within the limits of available appropriations," and after "commissioner" insert "of health"

Page 40, line 29, delete "health" and insert "economic security" and before "1,000" insert "up to"

Page 40, line 31, delete "lead inspection" and insert "postremediation evaluation" and after "on" insert "at least"

Page 40, line 33, delete "inspection" and insert "evaluation"

Page 40, line 35, before "floor" insert "one noncarpeted" and delete "samples" and insert "sample"

Page 41, line 2, after "commissioner" insert "of health"

Page 41, line 6, before "age," insert "age of housing,"

Page 41, line 8, delete "commissioner and"

Page 41, line 9, delete "The commissioner may pay for"

Page 41, line 10, after "program" insert "may be paid for"

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

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

**H.F. No. 694:** A bill for an act relating to human services; modifying child care programs and county contribution; amending Minnesota Statutes 1994, section 256H.12, subdivision 3.

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

Page 1, line 14, delete "agree to" and after "contributions" insert a comma and delete "in order"

Page 1, line 15, delete the comma and insert "for"

Page 1, line 16, delete "such time as a" and insert "the"

Page 1, line 17, delete "is no longer eligible" and insert "loses eligibility for the program"

Page 1, line 18, delete "terminates" and insert "withdraws" and after the period, insert "This subdivision does not affect the local match required for this program under other sections of the law."

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. 1451:** A bill for an act relating to the city of Minneapolis; authorizing the city to establish special service districts within the city; amending Laws 1985, chapter 302, section 2, subdivision 1, as amended.

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

Page 1, line 23, delete the first "Blaisdell Avenue" and insert "LaSalle Avenue, south on LaSalle Avenue to Franklin Avenue"

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

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

**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.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1  
DATA PRACTICES**

Section 1. Minnesota Statutes 1994, section 13.06, subdivision 6, is amended to read:

Subd. 6. [EXPIRATION OF TEMPORARY CLASSIFICATION.] A temporary classification granted under this section shall expire ten days after the end of the second ~~complete regular~~ annual legislative session that follows the commissioner's granting of the temporary classification.

Sec. 2. Minnesota Statutes 1994, section 13.072, subdivision 1, is amended to read:

Subdivision 1. [OPINION; WHEN REQUIRED.] (a) Upon request of a state agency, statewide system, or political subdivision, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a state agency, statewide system, or political subdivision, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data. If the commissioner determines that no opinion will be issued, the commissioner shall give the state agency, statewide system, political subdivision, or person requesting the opinion notice of the decision not to issue the opinion within five days of receipt of the request. If this notice is not given, the commissioner shall issue an opinion within 20 days of receipt of the request. For good cause and upon written notice to the person requesting the opinion, the commissioner may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline. The state agency, statewide system, or political subdivision must be provided a reasonable opportunity to explain the reasons for its decision regarding the data. The commissioner or the state agency, statewide system, or political subdivision may choose to give notice to the subject of the data concerning the dispute regarding the data.

(b) This section does not apply to a ~~question involving the exercise of a discretionary power~~

~~specifically granted by statute to a responsible authority to withhold or grant access to government data in a manner different than the data's general statutory classification determination made by the commissioner of health under section 13.38, subdivision 2, paragraph (c), or 144.6581.~~

(c) A written opinion issued by the attorney general shall take precedence over an opinion issued by the commissioner under this section.

Sec. 3. Minnesota Statutes 1994, section 13.072, is amended by adding a subdivision to read:

Subd. 4. [DATA SUBMITTED TO COMMISSIONER.] A state agency, statewide system, or political subdivision may submit not public data to the commissioner for the purpose of requesting or responding to a person's request for an opinion. Government data submitted to the commissioner by a state agency, statewide system, or political subdivision or copies of government data submitted by other persons have the same classification as the data have when held by the state agency, statewide system, or political subdivision. If the nature of the opinion is such that the release of the opinion would reveal not public data, the commissioner may issue an opinion using pseudonyms for individuals. Data maintained by the commissioner, in the record of an opinion issued using pseudonyms that would reveal the identities of individuals protected by the use of the pseudonyms, are private data on individuals.

Sec. 4. Minnesota Statutes 1994, section 13.08, subdivision 1, is amended to read:

Subdivision 1. [ACTION FOR DAMAGES.] Notwithstanding section 466.03, a political subdivision, responsible authority, statewide system, or state agency which violates any provision of this chapter is liable to a person or representative of a decedent who suffers any damage as a result of the violation, and the person damaged or a representative in the case of private data on decedents or confidential data on decedents may bring an action against the political subdivision, responsible authority, statewide system or state agency to cover any damages sustained, plus costs and reasonable attorney fees. Notwithstanding section 573.01, a cause of action under this subdivision survives to the representative of a decedent who was damaged by a violation of this chapter. In the case of a willful violation, the political subdivision, statewide system or state agency shall, in addition, be liable to exemplary damages of not less than \$100, nor more than \$10,000 for each violation. The state is deemed to have waived any immunity to a cause of action brought under this chapter.

Sec. 5. Minnesota Statutes 1994, section 13.10, subdivision 5, is amended to read:

Subd. 5. [ADOPTION RECORDS.] Notwithstanding any provision of this chapter, adoption records shall be treated as provided in sections ~~259.24~~ 259.53, 259.61, 259.79, and 259.83 to 259.89.

Sec. 6. Minnesota Statutes 1994, section 13.31, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "benefit data" means data on individuals collected or created because an individual seeks information about becoming, is, or was an applicant for or a recipient of benefits or services provided under various housing, home ownership, and rehabilitation and community action agency, head start, and food assistance programs administered by state agencies, political subdivisions, or statewide systems. Benefit data does not include welfare data which shall be administered in accordance with section 13.46.

Sec. 7. Minnesota Statutes 1994, section 13.32, subdivision 2, is amended to read:

Subd. 2. [STUDENT HEALTH AND CENSUS DATA.] (a) Health data concerning students, including but not limited to, data concerning immunizations, notations of special physical or mental problems and records of school nurses; and pupil census data, including but not limited to, emergency information, family information and data concerning parents shall be considered are educational data. Access by parents to student health data shall be pursuant to section 13.02, subdivision 8.

(b) Pupil census data, including emergency information, family information, and data concerning parents are educational data.

Sec. 8. Minnesota Statutes 1994, section 13.43, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] (a) Except for employees described in subdivision 5, the following personnel data on current and former employees, volunteers, and independent contractors of a state agency, statewide system, or political subdivision and members of advisory boards or commissions is public:

(1) name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, ~~whether or not~~ regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the terms of any agreement settling any dispute arising out of the employment relationship;

(7) work location; a work telephone number; badge number; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data; and city and county of residence.

(b) For purposes of this subdivision, a final disposition occurs when the state agency, statewide system, or political subdivision makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the state agency, statewide system, political subdivision, or arbitrator.

(c) The state agency, statewide system, or political subdivision may display a photograph of a current or former employee to a prospective witness as part of the state agency's, statewide system's, or political subdivision's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a state agency, statewide system, or political subdivision in connection with a complaint or charge against an employee.

Sec. 9. Minnesota Statutes 1994, section 13.43, subdivision 5, is amended to read:

Subd. 5. [UNDERCOVER LAW ENFORCEMENT OFFICER.] All personnel data maintained by any state agency, statewide system or political subdivision relating to an individual employed as or an applicant for employment as an undercover law enforcement officer is are private data on individuals. When the individual is no longer assigned to an undercover position, the data become public unless the law enforcement agency determines that revealing the data would threaten the personal safety of the officer or jeopardize an active investigation.

Sec. 10. 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 programs 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 on child support payments made by a child support obligor may be disclosed to the obligee.

(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. 11. Minnesota Statutes 1994, section 13.49, is amended to read:

**13.49 [SOCIAL SECURITY NUMBERS.]**

Subdivision 1. [GENERAL.] The social security numbers of individuals collected or maintained by a state agency, statewide system, or political subdivision are private data on individuals, except to the extent that access to the social security number is specifically authorized by law.

Subd. 2. [COUNTY RECORDER OR REGISTRAR OF TITLES.] Subdivision 1 does not apply to social security numbers that appear in documents or records filed or recorded with the county recorder or registrar of titles, other than documents filed under section 600.23.

Sec. 12. Minnesota Statutes 1994, section 13.50, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] The data made confidential or protected nonpublic by the provisions of subdivision 1 shall become public upon the occurrence of any of the following:

- (a) The negotiating parties exchange appraisals;
- (b) The data are submitted to a court appointed condemnation commissioner;
- (c) The data are presented in court in condemnation proceedings; or
- (d) The negotiating parties enter into an agreement for the purchase and sale of the property.

Sec. 13. Minnesota Statutes 1994, section 13.551, is amended to read:

**13.551 [~~CLASSIFICATION OF SAINT PAUL PORT AUTHORITY DATA.~~]**

Subdivision 1. [SAINT PAUL PORT AUTHORITY.] The following data not on individuals collected and maintained by the Saint Paul port authority are classified as protected nonpublic, until 30 days before the date of a hearing on a proposed sale pursuant to section 469.065: financial studies and reports that are part of appraisers' estimates of value of or concerning projects as defined in chapter 474, prepared by personnel of the port authority or independent accountants, consultants, and appraisers for the purpose of marketing by sale or lease a project which the port authority has acquired or repossessed as the result of the default under and the termination of a revenue agreement as defined in chapter 474.

Subd. 2. [RED WING PORT AUTHORITY.] Data maintained by the Red Wing port authority that pertain to negotiations with property owners regarding the purchase of property are nonpublic data not on individuals. With the exception of the authority's evaluation of properties not purchased, all other negotiation data become public at the time of the closing of the property sale.

Sec. 14. [13.646] [LEGISLATIVE AND BUDGET PROPOSAL DATA.]

Subdivision 1. [DEFINITION.] As used in this section, "state administration" means the governor's office and the department of finance.

Subd. 2. [CLASSIFICATIONS.] Data relating to anticipated legislative or budget proposals, including preliminary drafts, that are created, collected, or maintained by the state administration are protected nonpublic data. The state administration may disclose any of the data within the state administration and to the public if disclosure would aid the administration in considering and preparing its proposals.

Sec. 15. Minnesota Statutes 1994, section 13.79, is amended to read:

13.79 [DEPARTMENT OF LABOR AND INDUSTRY DATA.]

Data that identify complaining employees and that appear on complaint forms received by the department of labor and industry concerning alleged violations of the fair labor standards act or, section 181.75 or 181.9641 are classified as private data.

Sec. 16. Minnesota Statutes 1994, section 13.793, is amended to read:

13.793 [NATURAL RESOURCES MINERAL DATA.]

Subdivision 1. [NONPUBLIC DATA.] Except as provided in subdivision 2, the following data received and maintained by the commissioner of natural resources are nonpublic data:

(1) a letter or other documentation from a person that is supplied to the commissioner before a public lease sale of metallic or other minerals for the purpose of making suggestions or recommendations about which state lands may be offered for public lease sale; or

(2) a written report or other documentation of private analyses of a state-owned or controlled drill core that is public data and is under the custody of the commissioner; or

(3) exploration data received by the commissioner under the terms of a state mineral lease.

Subd. 2. [DATA BECOME PUBLIC.] (a) Data under subdivision 1, clause (1), become public data three years after the date the lease sale was held or, if not held, within three years after the date the lease sale was scheduled to be held. Except as provided in paragraph (b), data under subdivision 1, clause (2), become public data one year after receipt by the commissioner. Except as provided in paragraph (c) or as otherwise provided for by law, data under subdivision 1, clause (3), become public data upon termination of the state mineral lease under which the data were gathered.

(b) If data under subdivision 1, clause (2), relate to private land that is under mineral lease to the person submitting the data, and the mineral lease is in force at the time the data are submitted, the data become public data only after the mineral lease is no longer in force. The person submitting the data that relate to private land that is under mineral lease shall provide to the commissioner at the time the data are submitted and annually thereafter, in a format designated by the commissioner, satisfactory evidence that the mineral lease is in effect. If, in a given year, satisfactory evidence that the mineral lease is still in effect is not provided to the commissioner before the anniversary date of receipt of the data by the commissioner, the data immediately become public data.

(c) If data under subdivision 1, clause (3), are nonpublic data under the provisions of section 103I.605, subdivision 4, clause (c), the data become public data pursuant to the provisions of section 103I.605, subdivision 4, clauses (c) and (d).

Sec. 17. Minnesota Statutes 1994, section 13.82, subdivision 3a, is amended to read:

Subd. 3a. [AUDIO RECORDING OF 911 CALL.] The audio recording of a call placed to a 911 system for the purpose of requesting service from a law enforcement, fire, or medical agency is private data on individuals with respect to the individual making the call, except that a written transcript of the audio recording is public, unless it reveals the identity of an individual otherwise protected under subdivision 10. A transcript shall be prepared upon request. The person requesting the transcript shall pay the actual cost of transcribing the call, in addition to any other applicable

costs provided under section 13.03, subdivision 3. The audio recording may be disseminated to law enforcement agencies for investigative purposes. The audio recording may be used for public safety ~~dispatcher~~ and emergency medical training purposes.

Sec. 18. Minnesota Statutes 1994, section 13.82, subdivision 5, is amended to read:

Subd. 5. [CRIMINAL INVESTIGATIVE DATA COLLECTION.] Except for the data defined in subdivisions 2, 3, and 4, investigative data collected or created by a law enforcement agency in order to prepare a case against a person, whether known or unknown, for the commission of a crime or ~~civil wrong~~ other offense for which the agency has primary investigative responsibility is confidential or protected nonpublic while the investigation is active. Inactive investigative data is public unless the release of the data would jeopardize another ongoing investigation or would reveal the identity of individuals protected under subdivision 10. Photographs which are part of inactive investigative files and which are clearly offensive to common sensibilities are classified as private or nonpublic data, provided that the existence of the photographs shall be disclosed to any person requesting access to the inactive investigative file. An investigation becomes inactive upon the occurrence of any of the following events:

- (a) a decision by the agency or appropriate prosecutorial authority not to pursue the case;
- (b) expiration of the time to bring a charge or file a complaint under the applicable statute of limitations, or 30 years after the commission of the offense, whichever comes earliest; or
- (c) exhaustion of or expiration of all rights of appeal by a person convicted on the basis of the investigative data.

Any investigative data presented as evidence in court shall be public. Data determined to be inactive under clause (a) may become active if the agency or appropriate prosecutorial authority decides to renew the investigation.

During the time when an investigation is active, any person may bring an action in the district court located in the county where the data is being maintained to authorize disclosure of investigative data. The court may order that all or part of the data relating to a particular investigation be released to the public or to the person bringing the action. In making the determination as to whether investigative data shall be disclosed, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, to the agency or to any person identified in the data. The data in dispute shall be examined by the court in camera.

Sec. 19. Minnesota Statutes 1994, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency or a law enforcement dispatching agency working under direction of a law enforcement agency ~~may~~ shall withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

- (a) when access to the data would reveal the identity of an undercover law enforcement officer, as provided in section 13.43, subdivision 5;
- (b) when access to the data would reveal the identity of a victim or alleged victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;
- (c) when access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant;
- (d) when access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual;
- (e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred;

(f) when access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller; or

(g) when access to the data would reveal the identity of a juvenile witness and the agency reasonably determines that the subject matter of the investigation justifies protecting the identity of the witness.

Data concerning individuals whose identities are protected by this subdivision are private data about those individuals. Law enforcement agencies shall establish procedures to acquire the data and make the decisions necessary to protect the identity of individuals described in clauses (c), (d), (f), and (g).

Sec. 20. Minnesota Statutes 1994, section 13.82, is amended by adding a subdivision to read:

Subd. 17. [BOOKING PHOTOGRAPHS.] (a) For purposes of this subdivision, "booking photograph" means a photograph or electronically produced image taken by law enforcement for identification purposes in connection with the arrest of a person.

(b) Except as otherwise provided in this subdivision, a booking photograph is public data. A law enforcement agency may temporarily withhold access to a booking photograph if the agency determines that access will adversely affect an active investigation.

Sec. 21. Minnesota Statutes 1994, section 13.83, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] Unless specifically classified otherwise by state statute or federal law, the following data created or collected by a medical examiner or coroner on a deceased individual is public: name of the deceased; date of birth; date of death; address; sex; race; citizenship; height; weight; hair color; eye color; build; complexion; age, if known, or approximate age; identifying marks, scars and amputations; a description of the decedent's clothing; marital status; location of death including name of hospital where applicable; name of spouse; whether or not the decedent ever served in the armed forces of the United States; ~~social security number~~; occupation; business; father's name (also birth name, if different); mother's name (also birth name, if different); birthplace; birthplace of parents; cause of death; causes of cause of death; whether an autopsy was performed and if so, whether it was conclusive; date and place of injury, if applicable, including work place; how injury occurred; whether death was caused by accident, suicide, homicide, or was of undetermined cause; certification of attendance by physician; physician's name and address; certification by coroner or medical examiner; name and signature of coroner or medical examiner; type of disposition of body; burial place name and location, if applicable; date of burial, cremation or removal; funeral home name and address; and name of local register or funeral director.

Sec. 22. Minnesota Statutes 1994, section 13.89, subdivision 1, is amended to read:

Subdivision 1. [MENTAL RETARDATION.] Data on clients and residents of facilities or programs licensed pursuant to sections 144.50 to 144.58, 245A.01 to 245A.16, and 252.28, subdivision 2, may be disseminated 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 or programs for these persons if:

(1) the protection and advocacy system receives a complaint by or on behalf of that person; and

(2) the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person.

Sec. 23. Minnesota Statutes 1994, section 13.90, is amended to read:

13.90 [GOVERNMENT DATA PRACTICES JUDICIARY EXEMPT.]

Subdivision 1. [DEFINITION.] For purposes of this section, "judiciary" means any office, officer, department, division, board, commission, committee, or agency of the courts of this state, whether or not of record, including but not limited to the board of law examiners, the lawyer's professional responsibility board, the board of judicial standards, the lawyer's trust account board, the state law library, the state court administrator's office, the district court administrator's office, and the office of the court administrator.

Subd. 2. [APPLICATION EXEMPTION.] ~~The judiciary shall be governed by this chapter until August 1, 1987, or until the implementation of rules adopted by the supreme court regarding access to data, whichever comes first. Any data made a part of a criminal or civil case shall not be governed by this chapter at any time. The judiciary is not governed by this chapter. Access to data of the judiciary is governed by rules adopted by the supreme court.~~

Sec. 24. [13B.05] [REMEDIES.]

The remedies and penalties in sections 13.08 and 13.09 apply to this chapter.

Sec. 25. Minnesota Statutes 1994, section 268.12, subdivision 12, is amended to read:

Subd. 12. [INFORMATION.] Except as hereinafter otherwise provided, data gathered from any employing unit or individual pursuant to the administration of sections 268.03 to 268.231, and from any determination as to the benefit rights of any individual are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except pursuant to this subdivision or a court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (a) state and federal agencies specifically authorized access to the data by state or federal law;
- (b) any agency of this or any other state; or any federal agency charged with the administration of an employment security law or the maintenance of a system of public employment offices;
- (c) local human rights groups within the state which have enforcement powers;
- (d) the department of revenue shall have access to department of economic security private data on individuals and nonpublic data not on individuals only to the extent necessary for enforcement of Minnesota tax laws;
- (e) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;
- (f) the department of labor and industry on an interchangeable basis with the department of economic security subject to the following limitations and notwithstanding any law to the contrary:
  - (1) the department of economic security shall have access to private data on individuals and nonpublic data not on individuals for uses consistent with the administration of its duties under sections 268.03 to 268.231; and
  - (2) the department of labor and industry shall have access to private data on individuals and nonpublic data not on individuals for uses consistent with the administration of its duties under state law;
- (g) the department of trade and economic development may have access to private data on individual employing units and nonpublic data not on individual employing units for its internal use only; when received by the department of trade and economic development, the data remain private data on individuals or nonpublic data;
- (h) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department of economic security;
- (i) local, state, and federal law enforcement agencies for the sole purpose of ascertaining the

last known address and employment location of the data subject, provided the data subject is the subject of a criminal investigation; and

(j) the department of health may have access to private data on individuals and nonpublic data not on individuals solely for the purposes of epidemiologic investigations; and

(k) a contractor of the department of economic security when access to the private or nonpublic data is necessary for the performance of the contract; the contracting party shall maintain the data that it receives according to the statutory provisions applicable to the data.

Data on individuals and employing units which are collected, maintained, or used by the department in an investigation pursuant to section 268.18, subdivision 3, are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and shall not be disclosed except pursuant to statute or court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

Tape recordings and transcripts of recordings of proceedings before a referee of the department and exhibits offered by parties other than the department and received into evidence at those proceedings are private data on individuals and nonpublic data not on individuals and shall be disclosed only pursuant to the administration of section 268.10, subdivisions 3 to 8, or pursuant to a court order.

Aggregate data about employers compiled from individual job orders placed with the department of economic security are private data on individuals and nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, if the commissioner determines that divulging the data would result in disclosure of the identity of the employer. The general aptitude test battery and the nonverbal aptitude test battery as administered by the department are also classified as private data on individuals or nonpublic data.

Data on individuals collected, maintained, or created because an individual applies for benefits or services provided by the energy assistance and weatherization programs administered by the department of economic security is private data on individuals and shall not be disseminated except pursuant to section 13.05, subdivisions 3 and 4.

Data gathered by the department pursuant to the administration of sections 268.03 to 268.231 shall not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

Testimony obtained under subdivision 13 and section 268.10, subdivision 3, may not be used or considered in any civil, administrative, or contractual proceeding, except by a local, state, or federal human rights group with enforcement powers, unless the proceeding is initiated by the department.

Sec. 26. Minnesota Statutes 1994, section 270B.02, subdivision 3, is amended to read:

Subd. 3. [CONFIDENTIAL DATA ON INDIVIDUALS; PROTECTED NONPUBLIC DATA.] (a) Except as provided in paragraph (b), ~~names the name or existence of informers an~~ informer, informer letters, and other unsolicited data, in whatever form, given to the department of revenue by a person, other than the data subject, who informs that a specific taxpayer is not or may not be in compliance with tax laws, or nontax laws administered by the department of revenue, are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13.

(b) Data under paragraph (a) may be disclosed with the consent of the informer or upon a written finding by a court that the information provided by the informer was false and that there is evidence that the information was provided in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

Sec. 27. Minnesota Statutes 1994, section 270B.03, subdivision 1, is amended to read:

Subdivision 1. [WHO MAY INSPECT.] Returns and return information must, on written request, be made open to inspection by or disclosure to the data subject. For purposes of this chapter, the following are the data subject:

- (1) in the case of an individual return, that individual;
- (2) in the case of an income tax return filed jointly, either of the individuals with respect to whom the return is filed;
- (3) in the case of a partnership return, any person who was a member of the partnership during any part of the period covered by the return;
- (4) in the case of the return of a corporation or its subsidiary:
  - (i) any person designated by resolution of the board of directors or other similar governing body;
  - (ii) any officer or employee of the corporation upon written request signed by any officer and attested to by the secretary or another officer;
  - (iii) any bona fide shareholder of record owning one percent or more of the outstanding stock of the corporation;
  - (iv) if the corporation is a corporation that has made an election under section 1362 of the Internal Revenue Code of 1986, as amended through December 31, 1988, any person who was a shareholder during any part of the period covered by the return during which an election was in effect; or
  - (v) if the corporation has been dissolved, any person authorized by state law to act for the corporation or any person who would have been authorized if the corporation had not been dissolved;
- (5) in the case of an estate return:
  - (i) the personal representative or trustee of the estate; and
  - (ii) any heir at law, next of kin, or beneficiary of the estate, but only if the commissioner finds that the heir at law, next of kin, or beneficiary has a material interest that will be affected by information contained in the return;
- (6) in the case of a trust return:
  - (i) the trustee or trustees, jointly or separately; and
  - (ii) any beneficiary of the trust, but only if the commissioner finds that the beneficiary has a material interest that will be affected by information contained in the return;
- (7) if liability has been assessed to a transferee under section 289A.31, subdivision 3, the transferee is the data subject with regard to the returns and return information relating to the assessed liability; and
- (8) in the case of an Indian tribal government or an Indian tribal government-owned entity,
  - (i) the chair of the tribal government, or
  - (ii) any person authorized by the tribal government; and
- (9) in the case of a successor as defined in section 270.102, subdivision 1, paragraph (b), the successor is the data subject and information may be disclosed as provided by section 270.102, subdivision 4.

Sec. 28. [270B.085] [DISCLOSURES IN COLLECTION ACTIONS.]

Subdivision 1. [SEIZURE INFORMATION.] Following the execution of a writ of entry under section 270.70, the commissioner may disclose information identifying the individual or business subject to the writ, the basis for the writ, and the results of the execution, including lists of property seized.

Subd. 2. [LIEN PAYOFF INFORMATION.] The commissioner may disclose the outstanding obligation secured by a lien filed under section 270.69, subdivision 2.

Sec. 29. Minnesota Statutes 1994, section 270B.12, subdivision 2, is amended to read:

Subd. 2. ~~[MUNICIPALITIES LOCAL UNITS OF GOVERNMENT.] Sales and use tax returns and return information are open to inspection by or disclosure to the taxing officials of any municipality local unit of government of the state of Minnesota that has a local sales or use tax, for the purpose of and to the extent necessary for the administration of the local sales and or use tax.~~

Sec. 30. Minnesota Statutes 1994, section 270B.14, subdivision 1, is amended to read:

Subdivision 1. ~~[DISCLOSURE TO COMMISSIONER OF HUMAN SERVICES.]~~ (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the social security numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.711, with those of property tax refund filers, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

Sec. 31. Minnesota Statutes 1994, section 270B.14, subdivision 11, is amended to read:

Subd. 11. ~~[DISCLOSURE TO COMMISSIONER OF HEALTH.]~~ (a) On the request of the commissioner of health, the commissioner may disclose return information to the extent provided in paragraph (b) and for the purposes provided in paragraph (c).

(b) Data that may be disclosed are limited to the taxpayer's identity, as defined in section 270B.01, subdivision 5.

(c) The commissioner of health may request data only for the purposes of carrying out epidemiologic investigations, which includes conducting occupational health and safety surveillance, and locating and notifying individuals exposed to health hazards as a result of employment. Requests for data by the commissioner of health must be in writing and state the purpose of the request. Data received may be used only for the purposes of section 144.0525.

(d) The commissioner may disclose health care service revenue data to the commissioner of health as provided by section 62J.41, subdivision 2.

Sec. 32. ~~[270B.161] [DATA AND INFORMATION ON MINE VALUE OF ORE.]~~

Data collected from taxpayers and maintained by the commissioner for the purpose of determining the mine value of ore under section 298.01 are nonpublic data as defined in section 13.02, subdivision 9.

Sec. 33. Minnesota Statutes 1994, section 336.9-407, is amended to read:

336.9-407 ~~[INFORMATION FROM FILING OFFICER.]~~

(1) If the person filing any financing statement, termination statement, statement of assignment, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon



request note upon the copy the file number and date and hour of the filing of the original and deliver or send the copy to such person.

(2) Upon request of any person, the filing officer shall conduct a search of the statewide computerized uniform commercial code database for any active financing statements naming a particular debtor. The filing officer shall report the findings as of the date and hour of the search by issuing:

(a) a certificate listing the file number, date, and hour of each filing and the names and addresses of each secured party;

(b) photocopies of those original documents on file and located in the office of the filing officer; or

(c) upon request, both the certificate and the photocopies referred to in (b).

The uniform fee for conducting the search and for preparing a certificate shall be \$15 if the request is in the standard form prescribed by the secretary of state. This uniform fee shall include up to ten photocopies of original documents. If the request for information is made on a form other than the standard form prescribed by the secretary of state, the fee shall be \$20 and shall include up to ten photocopies of original documents.

Another fee, at the same rate, shall also be charged for conducting a search and preparing a certificate showing federal and state tax liens on file with the filing officer naming a particular debtor.

There shall be an additional fee of \$1 per page for a photocopy of each financing statement or tax lien prepared in excess of the first ten.

Notwithstanding the fees set in this section, a natural person who is the subject of data must, upon the person's request, be shown the data without charge, and upon request be provided with photocopies of the data upon payment of no more than the actual cost of making the copies.

Notwithstanding section 13.49, a filing officer may include social security number information in a report of the findings following a search of the statewide computerized uniform commercial code database or the state and federal tax liens on file with the filing officer. A filing officer may also include social security number information on a photocopy of an original document on file whether provided in response to a request for information or in response to a request made pursuant to section 13.03.

Sec. 34. Minnesota Statutes 1994, section 336.9-411, is amended to read:

336.9-411 [COMPUTERIZED FILING SYSTEM.]

(a) The secretary of state shall develop and implement a statewide computerized filing system to accumulate and disseminate information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents. The computerized filing system must allow information to be entered and retrieved from the computerized filing system by county recorders, the department of revenue, the department of economic security, and the Internal Revenue Service.

(b) County recorders shall enter information relative to lien statements, financing statements, state and federal tax lien notices, and other uniform commercial code documents filed in their offices into a central database maintained by the secretary of state. The information must be entered under the rules of the secretary of state. This requirement does not apply to tax lien notices filed under sections 268.161, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); and 272.488, subdivision 1, but does apply to entry of the date and time of receipt and county recorder's file number of those notices.

(c) The secretary of state may allow private parties to have electronic-view-only access to the computerized filing system and to other computerized records maintained by the secretary of state on a fee basis, except that visual access to electronic display terminals at the public counters at the secretary of state's office will be without charge and available during public counter hours. If the

computerized filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year.

Notwithstanding section 13.49, private parties who have electronic-view-only access to computerized records may view the social security number information about a debtor that is of record.

(d) The secretary of state shall adopt rules to implement the computerized filing system. The secretary of state may adopt permanent and emergency rules. The rules must:

(1) allow filings to be made at the offices of all county recorders and the secretary of state's office as required by section 336.9-401;

(2) establish a central database for all information relating to liens and security interests that are filed at the offices of county recorders and the secretary of state;

(3) provide procedures for entering data into a central database;

(4) allow the offices of all county recorders and the secretary of state's office to add, modify, and delete information in the central database as required by the uniform commercial code;

(5) allow the offices of all county recorders and the secretary of state's office to have access to the central database for review and search capabilities;

(6) allow the offices of all county recorders to have electronic-view-only access to the computerized business information records on file with the secretary of state;

(7) require the secretary of state to maintain the central database;

(8) provide security and protection of all information in the central database and monitor the central database to ensure that unauthorized entry is not allowed;

(9) require standardized information for entry into the central database;

(10) prescribe an identification procedure for debtors and secured parties that will enhance lien and financing statement searches; and

(11) prescribe a procedure for phasing-in or converting from the existing filing system to a computerized filing system.

(e) The secretary of state, county recorders, and their employees and agents shall not be liable for any loss or damages arising from errors in or omissions from information entered into the computerized filing system as a result of the electronic transmission of tax lien notices under sections 268.161, subdivision 1, paragraph (b), clause (2); 270.69, subdivision 2, paragraph (b), clause (2); 272.483; and 272.488, subdivision subdivisions 1 and 3.

Sec. 35. Minnesota Statutes 1994, section 383B.225, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATION PROCEDURE.] (a) Upon notification of the death of any person, as provided in subdivision 5, the county medical examiner or a designee may proceed to the body, take charge of it, and order, when necessary, that there be no interference with the body or the scene of death. Any person violating the order of the examiner is guilty of a misdemeanor. The examiner or the examiner's designee shall make inquiry regarding the cause and manner of death and prepare written findings together with the report of death and its circumstances, which shall be filed in the office of the examiner. When it appears that death may have resulted from a criminal act and that further investigation is advisable, a copy of the report shall be transmitted to the county attorney. The examiner may take possession of all property of the deceased, mark it for identification, and make an inventory. The examiner shall take possession of all articles useful in establishing the cause of death, mark them for identification and retain them securely until they are no longer needed for evidence or investigation. The examiner shall release any property or articles needed for any criminal investigation to law enforcement officers conducting the investigation. When a reasonable basis exists for not releasing property or articles to law enforcement officers, the examiner shall consult with the county attorney. If the county attorney determines that a

reasonable basis exists for not releasing the property or articles, the examiner may retain them. The property or articles shall be returned immediately upon completion of the investigation. When the property or articles are no longer needed for the investigation or as evidence, the examiner shall release the property or articles to the person or persons entitled to them. Notwithstanding any other law to the contrary, when personal property of a decedent has come into the possession of the examiner, and is not used for a criminal investigation or as evidence, and has not been otherwise released as provided in this subdivision, the name of the decedent shall be filed with the probate court, together with a copy of the inventory of the decedent's property. At that time, an examination of the records of the probate court shall be made to determine whether a will has been admitted to probate or an administration has been commenced. Property of a nominal value, including wearing apparel, may be released to the spouse or any blood relative of the decedent or to the person accepting financial responsibility for burial of the decedent. If property has not been released by the examiner and no will has been admitted to probate or administration commenced within six months after death, the examiner shall sell the property at a public auction upon notice and in a manner as the probate court may direct; except that the examiner shall cause to be destroyed any firearm or other weapon that is not released to or claimed by a decedent's spouse or blood relative. If the name of the decedent is not known, the examiner shall inventory the property of the decedent and after six months may sell the property at a public auction. The examiner shall be allowed reasonable expenses for the care and sale of the property and shall deposit the net proceeds of the sale with the county administrator, or the administrator's designee, in the name of the decedent, if known. If the decedent is not known, the examiner shall establish a means of identifying the property of the decedent with the unknown decedent and shall deposit the net proceeds of the sale with the county administrator, or a designee, so, that, if the unknown decedent's identity is established within six years, the proceeds can be properly distributed. In either case, duplicate receipts shall be provided to the examiner, one of which shall be filed with the court, the other of which shall be retained in the office of the examiner. If a representative shall qualify within six years from the time of deposit, the county administrator, or a designee, shall pay the amount of the deposit to the representative upon order of the court. If no order is made within six years, the proceeds of the sale shall become a part of the general revenue of the county.

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

Sec. 36. Laws 1993, chapter 192, section 110, is amended to read:

Sec. 110. [REPEALER.]

(a) Minnesota Statutes 1992, section 309.502, is repealed.

(b) Minnesota Statutes 1992, sections 16A.095, subdivision 3; 16A.123; 16A.128; 16A.1281; 16A.35; 16A.45, subdivisions 2 and 3; 16A.80; and 290A.24, are repealed.

~~(c) Minnesota Statutes 1992, section 13.072, is repealed effective August 1, 1995.~~

Sec. 37. [REPEALER.]

Minnesota Statutes 1994, sections 13.69, subdivision 2; 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17; 13B.04; and Laws 1990, chapter 566, section 9, as amended by Laws 1992, chapter 569, section 36, and Laws 1994, chapter 618, article 1, section 47, are repealed.

## Sec. 38. [EFFECTIVE DATE.]

Sections 2, 3, 33, 34, and 36 are effective the day following final enactment. Section 1 is effective retroactive to January 1, 1993.

## ARTICLE 2

## FINANCIAL ASSISTANCE DATA

## Section 1. [13.311] [FINANCIAL ASSISTANCE DATA.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(b) "Financial assistance data" means government data on applicants for assistance or recipients of assistance under a financial assistance program administered by a state agency, statewide system, or political subdivision. Financial assistance data does not include:

- (1) benefit data under section 13.31;
- (2) welfare data under section 13.46;
- (3) employment and training data under section 13.47;
- (4) award data under section 13.48; and
- (5) data arising out of counseling, advocacy services, or other forms of nonfinancial assistance.

(c) "Financial assistance program" means a program that provides grants, loans, loan guarantees, loan restructuring, interest subsidies, insurance, or similar forms of financial assistance for business or economic development activities.

Subd. 2. [DATA ON APPLICANTS.] Unless made accessible to the public under other law, The following financial assistance data on applicants for financial assistance are private data on individuals or nonpublic data: financial information, including credit reports, financial statements, net worth calculations, personal or corporate income tax returns, business plans, income and expense projections, customer lists, and market and feasibility studies not paid for with public funds.

Subd. 3. [DATA ON RECIPIENTS.] Data that are not public data under subdivision 2 become public if the applicant receives financial assistance, except that the following data remain private or nonpublic: personal net worth calculations, personal or corporate income tax returns, business plans, income and expense projections, customer lists, and market and feasibility studies not paid for with public funds.

Sec. 2. Minnesota Statutes 1994, section 13.62, is amended to read:

## 13.62 [ECONOMIC ASSISTANCE DATA.]

~~The following Data collected by cities in their administration of the city economic development assistance program are classified as nonpublic data:~~

- ~~(1) application data, except company names, addresses, and other data that identify the applicant, until the application is approved by the city;~~
- ~~(2) application data, except company names, addresses, and other data that identify the applicant, that pertain to companies whose applications have been disapproved;~~
- ~~(3) attachments to applications including but, not limited to, business and personal financial records, until the application is approved;~~
- ~~(4) income tax returns, either personal or corporate, that are filed by applicants; and~~
- ~~(5) are governed by section 13.311. In addition, correspondence between the program administrators and the an applicant are private data on individuals or nonpublic data until the application has been approved or disapproved.~~

Sec. 3. Minnesota Statutes 1994, section 13.671, is amended to read:

13.671 [IRON RANGE RESOURCES AND REHABILITATION BOARD DATA.]

~~Subdivision 1. [NONPUBLIC DATA.] The following Data that are submitted to the commissioner of the iron range resources and rehabilitation board by or to the board on businesses that are requesting financial assistance are nonpublic data: the identity of the business and financial information about the business including, but not limited to, credit reports, financial statements, net worth calculations, business plans, income and expense projections, customer lists, and market and feasibility studies not paid for with public funds governed by section 13.311.~~

~~Subd. 2. [PUBLIC DATA.] Data submitted to the commissioner under subdivision 1 become public data upon submission of the request for financial assistance to the iron range resources and rehabilitation board except that the following data remain nonpublic: business plans, income and expense projections, customer lists, and market and feasibility studies not paid for with public funds.~~

Sec. 4. Minnesota Statutes 1994, section 13.761, is amended to read:

13.761 [INDIAN AFFAIRS COUNCIL DATA.]

~~All financial information on individuals and business entities including, but not limited to, credit reports, financial statements, and net worth calculations, that are contained in applications Data received by the Indian affairs council in its administration of the Indian business development loan program are classified as private data with regard to data on individuals and as nonpublic data with regard to data not on individuals governed by section 13.311.~~

Sec. 5. Minnesota Statutes 1994, section 13.77, is amended to read:

13.77 [AGRICULTURAL RESOURCE LOAN BOARD DATA.]

~~Subdivision 1. [NONPUBLIC DATA.] Financial information concerning business persons Data received or prepared by the agriculture resource loan guaranty agricultural and economic development board in connection with applications for loan guarantees pursuant to Laws 1984, chapter 502, article 10, sections 1 to 12, including, but not limited to, credit reports, financial statements, and net worth calculations, is classified as nonpublic data under chapter 41A are governed by section 13.311.~~

~~Subd. 2. [PRIVATE DATA.] Financial information concerning individuals received or prepared by the agriculture resource loan guaranty board in connection with applications for loan guarantees pursuant to Laws 1984, chapter 502, article 10, sections 1 to 12, including, but not limited to, credit reports, financial statements, and net worth calculations is classified as private data.~~

Sec. 6. Minnesota Statutes 1994, section 13.78, is amended to read:

13.78 [MINNESOTA EXPORT AUTHORITY DATA.]

~~Financial information concerning business persons Data received or prepared by the export authority in connection with applications for financial assistance pursuant to section 116J.9673, including, but not limited to, credit reports, financial statements, net worth calculations, income and expense projections, and are governed by section 13.311. In addition, proposed terms of trade and foreign risk coverage, is classified as are nonpublic data if it is data not on an individual and as or private data if it is data on an individual individuals.~~

Sec. 7. Minnesota Statutes 1994, section 17.117, subdivision 12, is amended to read:

~~Subd. 12. [DATA PRIVACY.] The following Data on applicants or borrowers collected by the commissioner under this section are private for data on individuals as provided in section 13.02, subdivision 12, or nonpublic for data not on individuals as provided in section 13.02, subdivision 9: financial information, including, but not limited to, credit reports, financial statements, tax returns and net worth calculations received or prepared by the commissioner governed by section 13.311.~~

Sec. 8. Minnesota Statutes 1994, section 41.63, is amended to read:

41.63 [DATA PRIVACY.]

~~Personal financial information, credit reports, financial statements, tax refund calculations, and net worth statements; Data received or prepared by the commissioner regarding any family farm security loans; are private data on individuals under chapter 13 governed by section 13.311.~~

Sec. 9. Minnesota Statutes 1994, section 41B.211, is amended to read:

41B.211 [DATA PRIVACY.]

~~Financial information, including credit reports, financial statements, and net worth calculations; Data received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13, except that are governed by section 13.311. Information obtained under the agricultural development bond program in sections 41C.01 to 41C.13 may be released as required by federal tax law.~~

Sec. 10. Minnesota Statutes 1994, section 116O.03, subdivision 7, is amended to read:

Subd. 7. [APPLICATION AND INVESTIGATIVE DATA.] ~~The following Data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable:~~

~~(1) financial data, statistics, and information furnished in connection with assistance or proposed assistance under section 116O.06, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records; or~~

~~(2) are governed by section 13.311, except that security information, trade secret information, or labor relations information, as defined in are governed by section 13.37, subdivision 1, disclosed to members of the corporation board or employees of the corporation under section 116O.06.~~

Sec. 11. Minnesota Statutes 1994, section 116S.02, subdivision 8, is amended to read:

Subd. 8. [APPLICATION AND INVESTIGATIVE DATA.] ~~Financial data, statistics, and information Data furnished to the corporation in connection with assistance or proposed assistance, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records are private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9 are governed by section 13.311.~~

Sec. 12. Minnesota Statutes 1994, section 446A.11, subdivision 11, is amended to read:

Subd. 11. [FINANCIAL INFORMATION.] ~~Financial information, including credit reports, financial statements and net worth calculations; Data received or prepared by the authority regarding an authority loan, financial assistance, or insurance is private data with regard to data on individuals as defined in section 13.02, subdivision 12 and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 9 are governed by section 13.311.~~

Sec. 13. [REPEALER.]

Minnesota Statutes 1994, section 13.76, subdivision 1, is repealed.

ARTICLE 3

INFORMATION POLICY TRAINING PROGRAM

Section 1. [13.073] [PUBLIC INFORMATION POLICY TRAINING PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a program for training state and local government officials and employees on public information policy, including

government data practices laws and official records and records management statutes. The program must provide for the development of broad-based expertise within state and local government entities. The program components must include basic training, specific training for specialized service sectors, and policy analysis and support.

Subd. 2. [GENERAL PROVISIONS.] The commissioner shall publicize the development and implementation of the training program under this section and shall seek input from state and local government entities. The commissioner shall prepare a training guide that includes an overview of the training program and its components.

Subd. 3. [BASIC TRAINING.] The basic training component must be designed to meet the basic information policy needs of all government employees and public officials with a focus on key data practices laws and procedures that apply to all government entities. The commissioner shall design the basic training component in a manner that minimizes duplication of the effort and cost for government entities to provide basic training. The commissioner shall develop general programs and materials for basic training such as video presentations, data practices booklets, and training guides. The commissioner shall assist state and local government agencies in developing training expertise within their own agencies and shall offer assistance for periodic training sessions for this purpose.

Subd. 4. [SECTOR-SPECIFIC TRAINING.] (a) The sector-specific training component must be designed to provide for the development of specific expertise needed to deal with information policy issues within a particular service area. Service areas may include government entities such as state agencies, counties, cities, or school districts, or functional areas such as education, human services, child protection, or law enforcement. This component must focus on training individuals who implement or administer data practices and other information policy laws within their government entity.

(b) The commissioner shall provide technical assistance and support and help coordinate efforts to develop sector-specific training within different sectors. Elements of sector-specific training must include:

(1) designation, training, and coordination of data practices specialists with responsibility for clarification and resolution of sector-specific information policy issues;

(2) development of telephone hot lines within different sectors for handling information policy inquiries;

(3) development of forums under which individuals with ongoing information policy administrative responsibilities may meet to discuss issues arising within their sectors;

(4) availability of expertise for coaching and consultation on specific issues; and

(5) preparation of publications, including reference guides to materials and resource persons.

Subd. 5. [POLICY ANALYSIS AND SUPPORT.] The policy analysis and support component must be designed to address information policy issues at the policy level and to provide ongoing consultation and support regarding major areas of concern with a goal of developing a coherent and coordinated approach to information policy within the state. The commissioner shall assist in the development and implementation of information policy and provide a clearinghouse for ideas, information, and resources. The commissioner shall review public information policy and identify how that policy can be updated, simplified, and made consistent.

Subd. 6. [GRANTS.] The commissioner may make grants to statewide systems, political subdivisions, or associations of political subdivisions for purposes of supplementing and encouraging local government efforts under this section.

## Sec. 2. [REPORT.]

By January 1, 1997, the commissioner of administration shall report to the legislature on the implementation of the training program under section 1. The report must include an analysis of the effectiveness of the program in improving information policy practices, recommendations for any changes in the program, and recommendations for amendments to public information policies that will update and simplify those policies.

**Sec. 3. [APPROPRIATION.]**

\$..... is appropriated from the general fund to the commissioner of administration for purposes of developing the training program under section 1 and making grants under section 1, subdivision 6.

**ARTICLE 4****INDEX OF CLASSIFICATIONS OUTSIDE OF CHAPTER 13**

Section 1. Minnesota Statutes 1994, section 13.99, subdivision 1, is amended to read:

Subdivision 1. [PROVISIONS CODED IN OTHER CHAPTERS.] The laws enumerated in this section are codified outside of this chapter and classify government data as other than public or place restrictions on access to government data. Except for records of the judiciary, the definitions and general provisions in sections 13.01 to 13.07 and the remedies and penalties provided in sections 13.08 and 13.09 also apply to data and records listed in this section and to other provisions of statute that provide access to government data and records or rights regarding government data similar to those established by section 13.04.

Sec. 2. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 5a. [ETHICAL PRACTICES BOARD OPINIONS.] A request for an ethical practices board advisory opinion and the opinion itself are classified under section 10A.02, subdivision 12.

Sec. 3. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 6d. [AGRICULTURAL COMMODITY HANDLERS.] Access to data filed with the commissioner of agriculture by agricultural commodity handlers is governed by section 17.694, subdivision 1.

Sec. 4. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 11a. [CERTAIN DATA RECEIVED BY COMMISSIONER OF COMMERCE.] Certain data received because of the participation of the commissioner of commerce in various organizations are classified under section 45.012.

Sec. 5. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 11b. [BANK INCORPORATORS DATA.] Financial data on individuals submitted by incorporators proposing to organize a bank are classified under section 46.041, subdivision 1.

Sec. 6. Minnesota Statutes 1994, section 13.99, subdivision 12, is amended to read:

Subd. 12. [COMMERCE DEPARTMENT DATA ON FINANCIAL INSTITUTIONS.] The disclosure by the commissioner of commerce of facts and information obtained in the course of examining financial institutions and in relation to complaints filed with the commissioner is governed by section 46.07, subdivisions 2 and 3.

Sec. 7. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 12a. [ELECTRONIC FINANCIAL TERMINAL DATA.] Information obtained by the commissioner of commerce in the course of verifying electronic financial terminal equipment is classified under section 47.66.

Sec. 8. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 14a. [SURPLUS LINES INSURER DATA.] Reports and recommendations on the financial condition of eligible surplus lines insurers submitted to the commissioner of commerce are classified under section 60A.208, subdivision 7.

Sec. 9. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 17b. [INSURER FINANCIAL CONDITION DATA.] Recommendations on the financial condition of an insurer submitted to the commissioner of commerce by the insurance guaranty association are classified under section 60C.15.



Sec. 10. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 18a. [INSURER SUPERVISION DATA.] Data on insurers supervised by the commissioner of commerce under chapter 60G are classified under section 60G.03, subdivision 1.

Sec. 11. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 18b. [INSURANCE AGENT TERMINATION.] Access to data on insurance agent terminations held by the commissioner of commerce is governed by section 60K.10.

Sec. 12. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 18c. [ASSOCIATION DATA.] Certain data submitted to the commissioner of commerce by a life and health guaranty association are classified under section 61B.28, subdivision 2.

Sec. 13. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 18d. [SOLICITOR OR AGENT DATA.] Data relating to suspension or revocation of a solicitor's or agent's license are classified under section 62C.17, subdivision 4.

Sec. 14. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 19f. [LEGAL SERVICE PLAN SOLICITOR OR AGENT DATA.] Information contained in a request by a legal service plan for termination of a solicitor's or agent's license is classified under section 62G.20, subdivision 3.

Sec. 15. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 19g. [ANTITRUST EXEMPTION.] Trade secret data submitted in an application for exemption from antitrust laws by health care entities are classified under section 62J.2914, subdivision 5.

Sec. 16. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 19h. [HEALTH CARE COST CONTAINMENT.] Data required to be submitted under health care cost containment provisions are classified by sections 62J.35, subdivision 3, and 62J.45, subdivision 4a.

Sec. 17. Minnesota Statutes 1994, section 13.99, subdivision 20, is amended to read:

Subd. 20. [AUTO THEFT DATA.] The sharing of data on auto thefts between law enforcement and prosecutors and insurers is governed by section ~~65B.84~~ 65B.82.

Sec. 18. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 20a. [INSURANCE CONTRACT DATA.] Certain insurance contract data held by the commissioner of commerce are classified under section 72A.20, subdivision 15.

Sec. 19. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 20b. [HEALTH CLAIMS APPEALS.] Documents that are part of an appeal from denial of health care coverage for experimental treatment are classified under section 72A.327.

Sec. 20. Minnesota Statutes 1994, section 13.99, subdivision 21a, is amended to read:

Subd. 21a. [MINERAL DEPOSIT EVALUATION DATA.] Data submitted in applying for a permit for mineral deposit evaluation and as a result of exploration are classified under section 103L.605, ~~subdivision~~ subdivisions 2 and 4.

Sec. 21. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 21d. [WASTE MANAGEMENT HAULER DATA.] Data on waste management haulers inspected under section 115A.47 are classified under section 115A.47, subdivision 5.

Sec. 22. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 24a. [VOLUNTARY BUY-OUT DATA.] Data obtained by the commissioner of commerce from insurers under the voluntary buy-out law are classified under section 115B.46, subdivision 6.

Sec. 23. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 24b. [PETROLEUM TANK RELEASE.] Certain data in connection with a petroleum tank release are classified under section 115C.03, subdivision 8.

Sec. 24. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 24c. [TOXIC POLLUTION PREVENTION PLANS.] Toxic pollution prevention plans are classified under section 115D.09.

Sec. 25. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 27e. [DEVELOPMENTAL SCREENING.] Data collected in early childhood developmental screening programs are classified under section 123.704.

Sec. 26. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 27f. [TEACHER LICENSE REPORTING.] Data on certain teacher discharges and resignations reported under section 125.09 are classified under that section.

Sec. 27. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 28a. [HIGHER EDUCATION COORDINATING BOARD.] Financial records submitted by schools registering with the higher education coordinating board are classified under section 136A.64.

Sec. 28. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 29b. [PUBLIC HEALTH STUDIES.] Data held by the commissioner of health in connection with public health studies are classified under section 144.053.

Sec. 29. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 29c. [RURAL HOSPITAL GRANTS.] Financial data on individual hospitals under the rural hospital grant program are classified under section 144.147, subdivision 5.

Sec. 30. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 35c. [TRAUMATIC INJURY DATA.] Data on individuals with a brain or spinal injury collected by the commissioner of health are classified under section 144.665.

Sec. 31. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 38b. [LEAD EXPOSURE DATA.] Data on individuals exposed to lead in their residences are classified under section 144.874, subdivision 1.

Sec. 32. Minnesota Statutes 1994, section 13.99, subdivision 42a, is amended to read:

Subd. 42a. [PHYSICIAN HEALTH DATA BOARD OF MEDICAL PRACTICE.] Physician health data obtained by the licensing board in connection with a disciplinary action are classified under section 147.091, subdivision 6. Data held by the board of medical practice in connection with disciplinary matters are classified under sections 147.01, subdivision 4, and 147.091, subdivision 6.

Sec. 33. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 52b. [UNLICENSED MENTAL HEALTH PRACTITIONERS.] Certain data in connection with the investigation of an unlicensed mental health practitioner are classified under section 148B.66, subdivision 2.

Sec. 34. Minnesota Statutes 1994, section 13.99, subdivision 54, is amended to read:

Subd. 54. [MOTOR VEHICLE REGISTRATION.] ~~The residence address of certain individuals provided to the commissioner of public safety for~~ Various data on motor vehicle registrations is are classified under section sections 168.345 and 168.346.

Sec. 35. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 54b. [DRIVERS' LICENSE CANCELLATIONS.] Access to data on individuals whose driver's licenses have been canceled is governed by section 171.043.

Sec. 36. Minnesota Statutes 1994, section 13.99, subdivision 55, is amended to read:

Subd. 55. [DRIVERS' LICENSE PHOTOGRAPHS AND IMAGES.] Photographs or electronically produced images taken by the commissioner of public safety for drivers' licenses are classified under section 171.07, subdivision 1a.

Sec. 37. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 56a. [DRIVERS' LICENSE CANCELLATION DUE TO BLINDNESS.] Data on a visual examination performed for purposes of drivers' license cancellation are classified under section 171.32, subdivision 3.

Sec. 38. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 58b. [WORKERS' COMPENSATION COVERAGE.] Access to the identity of anyone reporting that an employer may not have workers' compensation insurance is governed by section 176.184, subdivision 5.

Sec. 39. Minnesota Statutes 1994, section 13.99, subdivision 64, is amended to read:

Subd. 64. [HEALTH LICENSING BOARDS.] Data received held by health licensing boards from the commissioner of human services are classified under section sections 214.10, subdivision 8, and 214.25, subdivision 1.

Sec. 40. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 64a. [COMBINED BOARDS DATA.] Data held by licensing boards participating in a health professional services program are classified under sections 214.34 and 214.35.

Sec. 41. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 74c. [OMBUDSMAN ON AGING.] Data held by the ombudsman on aging are classified under section 256.9744.

Sec. 42. Minnesota Statutes 1994, section 13.99, subdivision 78, is amended to read:

Subd. 78. [ADOPTEE'S ORIGINAL BIRTH CERTIFICATE ADOPTION RECORDS.] Various adoption records are classified under section 259.53, subdivision 1. Access to the original birth certificate of a person who has been adopted is governed by section 259.89.

Sec. 43. Minnesota Statutes 1994, section 13.99, subdivision 79, is amended to read:

Subd. 79. [PEACE OFFICERS, COURT SERVICES, AND CORRECTIONS RECORDS OF JUVENILES.] Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3, and disclosure to school officials of court services data on juveniles adjudicated delinquent is are governed by section 260.161, subdivision 1b.

Sec. 44. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 81b. [MINNESOTA YOUTH PROGRAM.] Data on individuals under the Minnesota youth program are classified under section 268.561, subdivision 7.

Sec. 45. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 90a. [CRIMINAL JUSTICE INFORMATION NETWORK.] Data collected by the criminal justice data communications network are classified under section 299C.46, subdivision 5.

Sec. 46. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 92e. [PROFESSIONAL CORPORATIONS.] Access to records of a professional corporation held by a licensing board under section 319A.17 is governed by that section.

Sec. 47. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 92f. [PRIVATE DETECTIVE LICENSE.] Certain data on applicants for licensure as private detectives are classified under section 326.3382, subdivision 3.

Sec. 48. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 98a. [ARENA ACQUISITION.] Certain data in connection with a decision whether to acquire a sports arena are classified under section 473.598, subdivision 4.

Sec. 49. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 98b. [METROPOLITAN AIRPORTS COMMISSION.] Certain airline data submitted to the metropolitan airports commission in connection with the issuance of revenue bonds are classified under section 473.6671, subdivision 3.

Sec. 50. Minnesota Statutes 1994, section 13.99, subdivision 112, is amended to read:

Subd. 112. [CHILD ABUSE REPORT RECORDS.] Data contained in child abuse report records are classified under section 626.556, subdivisions 11 and 11b.

Sec. 51. Minnesota Statutes 1994, section 13.99, is amended by adding a subdivision to read:

Subd. 113a. [CHILD PROTECTION TEAM.] Data acquired by a case consultation committee or subcommittee of a child protection team are classified by section 626.558, subdivision 3.

## ARTICLE 5

### CHILD ABUSE VICTIM VIDEOTAPES

Section 1. Minnesota Statutes 1994, section 13.03, subdivision 6, is amended to read:

Subd. 6. [DISCOVERABILITY OF NOT PUBLIC DATA.] If a state agency, political subdivision, or statewide system opposes discovery of government data or release of data pursuant to court order on the grounds that the data are classified as not public, the party that seeks access to the data may bring before the appropriate presiding judicial officer, arbitrator, or administrative law judge an action to compel discovery or an action in the nature of an action to compel discovery.

The presiding officer shall first decide whether the data are discoverable or releasable pursuant to the rules of evidence and of criminal, civil, or administrative procedure appropriate to the action.

If the data are discoverable the presiding officer shall decide whether the benefit to the party seeking access to the data outweighs any harm to the confidentiality interests of the agency maintaining the data, or of any person who has provided the data or who is the subject of the data, or to the privacy interest of an individual identified in the data. In making the decision, the presiding officer shall consider whether notice to the subject of the data is warranted and, if warranted, what type of notice must be given. The presiding officer may fashion and issue any protective orders necessary to assure proper handling of the data by the parties. If the data are a videotape of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse, the presiding officer shall consider the provisions of section 611A.90, subdivision 2, paragraph (b).

Sec. 2. [13.391] [VIDEOTAPES OF CHILD ABUSE VICTIMS.]

(a) Notwithstanding section 13.04, subdivision 3, an individual subject of data may not obtain a copy of a videotape in which a child victim or alleged victim is alleging, explaining, denying, or describing an act of physical or sexual abuse without a court order under section 13.03, subdivision 6, or 611A.90. The definitions of physical abuse and sexual abuse in section 626.556,

subdivision 2, apply to this subdivision, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

(b) This subdivision does not limit other rights of access to data by an individual under section 13.04, subdivision 3, other than the right to obtain a copy of the videotape.

Sec. 3. Minnesota Statutes 1994, section 13.82, subdivision 6, is amended to read:

Subd. 6. [ACCESS TO DATA FOR CRIME VICTIMS.] On receipt of a written request, the prosecuting authority shall release investigative data collected by a law enforcement agency to the victim of a criminal act or alleged criminal act or to the victim's legal representative unless the release to the individual subject of the data would be prohibited under section 13.391 or the prosecuting authority reasonably believes:

(a) that the release of that data will interfere with the investigation; or

(b) that the request is prompted by a desire on the part of the requester to engage in unlawful activities.

Sec. 4. Minnesota Statutes 1994, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] (a) Upon request, a provider shall supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

(b) Except as provided in paragraph (e), upon a patient's written request, a provider, at a reasonable cost to the patient, shall promptly furnish to the patient (1) copies of the patient's health record, including but not limited to laboratory reports, X-rays, prescriptions, and other technical information used in assessing the patient's health condition, or (2) the pertinent portion of the record relating to a condition specified by the patient. With the consent of the patient, the provider may instead furnish only a summary of the record. The provider may exclude from the health record written speculations about the patient's health condition, except that all information necessary for the patient's informed consent must be provided.

(c) If a provider, as defined in subdivision 1, clause (b)(1), reasonably determines that the information is detrimental to the physical or mental health of the patient, or is likely to cause the patient to inflict self harm, or to harm another, the provider may withhold the information from the patient and may supply the information to an appropriate third party or to another provider, as defined in subdivision 1, clause (b)(1). The other provider or third party may release the information to the patient.

(d) A provider as defined in subdivision 1, clause (b)(3), shall release information upon written request unless, prior to the request, a provider as defined in subdivision 1, clause (b)(1), has designated and described a specific basis for withholding the information as authorized by paragraph (c).

(e) A provider may not release a copy of a videotape of a child victim or alleged victim of physical or sexual abuse without a court order under section 13.03, subdivision 6, or as provided in section 611A.90. This paragraph does not limit the right of a patient to view the videotape.

Sec. 5. [611A.90] [RELEASE OF VIDEOTAPES OF CHILD ABUSE VICTIMS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "physical abuse" and "sexual abuse" have the meanings given in section 626.556, subdivision 2, except that abuse is not limited to acts by a person responsible for the child's care or in a significant relationship with the child or position of authority.

Subd. 2. [COURT ORDER REQUIRED.] (a) A custodian of a videotape of a child victim or alleged victim alleging, explaining, denying, or describing an act of physical or sexual abuse as part of an investigation or evaluation of the abuse may not release a copy of the videotape without a court order, notwithstanding that the subject has consented to the release of the videotape or that the release is authorized under law.

(b) The court order may govern the purposes for which the videotape may be used, reproduction, release to other persons, retention and return of copies, and other requirements reasonably necessary for protection of the privacy and best interests of the child.

Subd. 3. [PETITION.] An individual subject of data, as defined in section 13.02, or a patient, as defined in section 144.335, who is seeking a copy of a videotape governed by this section may petition the district court in the county where the alleged abuse took place or where the custodian of the videotape resides for an order releasing a copy of the videotape under subdivision 2. Nothing in this section establishes a right to obtain access to a videotape by any other person if access is not otherwise authorized by law or pursuant to discovery in a court proceeding.

## ARTICLE 6

### HEALTH DATA

Section 1. Minnesota Statutes 1994, section 144.225, is amended by adding a subdivision to read:

Subd. 2a. [HEALTH DATA ASSOCIATED WITH BIRTH REGISTRATION.] Information from which an identification of risk for disease, disability, or developmental delay in a mother or child can be made, that is collected in conjunction with birth registration or fetal death reporting, is private data as defined in section 13.02, subdivision 12. The commissioner may disclose to a local board of health, as defined in section 145A.02, subdivision 2, health data associated with birth registration which identifies a mother or child at high risk for serious disease, disability, or developmental delay in order to assure access to appropriate health, social, or educational services.

Sec. 2. Minnesota Statutes 1994, section 144.3351, is amended to read:

#### 144.3351 [IMMUNIZATION DATA.]

Providers as defined in section 144.335, subdivision 1, group purchasers as defined in section 62J.03, subdivision 6, elementary or secondary schools or child care facilities as defined in section 123.70, subdivision 9, public or private post-secondary educational institutions as defined in section 135A.14, subdivision 1, paragraph (b), a board of health as defined in section 145A.02, subdivision 2, community action agencies as defined in section 268.53, subdivision 1, and the commissioner of health may exchange immunization data with one another, without the patient's consent, ~~on the date and type of immunizations administered to a patient, regardless of the date of immunization,~~ if the person requesting access provides services on behalf of the patient. For purposes of this section immunization data includes:

- (1) patient's name, address, date of birth, gender, parent or guardian's name; and
- (2) date vaccine was received, vaccine type, lot number, and manufacturer of all immunizations received by the patient, and whether there is a contradiction or an adverse reaction indication.

This section applies to all immunization data, regardless of when the immunization occurred.

Sec. 3. Minnesota Statutes 1994, section 144.651, subdivision 21, is amended to read:

Subd. 21. [COMMUNICATION PRIVACY.] Patients and residents may associate and communicate privately with persons of their choice and enter and, except as provided by the Minnesota Commitment Act, leave the facility as they choose. Patients and residents shall have access, at their expense, to writing instruments, stationery, and postage. Personal mail shall be sent without interference and received unopened unless medically or programmatically contraindicated and documented by the physician in the medical record. There shall be access to a telephone where patients and residents can make and receive calls as well as speak privately. Facilities which are unable to provide a private area shall make reasonable arrangements to accommodate the privacy of patients' or residents' calls. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all~~ eases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of

the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. This right is limited where medically inadvisable, as documented by the attending physician in a patient's or resident's care record. Where programmatically limited by a facility abuse prevention plan pursuant to section 626.557, subdivision 14, clause 2, this right shall also be limited accordingly.

Sec. 4. Minnesota Statutes 1994, section 144.651, subdivision 26, is amended to read:

Subd. 26. [RIGHT TO ASSOCIATE.] Residents may meet with visitors and participate in activities of commercial, religious, political, as defined in section 203B.11 and community groups without interference at their discretion if the activities do not infringe on the right to privacy of other residents or are not programmatically contraindicated. This includes the right to join with other individuals within and outside the facility to work for improvements in long-term care. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 5. Minnesota Statutes 1994, section 253B.03, subdivision 3, is amended to read:

Subd. 3. [VISITORS AND PHONE CALLS.] Subject to the general rules of the treatment facility, a patient has the right to receive visitors and make phone calls. The head of the treatment facility may restrict visits and phone calls on determining that the medical welfare of the patient requires it. Any limitation imposed on the exercise of the patient's visitation and phone call rights and the reason for it shall be made a part of the clinical record of the patient. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 6. Minnesota Statutes 1994, section 253B.03, subdivision 4, is amended to read:

Subd. 4. [SPECIAL VISITATION; RELIGION.] A patient has the right to meet with or call a personal physician, spiritual advisor, and counsel at all reasonable times. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. The patient has the right to continue the practice of religion.

**Sec. 7. [HUNTINGTON'S DISEASE DATA.]**

Data created, collected, received, or maintained by the commissioner of health on individuals relating to genetic counseling services for Huntington's disease may be permanently transferred from the department to the Hennepin county medical center.

**Sec. 8. [REPEALER.]**

Minnesota Statutes 1994, section 13.38, subdivision 4, is repealed."

Delete the title and insert:

"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; computer matching; eliminating report requirements; imposing penalties; providing for the classification and release of booking photographs; conforming provisions dealing with financial assistance data; providing for an information policy training program; limiting the release of copies of videotapes of child abuse victims; requiring a court order in certain cases; appropriating money; amending Minnesota Statutes 1994, sections 13.03, subdivision 6; 13.06, subdivision 6; 13.072, subdivision 1, and by adding a subdivision; 13.08, subdivision 1; 13.10, subdivision 5; 13.31, subdivision 1; 13.32, subdivision 2; 13.43, subdivisions 2 and 5; 13.46, subdivision 2; 13.49; 13.50, subdivision 2; 13.551; 13.62; 13.671; 13.761; 13.77; 13.78; 13.79; 13.793; 13.82, subdivisions 3a, 5, 10, and by adding a subdivision; 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; 144.225, by adding a subdivision; 144.335, subdivision 2; 144.3351; 144.651, subdivisions 21 and 26; 253B.03, subdivisions 3 and 4; 268.12, subdivision 12; 270B.02, subdivision 3; 270B.03, subdivision 1; 270B.12, subdivision 2; 270B.14, subdivisions 1 and 11; 336.9-407; 336.9-411; 383B.225, subdivision 6; and 446A.11, subdivision 11; Laws 1993, chapter 192, section 110; proposing coding for new law in Minnesota Statutes, chapters 13; 13B; 270B; and 611A; repealing Minnesota Statutes 1994, sections 13.38, subdivision 4; 13.69, subdivision 2; 13.71, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, and 17; 13.76, subdivision 1; 13B.04; and Laws 1990, chapter 566, section 9, as amended."

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. 1024:** A bill for an act relating to paternity; changing time limits for bringing certain actions; amending Minnesota Statutes 1994, section 257.57, 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 257.57, subdivision 2, is amended to read:

Subd. 2. The child, the mother, or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor may bring an action:

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (d), (e), (f), (g), or (h), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision;

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (e) or (g), only if the action is brought within three years six months after the date of the execution of the declaration or recognition of parentage person bringing the action obtains the results of blood or genetic tests that indicate that the presumed father is not the father of the child; or



(3) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, paragraph (f), only if the action is brought within three years after the party bringing the action, or the party's attorney of record, has been provided the blood test results.

Sec. 2. [APPLICATION.]

Notwithstanding section 1, a person whose action to declare the existence of the father and child relationship would be barred by section 1 but not by Minnesota Statutes 1994, section 257.57, subdivision 2, clause (2), has until August 1, 1996, or until three years after the date of execution of the declaration or recognition of parentage, whichever is sooner, to bring an action to declare the nonexistence of the father and child relationship presumed under Minnesota Statutes, section 257.55, subdivision 1, paragraph (e) or (g)."

And when so amended the bill do pass.

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

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

**S.F. No. 1199:** A bill for an act relating to motor vehicles; requiring vehicle buyer to notify registrar of motor vehicles of vehicle transfer within ten days; imposing fees and penalties; amending Minnesota Statutes 1994, sections 168.101, subdivision 2; and 168.15; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Page 3, line 16, delete "transfer has been filed" and insert "transferee has executed and delivered to the department an application for a new certificate of title"

Page 3, line 17, after "168A.10" insert ", subdivision 2"

Page 3, line 20, delete everything after the comma and insert "a transferee who has failed to execute and deliver to the department an application for new certificate of title, as provided under section 168A.10, subdivision 2, within 14 days of assignment, shall pay a \$2 fee to the registrar."

Page 3, delete lines 21 and 22

Page 3, line 24, delete "license plates on a vehicle" and insert "an owner's registration"

Page 3, line 25, delete "deliver the title certificate" and insert "execute and deliver an application for a new certificate of title"

Page 3, line 26, delete "1" and insert "2"

Page 3, line 32, delete "being cited for violating" and insert "the alleged violation of"

Page 3, line 33, after "section" insert "or section 168.09, subdivision 1," and after "or" insert "that"

Page 3, lines 35 and 36, delete "being charged" and insert "the date of the citation"

Page 4, after line 3, insert:

"Sec. 4. [REPEALER.]

Minnesota Statutes 1994, section 168A.10, subdivision 6, is repealed."

Amend the title as follows:

Page 1, line 7, before the period, insert "; repealing Minnesota Statutes 1994, section 168A.10, subdivision 6"

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

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

**H.F. No. 331:** A bill for an act relating to health; modifying provisions relating to access to patients and residents; amending Minnesota Statutes 1994, sections 144.651, subdivisions 21 and 26; and 253B.03, subdivisions 3 and 4.

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 144.6501, subdivision 1, is amended to read:

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

(a) "Facility" means a nursing home licensed under chapter 144A or a boarding care facility licensed under sections 144.50 to 144.58.

(b) "Contract of admission," "admission contract," or "admission agreement," includes, but is not limited to, all documents that a resident or resident's representative must sign at the time of, or as a condition of, admission to the facility. Oral representations and statements between the facility and the resident or resident's representative are not part of the contract of admission unless expressly contained in writing in those documents. The contract of admission must specify the obligations of the resident or the responsible party.

(c) "Legal representative" means an attorney-in-fact under a valid power of attorney executed by the prospective resident, or a conservator or guardian of the person or of the estate, or a representative payee appointed for the prospective resident, or other agent of limited powers.

(d) "Responsible party" means a person who has access to the resident's income and assets and who agrees to apply the resident's income and assets to pay for the resident's care or who agrees to make and complete an application for medical assistance on behalf of the resident.

Sec. 2. Minnesota Statutes 1994, section 144.6501, subdivision 4, is amended to read:

Subd. 4. ~~[RESIDENTS' SIGNATURES]~~ **RESIDENT AND FACILITY OBLIGATIONS.** (a) Before or at the time of admission, the facility shall make reasonable efforts to communicate the content of the admission contract to, and obtain on the admission contract the signature of, the person who is to be admitted to the facility and the responsible party. The admission contract must be signed by the prospective resident unless the resident is legally incompetent or cannot understand or sign the admission contract because of the resident's medical condition.

(b) If the resident cannot sign the admission contract, the reason must be documented in the resident's medical record by the admitting physician.

(c) If the determination under paragraph (b) has been made, the facility may request the signature of another person on behalf of the applicant, subject to the provisions of paragraph (d). The facility must not require the person to disclose any information regarding the person's personal financial assets, liabilities, or income, unless the person voluntarily chooses to become financially responsible for the resident's care. The facility must issue timely billing, respond to questions, and monitor timely payment.

(d) A person who desires to assume financial responsibility for the resident's care may contract with the facility to do so. A person other than the resident or a financially responsible spouse who is financially responsible for the resident who signs an admission contract must not be required by the facility to assume personal financial responsibility liability for the resident's care. A person who desires to assume financial responsibility for the resident's care may contract with the facility to do so. However, if the responsible party has signed the admission contract and fails to make timely payment of the facility obligation, or knowingly fails to spenddown the resident's assets appropriately for the purpose of obtaining medical assistance, then the responsible party shall be

liable to the facility for the resident's costs of care which are not paid for by medical assistance. A responsible party shall be personally liable only to the extent the resident's income or assets were misapplied.

(e) The admission contract must include written notice in the signature block, in bold capital letters, that a person other than the resident or financially responsible spouse may not be required by the facility to assume personal financial responsibility liability for the resident's care.

(f) This subdivision does not preclude the facility from obtaining the signature of a legal representative, if applicable."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "sections" insert "144.6501, subdivisions 1 and 4;"

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. 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.

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

Page 1, delete section 1

Page 3, delete lines 14 to 25 and insert:

"(e) The board may not make reimbursement greater than the maximum allowed under paragraph (a) for all incidents on a single site which:

(1) were not reported at the time of release but were discovered and reported after July 1, 1989; and

(2) may have occurred prior to July 1, 1989, as determined by the commissioner.

(f) The board may only reimburse an eligible person for separate incidents within a single site if the commissioner determines that each incident is completely separate and distinct in respect of location within the single site or time of occurrence."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete the first "subdivisions" and insert "a subdivision"

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. 708:** A bill for an act relating to agriculture; exempting a program from recovery of statewide and agency indirect costs; amending Minnesota Statutes 1994, section 16A.127, subdivision 8.

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 17.115, subdivision 2, is amended to read:

Subd. 2. [LOAN CRITERIA.] (a) The shared savings loan program must provide loans for purchase of new or used machinery, installation of equipment, and projects that reduce or make more efficient farm energy use. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed \$15,000 per individual applying for a loan and may not exceed \$75,000 for loans to five or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest on the loans is ~~six~~ seven percent.

(c) Loans may only be made to residents of this state engaged in farming."

Delete the title and insert:

"A bill for an act relating to agriculture; changing the interest rate on the shared savings loan program; amending Minnesota Statutes 1994, section 17.115, 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. 429:** A bill for an act relating to agriculture; eliminating the sunset date for the farmer-lender mediation act; repealing Laws 1986, chapter 398, article 1, section 18, as amended.

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

Page 1, delete section 1 and insert:

"Section 1. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37; Laws 1989, chapter 350, article 16, section 8; Laws 1990, chapter 525, section 1; Laws 1991, chapter 208, section 2; and Laws 1993, First Special Session chapter 2, article 6, section 2, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1995~~ 1997.

Sec. 2. [STUDY; REPORT.]

The extension service shall conduct a study on whether the state should eliminate or continue the state mediation program or expand the program to include some or all of the additional issues eligible for mediation as provided by the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994, Public Law Number 103-354, section 282. The extension service shall, after receiving testimony from all interested parties, report to the agriculture policy committees of the senate and the house of representatives all its findings not later than January 31, 1996. The report shall include an estimate of the annual cost of the state mediation program if additional issues are made eligible for mediation."

Page 1, line 12, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 2, delete "eliminating" and insert "extending"

Page 1, line 3, after the semicolon, insert "providing for a study of expansion of the mediation program;" and delete "repealing" and insert "amending"

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

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

**S.F. No. 1188:** A bill for an act relating to health; encouraging breast feeding; establishing a well-baby designation; exempting breast-feeding from indecent exposure; amending Minnesota Statutes 1994, section 617.23; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Pages 1 and 2, delete section 1

Pages 2 and 3, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "health;"

Page 1, line 3, delete everything before "exempting"

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

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

**S.F. No. 579:** A bill for an act relating to commerce; regulating charitable organizations; regulating filing statement; appropriating money; amending Minnesota Statutes 1994, sections 309.52, subdivisions 2 and 7; 309.53, subdivisions 1, 2, 3, and 8; 309.531, subdivisions 1 and 4; 309.54, subdivision 1; 309.556, subdivision 1; 501B.36; 501B.37, subdivision 2, and by adding a subdivision; and 501B.38; repealing Minnesota Statutes 1994, sections 309.53, subdivision 1a.

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

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1994, section 309.501, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(b) "Registered combined charitable organization" means a federated funding organization:

(1) which is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended through December 31, 1992 (hereinafter "Internal Revenue Code"), and to which contributions are deductible under section 170 of the Internal Revenue Code;

(2) which exists for purposes other than solely fundraising;

(3) which secures funds for distribution to 14 or more affiliated agencies in a single, annual consolidated effort;

(4) which is governed either by a local, independent, voluntary board of directors which represents the broad interests of the public and 90 percent of the directors of the governing board live or work in the community or surrounding area or, if the charitable agencies are solely educational institutions which meet the requirements of paragraph (c), by a national board of directors that has a local advisory board composed of members who live or work in the community or surrounding area;

(5) which distributes at least 70 percent of its total campaign income and revenue, plus donor designated amounts raised to its affiliated agencies and to the designated agencies it supports and expends no more than 30 percent of its total income and revenue, plus donor designated amounts raised for management and general costs and fund raising costs;

(6) which distributes at least 70 percent of its total campaign income and revenue to affiliated agencies and designated agencies that are incorporated in Minnesota or headquartered in the service area in which the state employee combined charitable campaign takes place or, if the

charitable agencies are solely educational institutions which meet the requirements of paragraph (c), distributes at least 70 percent of the state employee combined charitable campaign income and revenue directly to Minnesota residents using established eligibility criteria;

(7) and each designated or affiliated agency supported by the recipient institution devotes substantially all of its activities directly to providing health, welfare, social, or other human services to individuals;

(8) and each designated or affiliated agency supported by the recipient institution with funds contributed by state employees through the combined charitable campaign provides all or substantially all of its health, welfare, social, or other human services, in the community and surrounding area in which the state employee combined charitable campaign takes place;

(9) and each charitable agency is affiliated with no more than one registered combined charitable organization within the registered combined charitable organization's service area in the state's employee combined charitable campaign; and

(10) which has been registered with the commissioner of employee relations in accordance with this section.

Registered combined charitable organization includes a charitable organization organized by Minnesota state employees and their exclusive representatives for the purpose of providing grants to nonprofit agencies providing Minnesota residents with food or shelter if the charitable organization meets the requirements of clauses (1), (4), and (5).

(c) "Affiliated agency" means a charitable agency that is represented by a federation and has an ongoing relationship with that federation which involves a review and monitoring process to ensure financial, managerial, and programmatic responsibility.

(d) "Charitable agency" means a governmental agency or an organization (1) which is tax exempt under section 501(c)3 of the Internal Revenue Code; (2) to which contributions are deductible under section 170 of the Internal Revenue Code; and (3) which is in compliance with the provisions of this chapter.

(e) "State employees combined charitable campaign" means the annual state campaign whereby a state employee may designate that the employee's contribution to a registered combined charitable organization may be deducted from the pay of the employee for each pay period."

Page 2, line 32, before the period, insert "except any schedules of contributors to the organization"

Page 3, line 35, delete everything after "organizations"

Page 3, line 36, delete everything before the period and insert "as required by the Internal Revenue Service in completing the federal information return form 990"

Page 6, after line 16, insert:

"Sec. 12. [309.611] [ANNUAL APPROPRIATION.]

\$75,000 is annually appropriated from the general fund to the attorney general for the administration of sections 309.50 to 309.61, and 501B.33 to 501B.45."

Page 9, delete section 15

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "sections" insert "309.501, subdivision 1;"

Page 1, line 9, before "repealing" insert "proposing coding for new law in Minnesota Statutes, chapter 309;"

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

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

**S.F. No. 1337:** A bill for an act relating to commerce; regulating sales by transient merchants; prohibiting the sale of certain items by certain merchants; prescribing penalties; amending Minnesota Statutes 1994, sections 329.099; and 329.14; proposing coding for new law in Minnesota Statutes, chapter 329.

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 329.099, is amended to read:

329.099 [DEFINITION.]

The term "transient merchant" includes any person, individual, copartnership, limited liability company, and corporation, both as principal and agent, who engage in, do, or transact any temporary and transient business in this state, either in one locality, or in traveling from place to place in this state, selling goods, wares, and merchandise; and who, for the purpose of carrying on such business, hire, lease, occupy, or use a building, structure, vacant lot, or railroad car for the exhibition and sale of such goods, wares, and merchandise. The term "transient merchant" does not include a seller or exhibitor in a firearms collector show involving two or more sellers or exhibitors.

Sec. 2. [329.135] [PROHIBITED SALES.]

No transient merchant or seller at a flea market, except an authorized manufacturer's representative, shall offer for sale any of the following items:

(1) infant formula or other food intended primarily for consumption by a child under the age of two years; and

(2) over-the-counter drugs, medical devices, and cosmetics.

Sec. 3. Minnesota Statutes 1994, section 329.14, is amended to read:

329.14 [CERTAIN SALES EXCEPTED.]

The provisions of sections 329.10 to 329.13 and 329.14 to 329.17 shall not apply to sales made to dealers by commercial travelers or selling agents in the usual course of business, nor to bona fide sales of goods, wares, and merchandise by sample, catalog, or brochure, for future delivery, or to hawkers on the street, or to peddlers from vehicles, baskets, or packs carried on their backs, or to sheriffs, constables, or other public officers selling goods, wares, and merchandise according to law; nor to bona fide assignees or receivers appointed in this state selling goods, wares, and merchandise for the benefit of creditors, nor to persons who may sell or peddle the products of the farm or garden occupied and cultivated by themselves, nor to sales made by a seller at a residential premises pursuant to an invitation issued by the owner or legal occupant of the premises."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**S.F. No. 1056:** A bill for an act relating to real property; authorizing municipalities to establish trust or escrow accounts for proceeds from losses arising from fire or explosion of certain insured real property; authorizing municipalities to utilize escrowed funds to secure, repair, or demolish damaged or destroyed structures; shortening the period of redemption for certain properties sold at

mortgage foreclosure sales; amending Minnesota Statutes 1994, section 580.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

Page 7, delete lines 14 to 16

Page 7, line 17, delete "17" and insert "16"

Page 7, line 32, delete "18" and insert "17"

Page 8, delete section 2

Page 8, line 25, delete "3" and insert "2"

Page 8, line 26, delete everything after the period

Page 8, delete lines 27 to 29

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete lines 8 and 9

Page 1, line 10, delete everything before "proposing"

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 re-referred**

**S.F. No. 1020:** A bill for an act relating to workers' compensation; providing for comprehensive reform of the workers' compensation system; providing a group insurance mechanism; regulating benefits; providing safety incentives and assistance; strengthening antifraud tools; regulating independent contractors; regulating the reinsurance association; appropriating money; amending Minnesota Statutes 1994, sections 13.69, subdivision 1; 79.085; 79.211, subdivision 1; 79.34, subdivision 2; 79.35; 79A.01, by adding subdivisions; 79A.02, subdivisions 1 and 4; 79A.03, subdivisions 2, 6, 7, 8, 9, and 11; 79A.08; 175.16; 176.011, subdivision 18; 176.021, subdivisions 3 and 3a; 176.041, subdivision 1; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 6, and by adding a subdivision; 176.105, subdivisions 2 and 4; 176.106, subdivision 7; 176.132, subdivision 2; 176.135, subdivision 2; 176.179; 176.181, subdivision 8; 176.185, subdivision 1; 176.191, subdivisions 5, 7, and by adding a subdivision; 176.221, subdivisions 1 and 6a; 176.232; 176.238, subdivision 6; 268.08, subdivision 3; 299C.46, subdivision 2; 626.05, subdivision 2; 626.11; 626.13; and 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; proposing coding for new law as Minnesota Statutes, chapter 79B; repealing Minnesota Statutes 1994, sections 79.01, subdivision 8; 79.50; 79.51; 79.52; 79.53; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.011, subdivisions 25 and 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; Laws 1990, chapter 521, section 4.

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

Page 38, line 16, delete "employer" and insert "business" and delete "an" and insert "a business"

Page 38, line 17, delete "employer"

Page 38, line 26, delete "4" and insert "5"

Page 38, line 31, delete "5" and insert "6"

Page 60, delete lines 13 and 14 and insert:



"This article is effective October 1, 1995, and applies to related injuries occurring on and after that date."

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

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

**H.F. No. 1063** 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.
1063	858				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1063 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1063 and insert the language after the enacting clause of S.F. No. 858, the first engrossment; further, delete the title of H.F. No. 1063 and insert the title of S.F. No. 858, the first engrossment.

And when so amended H.F. No. 1063 will be identical to S.F. No. 858, and further recommends that H.F. No. 1063 be given its second reading and substituted for S.F. No. 858, 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. 1468** 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.
1468	1268				

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. 1052** 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.
1052	565				

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. 1647, 801, 1199, 1270, 708, 1188, 1337 and 1056 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 694, 331, 1063, 1468 and 1052 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Morse moved that the name of Mr. Mondale be added as a co-author to S.F. No. 547. The motion prevailed.

Mr. Mondale moved that the name of Mr. Bertram be added as a co-author to S.F. No. 1170. The motion prevailed.

Mr. Laidig moved that the name of Mr. Metzen be added as a co-author to S.F. No. 1221. The motion prevailed.

S.F. No. 335 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 335**

A bill for an act relating to the organization and operation of state government; providing supplemental appropriations for certain purposes.

April 6, 1995

The Honorable Allan H. Spear  
President of the Senate

The Honorable Irv Anderson  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 335, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 335 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [APPROPRIATIONS SUMMARY.]

The sums shown in columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in the following sections of this act to be available for the fiscal year indicated for each purpose. The figure "1995," whenever used in this act, means that the appropriations listed under it are available for the year ending June 30, 1995.

**SUMMARY BY FUND**

General Fund	1995 \$3,183,000
	APPROPRIATIONS Available for the Year Ending June 30
	1995

**Sec. 2. PUBLIC DEFENSE BOARD; JUVENILE JUSTICE BILL MANDATES; COST OF TRANSCRIPTS**

1,500,000

This appropriation is added to the appropriations in Laws 1993, chapter 146, article 2, section 3.

**Sec. 3. RACING COMMISSION**

77,000

This appropriation is added to the appropriation in Laws 1993, chapter 146, article 3, section 3, for regulating, licensing, and monitoring pari-mutuel horse racing activities.

**Sec. 4. VETERANS AFFAIRS; EMERGENCY ASSISTANCE**

500,000

This appropriation is added to the appropriation in Laws 1993, chapter 192, section 23, for the emergency financial and medical needs of veterans.

**Sec. 5. MILITARY AFFAIRS; ARMORY ASSESSMENTS**

46,000

This appropriation is added to the appropriation in Laws 1993, chapter 192, section 22, for special assessments due to the city of Roseville for National Guard property under Minnesota Statutes, section 435.19, subdivision 2.

**Sec. 6. PUBLIC SAFETY; EMERGENCY MANAGEMENT, FLOOD RELIEF**

30,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 5, subdivision 7, to provide matching funds for federal emergency management assistance funds received for flood damaged counties under federal disaster declaration numbers 929, 946, and 993.

**Sec. 7. HEALTH; MENINGITIS**

1,030,000

This appropriation is added to the appropriation in Laws 1993, First Special Session chapter 1, article 1, section 3, subdivision 2, for health protection programs to deal with the meningitis outbreak in Minnesota.

**Sec. 8. [EFFECTIVE DATE.]**

This act is effective the day following final enactment."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Dennis R. Frederickson, Steven Morse, Gene Merriam

House Conferees: (Signed) Jim Girard, Loren Solberg, Darlene Luther

Mr. Frederickson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 335 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 335 was read the third time, as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mses. Berglin, Flynn and Pappas voted in the negative.

So the bill, as amended by the Conference Committee, was repassed 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 S.F. No. 566 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 566:** A bill for an act relating to education; allowing the residential program operated by independent school district No. 518 to remain open until June 1, 1996; amending Laws 1994, chapter 643, section 14, subdivision 8.

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 2, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam and Ms. Robertson voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1363 a Special Order to be heard immediately.

**SPECIAL ORDER**

**H.F. No. 1363:** A bill for an act relating to health; modifying provisions relating to drug dispensing; amending Minnesota Statutes 1994, section 152.11, subdivisions 1 and 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 568 a Special Order to be heard immediately.

**SPECIAL ORDER**

**H.F. No. 568:** A bill for an act relating to traffic regulations; requiring adult motorcycle rider to wear eye protection device; amending Minnesota Statutes 1994, section 169.974, subdivision 4.

Ms. Pappas moved to amend H.F. No. 568 as follows:

Page 1, line 10, strike "under the age of 18"

**CALL OF THE SENATE**

Ms. Johnston imposed a call of the Senate for the balance of the proceedings on H.F. No. 568. The Sergeant at Arms was instructed to bring in the absent members.

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

The roll was called, and there were yeas 9 and nays 55, as follows:

Those who voted in the affirmative were:

Anderson	Kelly	Merriam	Piper	Spear
Flynn	Kroening	Pappas	Ranum	

Those who voted in the negative were:

Beckman	Day	Johnson, D.J.	Laidig	Moe, R.D.
Belanger	Dille	Johnson, J.B.	Langseth	Mondale
Berg	Finn	Johnston	Larson	Morse
Bertram	Frederickson	Kiscaden	Lesewski	Murphy
Betzold	Hanson	Kleis	Lessard	Neuville
Chandler	Hottinger	Knutson	Limmer	Novak
Chmielewski	Janezich	Kramer	Marty	Oliver
Cohen	Johnson, D.E.	Krentz	Metzen	Olson

Ourada  
Pariseau  
Pogemiller

Reichgott Junge  
Riveness  
Robertson

Runbeck  
Sams  
Samuelson

Scheevel  
Solon  
Stevens

Terwilliger  
Vickerman  
Wiener

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

H.F. No. 568 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 670 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 670:** A bill for an act relating to Winona county; authorizing Winona county to negotiate and enter into a contract for deed with Winona county developmental achievement center.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 457 a Special Order to be heard immediately.

**SPECIAL ORDER**

**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.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 782 a Special Order to be heard immediately.

**SPECIAL ORDER**

**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.

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 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 150 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 150:** A bill for an act relating to liquor; term of temporary on-sale licenses; amending Minnesota Statutes 1994, sections 340A.404, subdivision 10; and 340A.410, subdivision 10.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 228 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 228:** A bill for an act relating to occupations and professions; board of medical practice; reinstating certain advisory councils.

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 58 and nays 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Johnston	Knutson	Olson	Pariseau	Robertson
----------	---------	-------	----------	-----------

So the bill passed and its title was agreed to.



Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 226 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 226:** A bill for an act relating to occupations and professions; requiring reporting of certain insurance settlements to board of medical practice; amending Minnesota Statutes 1994, sections 147.111, subdivision 5; and 147.161, 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 61 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mr. Berg, Ms. Hanson and Mr. Riveness voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 715 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 715:** A bill for an act relating to towns; providing for damage award to affected property owner when town board adopts a recorded town road map; amending Minnesota Statutes 1994, section 164.35, subdivision 4.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 216 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 216:** A bill for an act relating to motor vehicles; changing definition of fleet for vehicle registration purposes; amending Minnesota Statutes 1994, section 168.011, subdivision 34.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 612 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 612:** A bill for an act relating to health; requiring equal treatment of prescription drug prescribers; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1088 a Special Order to be heard immediately.

### SPECIAL ORDER

**S.F. No. 1088:** A bill for an act relating to courts; civil actions; modifying the requirements for an application to proceed in forma pauperis by an inmate; allowing the court to dismiss an inmate's action for false allegations of poverty or if it is frivolous or malicious; providing for a hearing; providing for the payment of fees and costs by inmates; providing for the disposition of damages recovered by an inmate; allowing parties to defend certain actions brought by inmates without paying costs; requiring disciplinary rules on false claims or evidence by an inmate; amending Minnesota Statutes 1994, sections 243.23, subdivision 3; and 563.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 243; 244; and 563.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 544 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 544:** A bill for an act relating to courts; requiring the state court administrator to prepare a guide to informal probate.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Day	Johnston	Larson	Oliver
Beckman	Dille	Kelly	Lesewski	Olson
Belanger	Finn	Kiscaden	Lessard	Ourada
Berg	Flynn	Kleis	Limmer	Pappas
Berglin	Frederickson	Knutson	Marty	Pariseau
Bertram	Hanson	Kramer	Merriam	Piper
Betzold	Janezich	Krentz	Metzen	Pogemiller
Chandler	Johnson, D.E.	Kroening	Moe, R.D.	Price
Chmielewski	Johnson, D.J.	Laidig	Morse	Ranum
Cohen	Johnson, J.B.	Langseth	Neuville	Reichgott Junge

Riveness  
Robertson  
Runbeck

Sams  
Samuelson

Scheevel  
Solon

Spear  
Stevens

Terwilliger  
Vickerman

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1105 a Special Order to be heard immediately.

### SPECIAL ORDER

**H.F. No. 1105:** A bill for an act relating to paternity; eliminating a presumption for husbands in certain cases; allowing husbands to join in a recognition of parentage; amending Minnesota Statutes 1994, sections 257.55, subdivision 1; 257.57, subdivision 2; and 257.75, subdivisions 1, 2, 4, and by adding a subdivision.

Ms. Krentz moved to amend H.F. No. 1105, as amended pursuant to Rule 49, adopted by the Senate March 30, 1995, as follows:

(The text of the amended House File is identical to S.F. No. 626.)

Page 3, line 32, after "executed" insert "within one year after the child's birth and"

Page 3, line 34, delete ", and" and insert ". The joinder"

Page 4, line 1, after the period, insert "The joinder must be on a form prepared by the commissioner of human services."

Page 4, line 23, after the comma, insert "husband or former husband who executed a joinder," and after the first "or" insert "the" and strike the second "or" and insert a comma and after the second "father" insert ", or husband or former husband who executed a joinder"

Page 4, line 31, strike "and" and after "father" insert ", and husband or former husband who executed a joinder"

The motion prevailed. So the amendment was adopted.

Ms. Krentz moved that H.F. No. 1105 be laid on the table. The motion prevailed.

### CONSENT CALENDAR

**H.F. No. 1065:** A bill for an act relating to St. Louis county; modifying certain accounting and expenditure requirements for road and bridge fund tax money derived from unorganized townships; proposing coding for new law in Minnesota Statutes, chapter 383C.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson  
Beckman  
Belanger  
Berg  
Berglin  
Bertram  
Betzold  
Chandler  
Chmielewski  
Cohen  
Day  
Dille  
Finn

Flynn  
Frederickson  
Hanson  
Hottinger  
Janezich  
Johnson, D.E.  
Johnson, D.J.  
Johnson, J.B.  
Johnston  
Kelly  
Kiscaden  
Kleis  
Knutson

Kramer  
Krentz  
Kroening  
Laidig  
Langseth  
Larson  
Lesewski  
Lessard  
Limmer  
Marty  
Merriam  
Metzen  
Moe, R.D.

Mondale  
Morse  
Murphy  
Neuville  
Novak  
Oliver  
Ourada  
Pappas  
Pariseau  
Piper  
Pogemiller  
Price  
Ranum

Reichgott Junge  
Riveness  
Robertson  
Runbeck  
Sams  
Samuelson  
Scheevel  
Solon  
Spear  
Stevens  
Terwilliger  
Vickerman  
Wiener

So the bill passed and its title was agreed to.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1125, 47, 1135, 1103 and reports pertaining to appointments. The motion prevailed.

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

**S.F. No. 1441:** A bill for an act relating to public funds; regulating the deposit and investment of these funds, and agreements related to these funds; proposing coding for new law as Minnesota Statutes, chapter 118A; repealing Minnesota Statutes 1994, sections 118.005; 118.01; 118.02; 118.08; 118.09; 118.10; 118.11; 118.12; 118.13; 118.14; 118.16; 124.05; 471.56; 475.66; and 475.76.

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

Page 1, line 17, delete from "police" through page 1, line 23, to "entity," and insert "or" and delete "or an"

Page 1, delete line 24 and insert "except an entity whose investment authority is specified under chapter 11A or 356A."

Page 7, after line 20, insert:

"Sec. 7. [118A.07] [ADDITIONAL INVESTMENT AUTHORITY.]

Subdivision 1. [AUTHORITY PROVIDED.] A government entity that meets the requirements of subdivisions 2 and 3 has additional investment authority under subdivisions 4, 5, and 6.

Subd. 2. [WRITTEN POLICIES AND PROCEDURES.] Prior to exercising any additional authority under subdivisions 4, 5, and 6, a government entity must have written investment policies and procedures governing the following:

(1) the use of or limitation on mutual bond funds or other securities authorized or permitted investments under law;

(2) specifications for and limitations on the use of derivatives;

(3) the final maturity of any individual security;

(4) the maximum average weighted life of the portfolio;

(5) the use of and limitations on reverse repurchase agreements;

(6) credit standards for financial institutions with which the government entity deals; and

(7) credit standards for investments made by the government entity.

Subd. 3. [OVERSIGHT PROCESS.] Prior to exercising any authority under subdivisions 4, 5, and 6, a government entity must establish an oversight process that provides for review of the government entity's investment strategy and the composition of the financial portfolio. This process may include audit, committee review, or internal management control.

Subd. 4. [REPURCHASE AGREEMENTS.] A government entity may enter into repurchase agreements as authorized under section 118A.05, provided that the exclusion of mortgage-backed

securities defined as "high risk mortgage-backed securities" under section 118A.04, subdivision 6, shall not apply to repurchase agreements under this authority if the margin requirements are 101 percent or more.

Subd. 5. [REVERSE REPURCHASE AGREEMENTS.] Notwithstanding the limitations contained in section 118A.05, subdivision 2, a government entity may enter into reverse repurchase agreements to:

(1) meet cash flow needs; or

(2) generate cash for investments, provided that the total securities owned shall be limited to an amount not to exceed 120 percent of the annual daily average of general investable monies for the fiscal year as disclosed in the most recently available audited financial report. Excluded from this limit are:

(i) securities with maturities of one year or less; and

(ii) securities that have been reversed to maturity.

There shall be no limit on the term of a reverse repurchase agreement. Reverse repurchase agreements shall not be included in computing the net debt of the county, and may be made without an election or public sale, and the interest payable thereon shall not be subject to the limitation in section 475.55. The interest shall not be deducted or excluded from gross income of the recipient for the purpose of state income, corporate franchise, or bank excise taxes, or if so provided by federal law, for the purpose of federal income tax.

Subd. 6. [OPTIONS.] A government entity may enter into option agreements to buy or sell securities authorized under law as legal investments for counties, but only with respect to securities owned by the government entity, including securities which are the subject of reverse repurchase agreements under this section which expire at or before the due date of the option agreement."

Page 7, line 26, delete "7" and insert "8"

Renumber the sections in sequence

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

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

**H.F. No. 990:** A bill for an act relating to consumer protection; providing warranties for new assistive devices; providing enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

Page 1, line 12, before "used" insert "designed and"

Page 2, line 1, after the period, insert "Assistive device" does not include a transcutaneous electrical nerve stimulator, neuromuscular electrical stimulator, or dynamic range of motion splint, if the stimulator or splint is already covered by a warranty."

Page 4, line 15, before the period, insert "or replaced"

Page 6, line 20, delete ", twice the amount of"

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

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

**S.F. No. 1112:** A bill for an act relating to local government; authorizing Sherburne county to convey certain county ditches to the city of Elk River under certain conditions.

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

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

**S.F. No. 867:** A bill for an act relating to game and fish; identification required on ice fishing shelters; amending Minnesota Statutes 1994, section 97C.355, subdivision 1.

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

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

**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.

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

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

**S.F. No. 1583:** A bill for an act relating to state lands; authorizing the commissioner of natural resources to sell certain acquired state lands located in Becker county.

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

Page 2, lines 3 and 4, delete "Perry and Alice Gust" and insert "the occupier of the land"

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

**H.F. No. 1018:** A bill for an act relating to the environment; conforming state regulation of chlorofluorocarbons to federal law; amending Minnesota Statutes 1994, sections 116.731, subdivisions 2, 4, and 4a; and 116.735.

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

Page 2, line 11, strike "APPLIANCE RECYCLERS AND SERVICERS;"

Page 2, delete line 14 and insert "persons who service, process, or recycle appliances that may contain CFCs, as"

Page 2, line 16, delete "such" and insert "these"

Page 2, line 20, delete "Such" and insert "The" and after "persons" insert "completing the training"

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

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

**S.F. No. 1073:** A bill for an act relating to the environment; establishing a private cause of action for abandonment of hazardous waste; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 1, line 9, after "which" insert "containers of hazardous waste or material which is"

Page 1, line 15, delete the comma and insert "and"

Page 1, line 16, delete ", and attorney fees"

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

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

**S.F. No. 1076:** A bill for an act relating to energy; regulating wind energy conversion systems siting; authorizing rulemaking; proposing coding for new law in Minnesota Statutes, chapter 116C.

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

Page 1, lines 12 and 16, delete "(OR SYSTEMS)"

Page 1, lines 13 and 17, delete "(or systems)"

Amend the title as follows:

Page 1, line 2, delete "regulating" and insert "exempting"

Page 1, line 3, before the first semicolon, insert "from the power plant siting act"

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

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

**S.F. No. 529:** A bill for an act relating to public safety; requiring installation of automatic sprinkler systems in certain existing high-rise buildings; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

Page 2, line 17, after "(6)" insert "electric generation and distribution facilities operated by a public utility as defined in section 216B.02, subdivision 4, a municipal utility, and a cooperative electric association;"

(7)"

Page 2, line 18, delete "(7)" and insert "(8)"

Page 2, after line 36, insert:

"(f) The commissioner shall grant extensions to public housing agencies and other owners of publicly subsidized housing where lack of capital improvement funds reasonably precludes compliance with the times prescribed in subdivisions 3 and 4."

Page 5, line 3, after the first comma, insert "the Minneapolis public housing authority,"

Page 5, line 8, after "existing" insert "capital improvement"

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

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



**S.F. No. 1075:** A bill for an act relating to health; modifying provisions relating to X-ray operators and inspections; establishing an advisory committee; amending Minnesota Statutes 1994, section 144.121, by adding subdivisions.

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

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

**S.F. No. 1417:** A bill for an act relating to health; occupations and professions; modifying provisions relating to the office of mental health practice; licensing of chemical dependency counselors and hearing instrument dispensers; establishing an advisory council; providing penalties; amending Minnesota Statutes 1994, sections 148B.66, subdivisions 1 and 2, and by adding a subdivision; 148B.68, subdivision 1; 148B.70, subdivision 3; 148C.01; 148C.02; 148C.03, subdivision 1, and by adding a subdivision; 148C.04, subdivisions 1, 2, 3, and 4; 148C.05; 148C.06; 148C.07; 148C.08; 148C.09; 148C.10; 148C.11; 153A.13; 153A.14; 153A.15, subdivisions 1 and 2; 153A.17; 153A.18; 153A.19; 214.01, subdivision 2; 214.10, subdivision 8; and 214.103, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 148C; and 153A; repealing Minnesota Statutes 1994, sections 148B.62; 148C.01, subdivision 8; 148C.03, subdivisions 2 and 3; 148C.035; 148C.09, subdivision 3; and 153A.19, subdivision 1; Minnesota Rules, chapters 4692; and 4745.

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

Pages 2 and 3, delete sections 2 and 3

Pages 5 and 6, delete section 5

Page 22, line 4, delete "subdivision 4"

Page 25, delete lines 33 to 36

Page 26, delete lines 1 to 36

Page 27, delete lines 1 to 10

Page 30, line 29, delete everything after the period

Page 30, delete lines 30 to 32

Pages 33 and 34, delete section 24

Page 34, line 13, delete "Subdivision 1. [COOPERATION.]"

Page 34, line 19, delete the comma

Page 34, delete lines 20 to 29

Page 34, line 30, delete everything before the period

Page 34, delete lines 33 to 36

Page 35, delete lines 1 to 9

Page 38, lines 1 to 3, delete the new language

Page 59, line 35, delete "38" and insert "34"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 8 and 9 and insert "subdivision 1; 148B.68, subdivision 1;"

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

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

**S.F. No. 1536:** A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; amending Minnesota Statutes 1994, section 611A.57, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [TRANSPORTATION AND OTHER AGENCIES APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1996," and "1997," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1996, or June 30, 1997, respectively.

#### SUMMARY BY FUND

	1996	1997	TOTAL
General	\$ 51,990,000	\$ 50,592,000	\$102,582,000
Airports	16,000,000	16,400,000	32,400,000
C.S.A.H.	285,642,000	293,068,000	578,710,000
Highway User	10,325,000	10,332,000	20,657,000
M.S.A.S.	87,078,000	89,240,000	176,318,000
Special Revenue	910,000	934,000	1,844,000
Trunk Highway	813,464,000	811,899,000	1,625,363,000
Transfers to Other			
Direct	(2,916,000)	(2,674,000)	(5,590,000)
<b>TOTAL</b>	<b>1,262,493,000</b>	<b>1,269,791,000</b>	<b>2,532,284,000</b>

**APPROPRIATIONS**  
Available for the Year  
Ending June 30  
1996                      1997

#### Sec. 2. TRANSPORTATION

##### Subdivision 1. Total

Appropriation	1,147,784,000	1,157,292,000
---------------	---------------	---------------

The appropriations in this section are from the trunk highway fund, except when another fund is named.

#### Summary by Fund

General	11,146,000	11,146,000
Airports	15,950,000	16,350,000
C.S.A.H.	285,642,000	293,068,000
M.S.A.S.	87,078,000	89,240,000
Trunk Highway	747,968,000	747,488,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

## Subd. 2. Aeronautics

15,880,000

16,280,000

This appropriation is from the state airports fund.

The amounts that may be spent from this appropriation for each activity are as follows:

## (a) Airport Development and Assistance

11,349,000

11,748,000

\$2,146,000 the first year and \$2,146,000 the second year are for navigational aids.

\$6,800,000 the first year and \$7,200,000 the second year are for airport construction grants.

\$2,300,000 the first year and \$2,300,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$12,000 the first year and \$12,000 the second year are for maintenance of the Pine Creek Airport.

\$91,000 the first year and \$90,000 the second year are for air service grants.

## (b) Aviation Support

4,470,000

4,471,000

\$65,000 the first year and \$65,000 the second year are for the civil air patrol.

\$15,000 the first year and \$15,000 the second year are for the advisory council on metropolitan airport planning. The commissioner of transportation shall transfer these funds to the legislative coordinating commission. These funds are available in either year of the biennium.

## (c) Air Transportation Services

61,000

61,000

This appropriation is from the state airports fund.

## Subd. 3. Transit

11,010,000

11,010,000

## Summary by Fund

General	10,722,000	10,722,000
Trunk Highway	288,000	288,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Greater Minnesota Transit Assistance

10,319,000	10,319,000
------------	------------

This appropriation is from the general fund.

(b) Transit Administration

691,000	691,000
---------	---------

## Summary by Fund

General	403,000	403,000
Trunk Highway	288,000	288,000

Subd. 4. Railroads and Waterways

1,181,000	1,181,000
-----------	-----------

## Summary by Fund

General	242,000	242,000
Trunk Highway	939,000	939,000

Subd. 5. Motor Carrier Regulation

2,266,000	2,267,000
-----------	-----------

## Summary by Fund

General	107,000	107,000
Trunk Highway	2,159,000	2,160,000

Subd. 6. Local Roads

372,720,000	382,308,000
-------------	-------------

## Summary by Fund

C.S.A.H.	285,642,000	293,068,000
M.S.A.S.	87,078,000	89,240,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) County State Aids

285,642,000	293,068,000
-------------	-------------

This appropriation is from the county state-aid highway fund and is available until spent.

(b) Municipal State Aids

87,078,000	89,240,000
------------	------------

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on ways

and means of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(c) State Aid Technical Assistance

5,706,000	5,852,000
-----------	-----------

These amounts are for payments from the following statutory open appropriations.

Summary by Fund

C.S.A.H.	4,373,000	4,486,000	
M.S.A.S.	1,333,000	1,366,000	
Subd. 7. State Road Construction		516,960,000	515,986,000

Summary by Fund

Trunk Highway	516,935,000	515,961,000
General	25,000	25,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) State Road Construction

383,352,000	384,652,000
-------------	-------------

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid

205,000,000	205,000,000
-------------	-------------

Highway User Taxes

178,352,000	179,652,000
-------------	-------------

The commissioner of transportation shall notify the chair of the committee on finance of the senate and chair of the committee on ways and means of the house of representatives quarterly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to landowners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

The department may receive monies covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

(b) Highway Debt Service

21,728,000	19,602,000
------------	------------

\$11,948,000 the first year and \$7,641,000 the second year are for transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on ways and means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

(c) Research and Investment Management

10,388,000

10,390,000

\$243,000 the first year and \$243,000 the second year are available for grants for transportation studies outside the metropolitan area for transportation studies to identify critical concerns, problems, and issues. These grants are available to (1) regional development commissions, and (2) in regions where no regional development commission is functioning, joint-powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission.

\$180,000 the first year and \$180,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(d) Design Engineering

46,992,000

46,992,000

Of these appropriations, \$2,304,000 the first year and \$2,304,000 the second year are for equipment. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General	25,000	25,000
Trunk Highway	46,967,000	46,967,000

Of these appropriations, no more than \$13,178,000 the first year and \$13,178,000 the second year, shall be used for design engineering expenses/contractual services.

Of these appropriations, up to \$150,000 from the trunk highway fund may be used for resurveying

and mapping that portion of the right-of-way of trunk highway 61 lying within the boundaries of the Grand Portage Indian reservation, provided that the reservation tribal council matches this appropriation dollar for dollar. As part of this project, the commissioner, in cooperation with the tribal council, shall determine those portions of the right-of-way that are no longer needed for trunk highway purposes. This determination shall be made according to criteria developed by the commissioner in consultation with the tribal council. Following the completion of this project the commissioner may, pursuant to Minnesota Statutes, section 161.43, relinquish and quit claim to the Grand Portage Band where it is the fee owner, or to the United States where it holds the fee in trust for the Grand Portage Band, any easement or portion of an easement that has been determined to be no longer needed by the transportation department for trunk highway purposes. For the purposes of section 161.43, the tribal council shall be treated in the same manner as if it were a political subdivision of the state, provided that the matching funds contributed by the tribal council to the surveying and mapping project described above shall be considered full compensation for the relinquishment and quit claim of any easements or portions of any easements over tribal or tribal trust lands.

## (e) Construction Engineering

54,500,000	54,500,000
------------	------------

Of these appropriations, no more than \$308,000 the first year and \$308,000 the second year shall be used for construction engineering expenses/contractual services.

Subd. 8. State Road Operations	192,412,000	192,775,000
--------------------------------	-------------	-------------

## Summary by Fund

Trunk Highway	192,403,000	192,766,000
General	9,000	9,000

## (a) State Road Operations

188,244,000	188,607,000
-------------	-------------

\$14,018,000 the first year and \$14,006,000 the second year are for equipment. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

## (b) Electronic Communications

4,168,000	4,168,000
-----------	-----------

## Summary by Fund

General	9,000	9,000
Trunk Highway	4,159,000	4,159,000

\$9,000 the first year and \$9,000 the second year are from the general fund for equipment and operation of the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 9. General Administration	35,355,000	35,485,000
---------------------------------	------------	------------

Summary by Fund

General	41,000	41,000
Airports	70,000	70,000
Trunk Highway	35,244,000	35,374,000

The amounts that may be spent from this appropriation for each activity are as follows:

(a) General Management

22,943,000	22,999,000
------------	------------

\$100,000 each year is appropriated from the trunk highway fund to the commissioner of transportation for grants to stimulate telecommuting as an alternative to peak-hour highway commuting. The commissioner and the Minnesota telecommuting partnership shall determine grant purposes and recipients. Initial consideration will be given to the communities of Cottage Grove, Upsala, and Morrison county.

Notwithstanding any laws to the contrary, the commissioner of transportation is authorized to implement a demonstration congestion pricing project involving interstate trunk highway facilities to determine the feasibility of charging user fees as allowed by Section 1012(b) of the Intermodal Surface Transportation Efficiency Act of 1991, Public Law Number 102-240 (ISTEA). For the purposes of this demonstration project, the commissioner shall be exempt from any rulemaking requirements, and from obtaining prior approval of any other governmental entity. All fees collected by the commissioner shall be deposited in the trunk highway fund and are appropriated to implement and administer this demonstration project.

\$250,000 is appropriated from the trunk highway fund for fiscal year 1996 to the commissioner of transportation as follows: \$150,000 is immediately available and an additional \$100,000 is available only if matched with \$50,000 in money and \$50,000 in-kind funding from private or other public sources. The commissioner shall seek federal funding as well as local matching funds. The commissioner shall disburse money from this appropriation for the following purposes.

The commissioner of transportation shall research and operationally test the installation of a road powered electric vehicle (RPEV) system,



either with high occupancy vehicles (HOVs), shuttles, or full-size buses, as part of the Saints road project in St. Cloud, Minnesota, in coordination with the St. Cloud area metropolitan transit commission. The commissioner shall analyze findings and make recommendations specifically discussing: (1) snow and ice removal over extended periods of system operation; (2) design applications for road installation, durability, and reliability over extended periods of operation of a RPEV system installed in public or test roadbed; (3) research on safety factors and mitigation related to probabilities of occurrence; and (4) preliminary research on RPEV application to intelligent transportation systems.

The commissioner of transportation shall manage the department of transportation in such a manner as to provide seasonal employees of the department with the maximum feasible amount of employment security consistent with the efficient delivery of department programs.

(b) General Services

12,412,000	12,486,000
------------	------------

Summary by Fund

General	41,000	41,000
Airports	70,000	70,000
Trunk Highway	12,301,000	12,375,000

\$3,500,000 the first year and \$3,500,000 the second year are for data processing development. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 10. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for state road construction. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives.

Sec. 3. METROPOLITAN COUNCIL TRANSIT

Subdivision 1. Total

Appropriation	34,542,000	34,542,000
---------------	------------	------------

This appropriation is from the general fund.

## Subd. 2. Regular Route

16,400,000	16,400,000
------------	------------

## Subd. 3. Metro Mobility

14,637,000	14,637,000
------------	------------

The metropolitan council must not spend any money for metro mobility outside this appropriation.

Subd. 4. Community Based  
and Agency Costs

3,505,000	3,505,000
-----------	-----------

Sec. 4. TRANSPORTATION  
REGULATION BOARD

605,000

This appropriation is from the trunk highway fund.

## Sec. 5. PUBLIC SAFETY

Subdivision 1. Total  
Appropriation

80,555,000	80,062,000
------------	------------

## Summary by Fund

General	4,821,000	4,777,000
Highway User	10,200,000	10,207,000
Special Revenue	910,000	934,000
Trunk Highway	64,624,000	64,144,000
Transfers to Other		
Direct	(2,916,000)	(2,674,000)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Administration and  
Related Services

6,286,000	5,647,000
-----------	-----------

## Summary by Fund

General	798,000	798,000
Highway User	19,000	19,000
Trunk Highway	5,469,000	4,830,000

\$326,000 the first year and \$326,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$275,000 the first year and \$275,000 the second year from the general fund is for the continuation of the crime fax integrated criminal alert network project.

\$745,000 the first year and \$88,000 the second year are for integration and development of the statewide juvenile criminal history system, extended juvenile justice data system, statewide misdemeanor system, and the tracking system for domestic abuse orders for protection with the department's centralized computer systems. These appropriations are from the trunk highway fund.

\$206,000 the first year and \$206,000 the second year are for improvements in the department's internal systems support functions. These appropriations are from the trunk highway fund.

Up to \$1,000,000 from dedicated noncriminal justice records fees shall be used to implement the electronic livescan/cardscan fingerprint technology for the statewide arrest/booking locations in accordance with the Minnesota criminal and juvenile justice task force recommendations.

#### Subd. 3. State Patrol

43,727,000

43,835,000

##### Summary by Fund

General	451,000	406,000
Highway User	60,000	60,000
Trunk Highway	43,216,000	43,369,000

During the biennium ending June 30, 1997, no more than five positions, excluding the chief patrol officer, in the state patrol support activity may be filled by state troopers.

During the biennium ending June 30, 1997, the commissioner may purchase other motor fuel when gasohol is not available for the operation of state patrol vehicles.

\$45,000 is available from the general fund for the biennium to replace security equipment at the governor's residence.

#### Subd. 4. Driver and Vehicle Services

29,446,000

29,460,000

##### Summary by Fund

General	3,511,000	3,512,000
Highway User	10,121,000	10,128,000
Trunk Highway	15,756,000	15,761,000
Special Revenue	58,000	59,000

The appropriation from the special revenue fund is from the bicycle transportation account.

#### Subd. 5. Traffic Safety

244,000

245,000

##### Summary by Fund

General	61,000	61,000
Trunk Highway	183,000	184,000
Subd. 6. Pipeline Safety		
	852,000	875,000

This appropriation is from the pipeline safety account in the special revenue fund.

#### Subd. 7. Reimbursements

(a) \$1,761,000 the first year and \$1,517,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1996, and January 1, 1997, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$439,000 the first year and \$441,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1996, and January 1, 1997, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$716,000 the first year and \$716,000 the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1996, and January 1, 1997, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

#### Sec. 6. SUPREME COURT

1,481,000

127,000

This appropriation is from the general fund for the following purposes:

\$675,000 the first year and \$63,000 the second year are for the statewide juvenile criminal history system, extended juvenile justice data, statewide misdemeanor system, and the tracking system for domestic abuse orders for protection.

\$73,000 the first year and \$64,000 the second year are to administer the statewide criminal and juvenile justice community model including salary expenses.

\$733,000 the first year is to implement the electronic livescan/cardscan fingerprint technology for the statewide designated court locations in accordance with the Minnesota criminal and juvenile justice task force recommendations.

**Sec. 7. MINNESOTA SAFETY COUNCIL**

67,000 67,000

This appropriation is from the trunk highway fund.

**Sec. 8. GENERAL CONTINGENT ACCOUNTS**

375,000 375,000

The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

**Summary by Fund**

**Trunk Highway Fund**

200,000 200,000

**Highway User Tax Distribution Fund**

125,000 125,000

**State Airports Fund**

50,000 50,000

**Sec. 9. TORT CLAIMS**

600,000 600,000

To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions."

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. 462:** A bill for an act relating to the environment; implementing the transfer of solid waste management duties of the metropolitan council to the office of environmental assistance; providing for the management of waste; providing penalties; amending Minnesota Statutes 1992, section 115A.33, as reenacted; Minnesota Statutes 1994, sections 16B.122, subdivision 3; 115.071, subdivision 1; 115A.055; 115A.07, subdivision 3; 115A.072, subdivisions 1, 3, and 4; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 9; 115A.191, subdivisions 1 and 2;

115A.32; 115A.411; 115A.42; 115A.45; 115A.46, subdivisions 1 and 5; 115A.55, by adding a subdivision; 115A.5501, subdivisions 2, 3, and 4; 115A.5502; 115A.551, subdivisions 2a, 4, 5, 6, and 7; 115A.554; 115A.557, subdivisions 3 and 4; 115A.558; 115A.63, subdivision 3; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.923, subdivision 1; 115A.9302, subdivisions 1 and 2; 115A.951, subdivision 4; 115A.96, subdivision 2; 115A.965, subdivision 1; 115A.9651, subdivision 3; 115A.97, subdivisions 5 and 6; 115A.981, subdivision 3; 116.07, subdivision 4j; 116.072; 116.66, subdivisions 2 and 4; 116.92, subdivision 4; 400.16; 400.161; 473.149, subdivisions 1, 2d, 2e, 3, 4, and 6; 473.151; 473.516, subdivision 2; 473.801, subdivision 1, and by adding subdivisions; 473.8011; 473.803, subdivisions 1, 1c, 2, 2a, 3, 4, and 5; 473.804; 473.811, subdivisions 1, 4a, 5, 5c, 7, and 8; 473.813, subdivision 2; 473.823, subdivisions 3, 5, and 6; 473.843, subdivision 1; 473.844, subdivisions 1a and 4; 473.8441, subdivisions 2, 4, and 5; 473.845, subdivision 4; 473.846; and 473.848, subdivisions 2 and 4; Laws 1994, chapter 628, article 3, section 209; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 116; and 480; repealing Minnesota Statutes 1994, sections 115A.81, subdivision 3; 115A.90, subdivision 3; 116.94; 383D.71, subdivision 2; 473.149, subdivisions 2, 2a, 2c, 2f, and 5; 473.181, subdivision 4; and 473.803, subdivisions 1b and 1e.

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

Page 4, line 23, delete "50" and insert "49"

Pages 18 and 19, delete section 26

Pages 29 and 30, delete section 34

Page 30, lines 16 and 17, delete "Minnesota Statutes 1994,"

Page 30, after line 24, insert:

"Sec. 34. Minnesota Statutes 1994, section 116.92, subdivision 4, is amended to read:

Subd. 4. [REMOVAL FROM SERVICE; PRODUCTS CONTAINING MERCURY.] (a) When an item listed in subdivision 3 is removed from service the mercury in the item must be reused, recycled, or otherwise managed to ensure compliance with section 115A.932.

(b) A person who is in the business of replacing or repairing an item listed in subdivision 3 in households shall ensure, or deliver the item to a facility that will ensure, that the mercury contained in an item that is replaced or repaired is reused or recycled or otherwise managed in compliance with section 115A.932.

(c) A person may not crush a motor vehicle unless the person has first made a good faith effort to remove all of the mercury switches in the motor vehicle. A person who removes a mercury switch from a motor vehicle shall turn it over to the commissioner without cost."

Page 45, after line 1, insert:

"Sec. 50. [REPORT.]

The commissioner of the pollution control agency and the agency board shall each, by February 1, 1996, report to the chairs of the senate governmental operations and veterans committee, and the house of representatives governmental operations committee on the effect of the agency board's activities on the agency's ability to operate in a timely, efficient, and effective manner. The report must include recommended changes to improve the agency's ability to further the policy in Minnesota Statutes, section 116.01."

Page 45, line 7, delete "38 to 48" and insert "37 to 47"

Page 45, line 22, delete "38, 39, 40, 41, 43, 44, 45" and insert "37, 38, 39, 40, 42, 43, 44"

Page 45, line 26, delete "Sections 26 and 49 are" and insert "Section 48 is"

Renumber the sections in sequence

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 referred**

**S.F. No. 1572:** A bill for an act relating to state government; prohibiting investment of public funds in certain assets; amending Minnesota Statutes 1994, sections 11A.24, subdivision 1; 356A.06, by adding a subdivision; and 475.66, subdivision 3.

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

Page 1, line 18, after "be" insert "concurrently"

Page 1, line 23, delete "and" and insert "or" and after the period, insert "Only securities authorized by this section, excluding those under subdivision 6, paragraph (a), clauses (1) to (4), may be accepted as collateral or offsetting securities."

Page 2, line 1, after "be" insert "concurrently"

Page 2, line 7, delete "and" and insert "or" and after the period, insert "Only securities authorized by this section, excluding those under subdivision 7, paragraph (g), clause (1), items (1) to (iv), may be accepted as collateral or offsetting securities."

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

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

**S.F. No. 375:** A bill for an act relating to energy; adding pumped hydropower to the list of preferred alternative energy sources; providing for incentive payments to pumped hydropower facilities; amending Minnesota Statutes 1994, sections 216C.051, subdivision 7; and 216C.41, subdivision 1.

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

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

**H.F. No. 733:** A bill for an act relating to employment; modifying provisions relating to high pressure piping installation; providing penalties; amending Minnesota Statutes 1994, sections 326.48, subdivisions 1, 2, 3, 4, and 5; 326.50; 326.51; and 326.52; repealing Minnesota Statutes 1994, section 326.47, subdivisions 3 and 4.

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

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

**H.F. No. 354:** A bill for an act relating to utilities; allowing small gas utility franchises an exemption from rate regulation for incidental utility service; amending Minnesota Statutes 1994, section 216B.16, subdivision 12.

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

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

**S.F. No. 1125:** A bill for an act relating to employment; establishing the labor education advancement grant program; proposing coding for new law in Minnesota Statutes, chapter 178.

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

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

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

**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.

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

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

**S.F. No. 47:** A bill for an act relating to human services; changing the monthly allowance deduction for children of institutionalized patients on medical assistance; amending Minnesota Statutes 1994, section 256B.0575.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**DEPARTMENT OF HUMAN SERVICES FINANCE AND MANAGEMENT POLICY**

Section 1. Minnesota Statutes 1994, section 16B.08, subdivision 5, is amended to read:

Subd. 5. [~~FEDERAL GENERAL SERVICES ADMINISTRATION AGENCY PRICE SCHEDULES.~~] Notwithstanding anything in this chapter to the contrary, the commissioner may, instead of soliciting bids, contract for purchases with suppliers who have published schedules of prices effective for sales to the ~~General Services Administration~~ any federal agency of the United States. These contracts may be entered into, regardless of the amount of the purchase price, if the commissioner considers them advantageous and if the purchase price of all the commodities purchased under the contract do not exceed the price specified by the schedule.

Sec. 2. Minnesota Statutes 1994, section 171.07, is amended by adding a subdivision to read:

Subd. 10. [**AGREEMENTS WITH OTHER AGENCIES.**] The commissioner of public safety is authorized to enter into agreements with other agencies to issue cards to clients of those agencies for use in their programs. The cards may be issued to persons who do not qualify for a Minnesota driver's license or do not provide evidence of name and identity as required by rule for a Minnesota identification card. Persons issued cards under this subdivision will meet the identification verification requirements of the contracting agency.

The interagency agreement may include provisions for the payment of the county fee provided in section 171.06, subdivision 4, and the actual cost to manufacture the card.

Cards issued under this subdivision are not Minnesota identification cards for the purposes defined in sections 48.512, 201.061, 201.161, 332.50, and 340A.503.

Sec. 3. Minnesota Statutes 1994, section 256.014, subdivision 1, is amended to read:

Subdivision 1. [**ESTABLISHMENT OF SYSTEMS.**] The commissioner of human services shall establish and enhance computer systems necessary for the efficient operation of the programs the commissioner supervises, including:

(1) management and administration of the food stamp and income maintenance programs, including the electronic distribution of benefits;



- (2) management and administration of the child support enforcement program; and
- (3) administration of medical assistance and general assistance medical care.

The commissioner shall distribute the nonfederal share of the costs of operating and maintaining the systems to the commissioner and to the counties participating in the system in a manner that reflects actual system usage, except that the nonfederal share of the costs of the MAXIS computer system and child support enforcement systems shall be borne entirely by the commissioner. Development costs must not be assessed against county agencies.

Sec. 4. Minnesota Statutes 1994, section 256.045, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF HEARINGS.] All hearings held pursuant to subdivision 3, 3a, or 4a shall be conducted according to the provisions of the federal Social Security Act and the regulations implemented in accordance with that act to enable this state to qualify for federal grants-in-aid, and according to the rules and written policies of the commissioner of human services. County agencies shall install equipment necessary to conduct telephone hearings. A state human services referee may schedule a telephone conference hearing when the distance or time required to travel to the county agency offices will cause a delay in the issuance of an order, or to promote efficiency, or at the mutual request of the parties. Hearings may be conducted by telephone conferences unless the applicant, recipient, or former recipient objects. The hearing shall not be held earlier than five days after filing of the required notice with the county or state agency. The state human services referee shall notify all interested persons of the time, date, and location of the hearing at least five days before the date of the hearing. Interested persons may be represented by legal counsel or other representative of their choice, including a provider of therapy services, at the hearing and may appear personally, testify and offer evidence, and examine and cross-examine witnesses. The applicant, recipient, or former recipient shall have the opportunity to examine the contents of the case file and all documents and records to be used by the county or state agency at the hearing at a reasonable time before the date of the hearing and during the hearing. Upon request, the county agency shall provide reimbursement for transportation, child care, photocopying, medical assessment, witness fee, and other necessary and reasonable costs incurred by the applicant, recipient, or former recipient in connection with the appeal. All evidence, except that privileged by law, commonly accepted by reasonable people in the conduct of their affairs as having probative value with respect to the issues shall be submitted at the hearing and such hearing shall not be "a contested case" within the meaning of section 14.02, subdivision 3. The agency must present its evidence prior to or at the hearing, and may not submit evidence after the hearing except by agreement of the parties at the hearing, provided the recipient has the opportunity to respond.

Sec. 5. Minnesota Statutes 1994, section 256.045, subdivision 5, is amended to read:

Subd. 5. [ORDERS OF THE COMMISSIONER OF HUMAN SERVICES.] A state human services referee shall conduct a hearing on the appeal and shall recommend an order to the commissioner of human services. The recommended order must be based on all relevant evidence and must not be limited to a review of the propriety of the state or county agency's action. A referee may take official notice of adjudicative facts. The commissioner of human services may accept the recommended order of a state human services referee and issue the order to the county agency and the applicant, recipient, former recipient, or prepaid health plan. The commissioner on refusing to accept the recommended order of the state human services referee, shall notify the county agency and the applicant, recipient, former recipient, or prepaid health plan of that fact and shall state reasons therefor and shall allow each party ten days' time to submit additional written argument on the matter. After the expiration of the ten-day period, the commissioner shall issue an order on the matter to the county agency and the applicant, recipient, former recipient, or prepaid health plan.

A party aggrieved by an order of the commissioner may appeal under subdivision 7, or request reconsideration by the commissioner within 30 days after the date the commissioner issues the order. The commissioner may reconsider an order upon request of any party or on the commissioner's own motion. A request for reconsideration does not stay implementation of the commissioner's order. Upon reconsideration, the commissioner may issue an amended order or an order affirming the original order.

Any order of the commissioner issued under this subdivision shall be conclusive upon the parties unless appeal is taken in the manner provided by subdivision 7. Any order of the commissioner is binding on the parties and must be implemented by the state agency or a county agency until the order is reversed by the district court, or unless the commissioner or a district court orders monthly assistance or aid or services paid or provided under subdivision 10.

Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing or seek judicial review of an order issued under this section, unless assisting a recipient as provided in subdivision 4.

Sec. 6. Minnesota Statutes 1994, section 256.736, subdivision 13, is amended to read:

Subd. 13. [STATE SHARE.] The state must pay 75 percent of the nonfederal share of costs incurred by counties under subdivision 11.

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 county agency expenditures made under subdivision 11 from January 1, 1991, ~~on~~ to June 30, 1995. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Beginning July 1, 1995, the state must pay 100 percent of the nonfederal share incurred by counties under subdivision 11, up to the limit of state appropriations. If the state appropriation is not sufficient to fund the cost of case management services for all caretakers identified in subdivision 2a, the commissioner must define a statewide subgroup of caretakers which includes all caretakers in subdivision 2a, clause (1), and as many caretakers as possible from subdivision 2a, clauses (2) and (3).

Sec. 7. [256.986] [ASSISTANCE TRANSACTION CARD FEE.]

Subdivision 1. [REPLACEMENT CARD.] The commissioner of human services may charge a cardholder, defined as a person in whose name an assistance transaction card is issued, a \$2 fee to replace an assistance transaction card. The fees shall be appropriated to the commissioner and used for electronic benefit purposes.

Subd. 2. [TRANSACTION FEE.] Contingent upon the results of a state study to determine the cost-effectiveness of a transaction fee, the commissioner may charge a transaction fee of up to \$1 for each automated teller machine transaction in excess of four per month, up to a cap of \$10 in transaction fees per cardholder, per month. A transaction fee subsequently set by the federal government may supersede a fee established under this subdivision. The fees shall be appropriated to the commissioner and used for electronic benefit purposes.

## ARTICLE 2

### LIFE SKILLS SELF-SUFFICIENCY POLICY

Section 1. Minnesota Statutes 1994, section 144.0723, subdivision 1, is amended to read:

Subdivision 1. ~~[CLIENT REIMBURSEMENT CLASSIFICATIONS.]~~ The commissioner of health shall establish ~~reimbursement~~ classifications based upon the assessment of each client in intermediate care facilities for the mentally retarded conducted after December 31, 1988 1994, under section 256B.501, subdivision 3g, ~~or under rules established by the commissioner of human services under section 256B.501, subdivision 3j.~~ The ~~reimbursement~~ classifications established by the commissioner must conform to the section 256B.501, subdivision 3g, and subsequent rules established by the commissioner of human services to set payment rates for intermediate care facilities for the mentally retarded ~~beginning on or after October 1, 1990.~~

Sec. 2. Minnesota Statutes 1994, section 144.0723, subdivision 2, is amended to read:

Subd. 2. ~~[NOTICE OF CLIENT REIMBURSEMENT CLASSIFICATION.]~~ The commissioner of health shall notify each ~~client and intermediate care facility for the mentally retarded in which the client resides~~ of the ~~reimbursement classification~~ classifications established under subdivision 1 for each client residing in the facility. The notice must inform the ~~client~~

~~intermediate care facility for the mentally retarded of the classification classifications that was are assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification any classifications assigned. The notice of classification must be sent by first-class mail. The individual client notices may be sent to the client's intermediate care facility for the mentally retarded for distribution to the client. The facility must distribute the notice to the client's case manager and to the client or to the client's representative. This notice must be distributed within three working days after the facility receives the notices from the department. For the purposes of this section, "representative" includes the client's legal representative as defined in Minnesota Rules, part 9525.0015, subpart 18, the person authorized to pay the client's facility expenses, or any other individual designated by the client.~~

Sec. 3. Minnesota Statutes 1994, section 144.0723, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR RECONSIDERATION.] ~~The client, client's representative, or the~~ intermediate care facility for the mentally retarded may request that the commissioner reconsider the assigned classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days after the receipt of the notice of client classification. The request for reconsideration must include the name of the client, the name and address of the facility in which the client resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the client and services provided to the client at the time of the assessment resulting in the disputed classification justify a change of classification.

Sec. 4. Minnesota Statutes 1994, section 144.0723, subdivision 4, is amended to read:

Subd. 4. [ACCESS TO INFORMATION.] ~~Annually, at the interdisciplinary team meeting, the intermediate care facility for the mentally retarded shall inform the client or the client's representative and case manager of the client's most recent classification as determined by the department of health. Upon written request, the intermediate care facility for the mentally retarded must give the client's case manager, the client, or the client's representative a copy of the assessment form and the other documentation that was given to the department to support the assessment findings. The facility shall also provide access to and a copy of other information from the client's record that has been requested by or on behalf of the client to support a client's reconsideration request. A copy of any requested material must be provided within three working days after the facility receives a written request for the information. If the facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment. Notwithstanding this section, any order issued by the commissioner under this subdivision must require that the facility immediately comply with the request for information and that as of the date the order is issued, the facility shall forfeit to the state a \$100 fine the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.~~

Sec. 5. Minnesota Statutes 1994, section 144.0723, subdivision 6, is amended to read:

Subd. 6. [RECONSIDERATION.] The commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under subdivisions subdivision 3 and 5. ~~If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. At the commissioner's discretion, the commissioner may review the reimbursement classifications assigned to all clients in the facility. Within 15 working days after receiving the request for reconsideration, the commissioner shall affirm or modify the original client classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. The client and the intermediate care facility for the mentally retarded shall be notified within five working days after the decision is made. The commissioner's decision under this subdivision is the final administrative decision of the agency.~~

Sec. 6. Minnesota Statutes 1994, section 252.27, subdivision 1a, is amended to read:

Subd. 1a. [DEFINITIONS.] ~~A person has a "related condition" if that person has~~ is a condition that is found to be closely related to mental retardation, including, but not limited to, cerebral palsy, epilepsy, autism, and Prader-Willi syndrome and that meets all of the following criteria: (a) ~~is severe, and chronic disability that meets all of the following conditions: (a) is attributable to cerebral palsy, epilepsy, autism, Prader-Willi syndrome, or any other condition, other than mental illness as defined under section 245.462, subdivision 20, or an emotional disturbance, as defined under section 245.4871, subdivision 15, found to be closely related to mental retardation because the condition;~~ (b) results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation and; (c) requires treatment or services similar to those required for persons with mental retardation; ~~(b) (d) is manifested before the person reaches 22 years of age; (e) (e) is likely to continue indefinitely; and (d) (f) results in substantial functional limitations in three or more of the following areas of major life activity: (1) self-care, (2) understanding and use of language, (3) learning, (4) mobility, (5) self-direction, (6) capacity for independent living; and (g) is not attributable to mental illness as defined in section 245.462, subdivision 20, or an emotional disturbance as defined in section 245.4871, subdivision 15. For purposes of clause (g), notwithstanding section 245.462, subdivision 20, or 245.4871, subdivision 15, "mental illness" does not include autism or other pervasive developmental disorders.~~

Sec. 7. Minnesota Statutes 1994, section 252.275, subdivision 3, is amended to read:

Subd. 3. [REIMBURSEMENT.] Counties shall be reimbursed for all expenditures made pursuant to subdivision 1 at a rate of 70 percent, up to the allocation determined pursuant to subdivisions 4, ~~4a,~~ and 4b. However, the commissioner shall not reimburse costs of services for any person if the costs exceed the state share of the average medical assistance costs for services provided by intermediate care facilities for a person with mental retardation or a related condition for the same fiscal year, and shall not reimburse costs of a one-time living allowance for any person if the costs exceed \$1,500 in a state fiscal year. ~~For the biennium ending June 30, 1993, the commissioner shall not reimburse costs in excess of the 85th percentile of hourly service costs based upon the cost information supplied to the legislature in the proposed budget for the biennium.~~ The commissioner may make payments to each county in quarterly installments. The commissioner may certify an advance of up to 25 percent of the allocation. Subsequent payments shall be made on a reimbursement basis for reported expenditures and may be adjusted for anticipated spending patterns.

Sec. 8. Minnesota Statutes 1994, section 252.275, subdivision 4, is amended to read:

Subd. 4. [FORMULA.] ~~Effective January 1, 1992,~~ The commissioner shall allocate funds on a calendar year basis. ~~For calendar year 1992, funds shall be allocated based on each county's portion of the statewide reimbursement received under this section for state fiscal year 1991. For subsequent calendar years, funds shall be~~ Beginning with the calendar year in the 1996 grant period, funds shall be allocated first in amounts equal to each county's guaranteed floor according to subdivision 4b, with any remaining available funds allocated based on each county's portion of the statewide expenditures eligible for reimbursement under this section during the 12 months ending on June 30 of the preceding calendar year.

If the legislature appropriates funds for special purposes, the commissioner may allocate the funds based on proposals submitted by the counties to the commissioner in a format prescribed by the commissioner. Nothing in this section prevents a county from using other funds to pay for additional costs of semi-independent living services.

Sec. 9. Minnesota Statutes 1994, section 252.275, subdivision 8, is amended to read:

Subd. 8. [USE OF FEDERAL FUNDS AND TRANSFER OF FUNDS TO MEDICAL ASSISTANCE.] (a) The commissioner shall make every reasonable effort to maximize the use of federal funds for semi-independent living services.

(b) The commissioner shall reduce the payments to be made under this section to each county from January 1, 1994 to June 30, 1996, by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home and community-based waiver program under section 256B.092 from January 1, 1994 to June 30, 1996, for clients for whom the county is financially responsible and who have been transferred by the county from the semi-independent living services program to the home and community-based

waiver program. Unless otherwise specified, all reduced amounts shall be transferred to the medical assistance state account.

(c) For fiscal year 1997, the base appropriation available under this section shall be reduced by the amount of the state share of medical assistance reimbursement for services other than residential services provided under the home and community-based waiver program authorized in section 256B.092 from January 1, 1995 to December 31, 1995, for persons who have been transferred from the semi-independent living services program to the home and community-based waiver program. The base appropriation for the medical assistance state account shall be increased by the same amount.

(d) For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1996 allocations, each county's original allocation for calendar year 1995 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on June 30, 1995. For purposes of calculating the guaranteed floor under subdivision 4b and to establish the calendar year 1997 allocations, each county's original allocation for calendar year 1996 shall be reduced by the amount transferred to the state medical assistance account under paragraph (b) during the six months ending on ~~June 30, 1996~~ December 31, 1995.

Sec. 10. Minnesota Statutes 1994, section 252.46, subdivision 1, is amended to read:

Subdivision 1. [RATES.] Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board are governed by subdivisions 2 to 19. The commissioner shall approve the following three payment rates for services provided by a vendor:

(1) a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site;

(2) a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and

(3) a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

The commissioner may also approve an hourly job-coach, follow-along rate for services provided by one employee en route to or from community locations to supervise, support, and assist one person receiving the vendor's services to learn job-related skills necessary to obtain or retain employment when and where no other persons receiving services are present and when all the following criteria are met:

(1) the vendor requests and the county recommends an optimal rate;

(2) the service is prior authorized by the county on the medicaid management information system for no more than 414 hours in a 12-month period and the daily per person charge to medical assistance does not exceed the vendor's approved full day plus transportation rates;

(3) separate full day, partial day, and transportation rates are not billed for the same person on the same day;

(4) the approved hourly rate does not exceed the sum of the vendor's current average hourly direct service wage, including fringe benefits and taxes, plus a component equal to the vendor's average hourly nondirect service wage expenses; and

(5) the actual revenue received for provision of hourly job-coach, follow-along services is subtracted from the vendor's total expenses for the same time period and those adjusted expenses are used for determining recommended full day and transportation payment rates under subdivision 5 in accordance with the limitations in subdivision 3.

Medical assistance rates for home and community-based service provided under section 256B.501, subdivision 4, by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to

252.47. For very dependent persons with special needs the commissioner may approve an exception to the approved payment rate under section 256B.501, subdivision 4 or 8.

Sec. 11. Minnesota Statutes 1994, section 252.46, subdivision 3, is amended to read:

Subd. 3. [RATE MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1 of the previous calendar year. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual inflation adjustments in reimbursement rates for each vendor, based upon the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year. ~~The commissioner shall not provide an annual inflation adjustment for the biennium ending June 30, 1993.~~

Sec. 12. Minnesota Statutes 1994, section 252.46, subdivision 17, is amended to read:

Subd. 17. [HOURLY RATE STRUCTURE.] Counties participating as host counties under the pilot study of hourly rates established under Laws 1988, chapter 689, article 2, section 117, may recommend continuation of the hourly rates for participating vendors. The recommendation must be made annually under subdivision 5 and according to the methods and standards provided by the commissioner. The commissioner shall approve the hourly rates when service authorization, billing, and payment for services is possible through the Medicaid management information system and the other criteria in this subdivision are met. Counties and vendors operating under the pilot study of hourly rates established under Laws 1988, chapter 689, article 2, section 117, shall work with the commissioner to translate the hourly rates and actual expenditures into rates meeting the criteria in subdivisions 1 to 16 unless hourly rates are approved under this subdivision. If the rates meeting the criteria in subdivisions 1 to 16 are lower than the county's or vendor's current rate, the county or vendor must continue to receive the current rate.

Sec. 13. Minnesota Statutes 1994, section 254B.02, subdivision 1, is amended to read:

Subdivision 1. [CHEMICAL DEPENDENCY TREATMENT ALLOCATION.] The chemical dependency funds appropriated for allocation shall be placed in a special revenue account. For the fiscal year beginning July 1, 1987, funds shall be transferred to operate the vendor payment, invoice processing, and collections system for one year. The commissioner shall annually transfer funds from the chemical dependency fund to pay for operation of the drug and alcohol abuse normative evaluation system and to pay for all costs incurred by adding two positions for licensing of chemical dependency treatment and rehabilitation programs located in hospitals for which funds are not otherwise appropriated. The commissioner shall annually divide the money available in the chemical dependency fund that is not held in reserve by counties from a previous allocation. Twelve percent of the remaining money must be reserved for treatment of American Indians by eligible vendors under section 254B.05. The remainder of the money must be allocated among the counties according to the following formula, using state demographer data and other data sources determined by the commissioner:

~~(a) The county non-Indian and over age 14 per capita months of eligibility for aid to families with dependent children, general assistance, and medical assistance is divided by the total state non-Indian and over age 14 per capita months of eligibility to determine the caseload factor for each county.~~

~~(b) The average median married couple income for the previous three years for the state is divided by the average median married couple income for the previous three years for each county to determine the income factor.~~

~~(c) The non-Indian and over age 14 population of the county is multiplied by the sum of the income factor and the caseload factor to determine the adjusted population.~~

(a) For purposes of this formula, American Indians and children under age 14 are subtracted from the population of each county to determine the restricted population.

(b) The amount of chemical dependency fund expenditures for entitled persons for services not

covered by prepaid plans governed by section 256B.69 in the previous year is divided by the amount of chemical dependency fund expenditures for entitled persons for all services to determine the proportion of exempt service expenditures for each county.

(c) The prepaid plan months of eligibility is multiplied by the proportion of exempt service expenditures to determine the adjusted prepaid plan months of eligibility for each county.

(d) The adjusted prepaid plan months of eligibility is added to the number of restricted population fee for service months of eligibility for aid to families with dependent children, general assistance, and medical assistance and divided by the county restricted population to determine county per capita months of covered service eligibility.

(e) The number of adjusted prepaid plan months of eligibility for the state is added to the number of fee for service months of eligibility for aid to families with dependent children, general assistance, and medical assistance for the state restricted population and divided by the state restricted population to determine state per capita months of covered service eligibility.

(f) The county per capita months of covered service eligibility is divided by the state per capita months of covered service eligibility to determine the county welfare caseload factor.

(g) The median married couple income for the most recent three-year period available for the state is divided by the median married couple income for the same period for each county to determine the income factor for each county.

(h) The county restricted population is multiplied by the sum of the county welfare caseload factor and the county income factor to determine the adjusted population.

~~(d)~~ (i) \$15,000 shall be allocated to each county.

~~(e)~~ (j) The remaining funds shall be allocated proportional to the county adjusted population.

Sec. 14. Minnesota Statutes 1994, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. [LICENSURE REQUIRED.] Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs located on federally recognized tribal lands that provide chemical dependency primary treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors. Detoxification programs are not eligible vendors. Programs that are not licensed as a chemical dependency residential or nonresidential treatment program by the commissioner or by tribal government are not eligible vendors. To be eligible for payment under the Consolidated Chemical Dependency Treatment Fund, a vendor must participate in the Drug and Alcohol Abuse Normative Evaluation System and the treatment accountability plan.

Sec. 15. Minnesota Statutes 1994, section 256.975, is amended by adding a subdivision to read:

Subd. 6. [INDIAN ELDERS POSITION.] The Minnesota board on aging shall create an Indian elders coordinator position, and shall hire staff as appropriations permit for the purposes of coordinating efforts with the National Indian Council on Aging and developing a comprehensive statewide service system for Indian elders. An Indian elder is defined for purposes of this subdivision as an Indian enrolled in a band or tribe who is 55 years or older. The statewide service system must include the following components:

(1) an assessment of the program eligibility, examining the need to change the age-based eligibility criteria to need-based eligibility criteria;

(2) a planning system that would grant or make recommendations for granting federal and state funding for services;

(3) a plan for service focal points, senior centers, or community centers for socialization and service accessibility for Indian elders;

(4) a plan to develop and implement education and public awareness campaigns including awareness programs, sensitivity cultural training, and public education on Indian elder needs;

(5) a plan for information and referral services including trained advocates and an Indian elder newsletter;

(6) a plan for a coordinated health care system including health promotion/prevention, in-home service, long-term care service, and health care services;

(7) a plan for ongoing research involving Indian elders including needs assessment and needs analysis;

(8) information and referral services for legal advice or legal counsel; and

(9) a plan to coordinate services with existing organizations including the council of Indian affairs, the Minnesota Indian council of elders, the Minnesota board on aging, and tribal governments.

Sec. 16. Minnesota Statutes 1994, section 256B.092, is amended by adding a subdivision to read:

Subd. 4c. [LIVING ARRANGEMENTS BASED ON A 24-HOUR PLAN OF CARE.] (a) Notwithstanding the requirements for licensure under Minnesota Rules, part 9525.1860, subpart 6, item D, and upon federal approval of an amendment to the home- and community-based services waiver for persons with mental retardation or related conditions, a person receiving home- and community-based services may choose to live in their own home without requiring that the living arrangement be licensed under Minnesota Rules, parts 9555.5050 to 9555.6265, provided the following conditions are met:

(1) the person receiving home- and community-based services has chosen to live in their own home;

(2) home- and community-based services are provided by a qualified vendor who meets the provider standards as approved in the Minnesota home- and community-based services waiver plan for persons with mental retardation or related conditions;

(3) the person, or their legal representative, individually or with others has purchased or rents the home and the person's service provider has no financial interest in the home; and

(4) the service planning team, as defined in Minnesota Rules, part 9525.0004, subpart 24, has determined that the planned services, the 24-hour plan of care, and the housing arrangement are appropriate to address the health, safety, and welfare of the person.

(b) The county agency may require safety inspections of the selected housing as part of their determination of the adequacy of the living arrangement.

Sec. 17. [REPEALER.]

Minnesota Statutes 1994, sections 144.0723, subdivision 5; and 252.275, subdivisions 4a and 10, are repealed.

### ARTICLE 3

#### CHILDREN'S PROGRAMS POLICY

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 256F.09, is amended to read:

**256F.09 [GRANTS FOR ~~CHILDREN'S SAFETY~~ FAMILY VISITATION 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 safety~~ family visitation centers. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating ~~children's safety~~ or maintaining family visitation 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 safety~~ family visitation 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 visitation 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 safety~~ other family visitation 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 safety~~ family visitation centers and report to the legislature by February 1, 1994, with recommendations.

Sec. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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. 10. 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. 11. 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. 12. 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. 13. 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. 14. 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. The resulting local match percentage shall be adjusted to reflect a statewide local match of five percent on any state and federal funding for the basic sliding fee program above the initial state fiscal year 1995 statewide allocation. 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. 15. 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. 16. 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~~ 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. 17. [REPEALER.]

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

ARTICLE 4

ECONOMIC SELF-SUFFICIENCY POLICY

Section 1. Minnesota Statutes 1994, section 256.034, subdivision 1, is amended to read:

Subdivision 1. [CONSOLIDATION OF TYPES OF ASSISTANCE.] Under the Minnesota family investment plan, assistance previously provided to families through the AFDC, food stamp, and general assistance programs must be combined into a single cash assistance program. As authorized by Congress, families receiving assistance through the Minnesota family investment plan are automatically eligible for and entitled to medical assistance under chapter 256B. Federal, state, and local funds that would otherwise be allocated for assistance to families under the AFDC, food stamp, and general assistance programs must be transferred to the Minnesota family investment plan. The provisions of the Minnesota family investment plan prevail over any provisions of sections 245.771, 256.72 to 256.87, 256D.01 to 256D.21, or 393.07, subdivisions 10 and 10a, and any rules implementing those sections with which they are irreconcilable. The food stamp, general assistance, and work readiness programs for single persons and couples who are not responsible for the care of children are not replaced by the Minnesota family investment plan. Unless stated otherwise in statutes or rules governing the Minnesota family investment plan, participants in the Minnesota family investment plan shall be considered to be recipients of aid under aid to families with dependent children, family general assistance, and food stamps for the purposes of statutes and rules affecting such recipients or allocations of funding based on the assistance status of the recipients, and to specifically be subject to the provisions of section 256.98.

Sec. 2. Minnesota Statutes 1994, section 256.045, subdivision 3, is amended to read:

Subd. 3. [STATE AGENCY HEARINGS.] (a) Any person applying for, receiving or having received public assistance or a program of social services granted by the state agency or a county agency under sections 252.32, 256.031 to 256.036, and 256.72 to 256.879, chapters 256B, 256D, 256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit.

(b) Except for a prepaid health plan, a vendor of medical care as defined in section 256B.02, subdivision 7, or a vendor under contract with a county agency to provide social services under section 256E.08, subdivision 4, is not a party and may not request a hearing under this section, except if assisting a recipient as provided in subdivision 4.

(c) An applicant or recipient is not entitled to receive social services beyond the services included in the amended community social services plan developed under section 256E.081, subdivision 3, if the county agency has met the requirements in section 256E.081.

Sec. 3. Minnesota Statutes 1994, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROPERTY.] Ownership by an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) The value of real property other than the homestead, which when combined with other

assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine consecutive months. The assistance unit must sign an agreement to dispose of the property and to ~~repay assistance received during the nine months that would not have been paid had the property been sold at the beginning of such period, but not to exceed the amount of the net sale proceeds. The family has five working days from the date it realizes cash from the sale of the property to repay the overpayment. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason during the nine-month period, the amount payable under the agreement will not be determined and recovery will not begin until the property is in fact sold.~~ execute a lien covering that property with the amount of assistance expended over the nine-month period covered by the agreement. The amount payable should be calculated and entered onto the lien form which shall be filed for record with the recorder in the county where the real property is situated. The lien takes priority from the time of its attaching over all other liens subsequently acquired and subsequent conveyances. The lien shall be enforced in the manner provided by law for the enforcement of mechanics liens upon real property and at such time as the property is in fact sold. If the property is intentionally sold at less than fair market value or if a good faith effort to sell the property is not being made, the overpayment amount shall be computed using the fair market value determined at the beginning of the nine-month period. For the purposes of this section, "homestead" means the home that is owned by, and is the usual residence of, the child, relative, or other member of the assistance unit together with the surrounding property which is not separated from the home by intervening property owned by others. "Usual residence" includes the home from which the child, relative, or other members of the assistance unit is temporarily absent due to an employability development plan approved by the local human service agency, which includes education, training, or job search within the state but outside of the immediate geographic area. Public rights-of-way, such as roads which run through the surrounding property and separate it from the home, will not affect the exemption of the property; or

(2) Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500 or the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.

Sec. 4. Minnesota Statutes 1994, section 256.98, subdivision 1, is amended to read:

Subdivision 1. [WRONGFULLY OBTAINING ASSISTANCE.] A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, assistance to which the person is not entitled or assistance greater than that to which the person is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the county agency with intent to defeat the purposes of sections 256.12, 256.031 to 256.0361, 256.72 to 256.871, and chapter 256B, or all of these sections is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (2), (3)(a) and (c), (4), and (5).

Sec. 5. Minnesota Statutes 1994, section 256.98, subdivision 8, is amended to read:

Subd. 8. [DISQUALIFICATION FROM PROGRAM.] Any person found to be guilty of wrongfully obtaining assistance by a federal or state court or by an administrative hearing determination, or waiver thereof, through a disqualification consent agreement, or as part of any approved diversion plan under section 401.065 in either the aid to families with dependent children program or, the food stamp program, the Minnesota family investment plan, the general assistance or family general assistance program, the Minnesota supplemental aid program, or the work readiness program shall be disqualified from that program. The needs of that individual shall not be taken into consideration in determining the grant level for that assistance unit:

(1) for six months after the first offense;

(2) for 12 months after the second offense; and

(3) permanently after the third or subsequent offense.

Any The period for which sanctions are imposed is effective, of program disqualification shall begin on the date stipulated on the advance notice of disqualification without possibility of postponement for administrative stay, or hearing and shall continue through completion unless and until the findings upon which the sanctions were imposed are reversed by a court of competent jurisdiction. The period for which sanctions are imposed is not subject to review. The sanctions provided under this subdivision are in addition to, and not in substitution for, any other sanctions that may be provided for by law for the offense involved. Notwithstanding clauses (1) to (3), the disqualification period shall not begin until the disqualified individual establishes that they are otherwise eligible for the program which is the subject of the disqualification.

Sec. 6. Minnesota Statutes 1994, section 256D.05, subdivision 7, is amended to read:

Subd. 7. [INELIGIBILITY FOR GENERAL ASSISTANCE.] No person disqualified from any federally aided assistance program shall be eligible for general assistance during the a period covered by the disqualification sanction of disqualification from any federally aided assistance program; or if the person could be considered an essential person under section 256.74, subdivision 1.

Sec. 7. Minnesota Statutes 1994, section 256D.46, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] Emergency Minnesota supplemental aid must be granted if the recipient is without adequate resources to resolve an emergency that, if unresolved, will threaten the health or safety of the recipient. For the purposes of this section, the term "recipient" includes persons for whom a group residential housing benefit is being paid under sections 256I.01 to 256I.06.

Sec. 8. Minnesota Statutes 1994, section 256D.46, subdivision 2, is amended to read:

Subd. 2. [INCOME AND RESOURCE TEST.] All income and resources available to the recipient during the month in which the need for emergency Minnesota supplemental aid arises must be considered in determining the recipient's ability to meet the emergency need. Property that can be liquidated in time to resolve the emergency and income (excluding Minnesota supplemental aid issued for current month's need) that is normally disregarded or excluded under the Minnesota supplemental aid program must be considered available to meet the emergency need.

Sec. 9. Minnesota Statutes 1994, section 256D.48, subdivision 1, is amended to read:

Subdivision 1. [NEED FOR PROTECTIVE PAYEE.] The county agency shall determine whether a recipient needs a protective payee when a physical or mental condition renders the recipient unable to manage funds and when payments to the recipient would be contrary to the recipient's welfare. Protective payments must be issued when there is evidence of: (1) repeated inability to plan the use of income to meet necessary expenditures; (2) repeated observation that the recipient is not properly fed or clothed; (3) repeated failure to meet obligations for rent, utilities, food, and other essentials; (4) evictions or a repeated incurrence of debts; or (5) lost or stolen checks; or (6) use of emergency Minnesota supplemental aid more than twice in a calendar year. The determination of representative payment by the Social Security Administration for the recipient is sufficient reason for protective payment of Minnesota supplemental aid payments.

Sec. 10. Minnesota Statutes 1994, section 256I.03, subdivision 5, is amended to read:

Subd. 5. [MSA EQUIVALENT RATE.] "MSA equivalent rate" means an amount equal to the total of:

(1) the combined maximum shelter and basic needs standards for MSA recipients living alone specified in section 256D.44, subdivisions 2, paragraph (a); and 3, paragraph (a); plus

(2) for persons who are not eligible to receive food stamps due to living arrangement, the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July each year; less

(3) the personal needs allowance authorized for medical assistance recipients under section 256B.35.

The MSA equivalent rate is to be adjusted on the first day of July each year to reflect changes in any of the component rates under clauses (1) to (3).

Sec. 11. Minnesota Statutes 1994, section 256I.03, is amended by adding a subdivision to read:

Subd. 7. [COUNTABLE INCOME.] "Countable income" means all income received by an applicant or recipient less any applicable exclusions or disregards. For a recipient of any cash benefit from the SSI program, countable income means the SSI benefit limit in effect at the time the person is in a GRH setting less \$20, less the medical assistance personal needs allowance. If the SSI limit has been reduced for a person due to events occurring prior to the persons entering the GRH setting, countable income means actual income less any applicable exclusions and disregards.

Sec. 12. Minnesota Statutes 1994, section 256I.04, subdivision 2b, is amended to read:

Subd. 2b. [GROUP RESIDENTIAL HOUSING AGREEMENTS.] Agreements between county agencies and providers of group residential housing must be in writing and must specify the name and address under which the establishment subject to the agreement does business and under which the establishment, or service provider, if different from the group residential housing establishment, is licensed by the department of health or the department of human services; the specific license or registration from the department of health or the department of human services held by the provider and the number of beds subject to that license; the address of the location or locations at which group residential housing is provided under this agreement; the per diem and monthly rates that are to be paid from group residential housing funds for each eligible resident at each location; the number of beds at each location which are subject to the group residential housing agreement; whether the license holder is a not-for-profit corporation under section 501(c)(3) of the Internal Revenue Code; and a statement that the agreement is subject to the provisions of sections 256I.01 to 256I.06 and subject to any changes to those sections.

Sec. 13. Minnesota Statutes 1994, section 256I.05, subdivision 1, is amended to read:

Subdivision 1. [MAXIMUM RATES.] (a) Monthly room and board rates negotiated by a county agency for a recipient living in group residential housing must not exceed the MSA equivalent rate specified under section 256I.03, subdivision 5, with the exception that a county agency may negotiate a room and board rate that exceeds the MSA equivalent rate by up to \$426.37 for recipients of waiver services under title XIX of the Social Security Act. This exception is subject to the following conditions:

(1) that the Secretary of Health and Human Services has not approved a state request to include room and board costs which exceed the MSA equivalent rate in an individual's set of waiver services under title XIX of the Social Security Act; or

(2) that the Secretary of Health and Human Services has approved the inclusion of room and board costs which exceed the MSA equivalent rate, but in an amount that is insufficient to cover costs which are included in a group residential housing agreement in effect on June 30, 1994; and

(3) the amount of the rate that is above the MSA equivalent rate has been approved by the commissioner. The county agency may at any time negotiate a lower room and board rate than the rate that would otherwise be paid under this subdivision.

~~(b) The maximum monthly rate for an establishment that enters into an initial group residential housing agreement with a county agency on or after June 1, 1989, may not exceed 90 percent of the maximum rate established under this subdivision. This is effective until June 30, 1994.~~

Sec. 14. Minnesota Statutes 1994, section 256I.05, subdivision 5, is amended to read:

Subd. 5. [ADULT FOSTER CARE RATES.] The commissioner shall annually establish statewide maintenance and difficulty of care rates limits for adults in foster care. The commissioner shall adopt rules to implement statewide rates. In adopting rules, the commissioner shall consider existing maintenance and difficulty of care rates so that, to the extent possible, an



~~adult for whom a maintenance or difficulty of care rate is established will not be adversely affected.~~

Sec. 15. Minnesota Statutes 1994, section 256I.06, subdivision 2, is amended to read:

Subd. 2. [TIME OF PAYMENT.] A county agency may make payments to a group residence in advance for an individual whose stay in the group residence is expected to last beyond the calendar month for which the payment is made and who does not expect to receive countable earned income during the month for which the payment is made. Group residential housing payments made by a county agency on behalf of an individual who is not expected to remain in the group residence beyond the month for which payment is made must be made subsequent to the individual's departure from the group residence. Group residential housing payments made by a county agency on behalf of an individual with countable earned income must be made subsequent to receipt of a monthly household report form.

Sec. 16. Minnesota Statutes 1994, section 256I.06, subdivision 6, is amended to read:

Subd. 6. [REPORTS.] Recipients must report changes in circumstances that affect eligibility or group residential housing payment amounts within ten days of the change. Recipients with countable earned income must complete a monthly household report form. If the report form is not received before the end of the month in which it is due, the county agency must terminate eligibility for group residential housing payments. The termination shall be effective on the first day of the month following the month in which the report was due. If a complete report is received within the month eligibility was terminated, the individual is considered to have continued an application for group residential housing payment effective the first day of the month the eligibility was terminated.

Sec. 17. Minnesota Statutes 1994, section 524.6-207, is amended to read:

524.6-207 [RIGHTS OF CREDITORS.]

No multiple-party account will be effective against an estate of a deceased party to transfer to a survivor sums needed to pay debts, taxes, and expenses of administration, including statutory allowances to the surviving spouse, minor children and dependent children, if other assets of the estate are insufficient, to the extent the deceased party is the source of the funds or beneficial owner. A surviving party or P.O.D. payee who receives payment from a multiple-party account after the death of a deceased party shall be liable to account to the deceased party's personal representative or a county agency with a claim authorized by section 256B.15 for amounts the decedent owned beneficially immediately before death to the extent necessary to discharge any such claims and charges remaining unpaid after the application of the assets of the decedent's estate. No proceeding to assert this liability shall be commenced unless the personal representative or a county agency with a claim authorized by section 256B.15 has received a written demand by a surviving spouse, a creditor or one acting for a minor dependent child of the decedent, and no proceeding shall be commenced later than two years following the death of the decedent. Sums recovered by the personal representative or a county agency with a claim authorized by section 256B.15 shall be administered as part of the decedent's estate. This section shall not affect the right of a financial institution to make payment on multiple-party accounts according to the terms thereof, or make it liable to the estate of a deceased party unless, before payment, the institution has been served with process in a proceeding by the personal representative or a county agency with a claim authorized by section 256B.15.

Sec. 18. Minnesota Statutes 1994, section 550.37, subdivision 14, is amended to read:

Subd. 14. [PUBLIC ASSISTANCE.] All relief based on need, and the earnings or salary of a person who is a recipient of relief based on need, shall be exempt from all claims of creditors including any contractual setoff or security interest asserted by a financial institution. For the purposes of this chapter, relief based on need includes AFDC, general assistance medical care, supplemental security income, medical assistance, Minnesota supplemental assistance, and general assistance. The salary or earnings of any debtor who is or has been a an eligible recipient of relief based on need, or an inmate of a correctional institution shall, upon the debtor's return to private employment or farming after having been a an eligible recipient of relief based on need, or an inmate of a correctional institution, be exempt from attachment, garnishment, or levy of execution

for a period of six months after the debtor's return to employment or farming and after all public assistance for which eligibility existed has been terminated. The exemption provisions contained in this subdivision also apply for 60 days after deposit in any financial institution, whether in a single or joint account. In tracing the funds, the first-in first-out method of accounting shall be used. The burden of establishing that funds are exempt rests upon the debtor. Agencies distributing relief and the correctional institutions shall, at the request of creditors, inform them whether or not any debtor has been a an eligible recipient of relief based on need, or an inmate of a correctional institution, within the preceding six months.

Sec. 19. Laws 1993, First Special Session chapter 1, article 8, section 30, subdivision 2, is amended to read:

~~Subd. 2. Sections 1 to 3, 8, 9, 13 to 17, 22, 23, and 26 to 29 are effective July 1, 1994, contingent upon federal recognition that group residential housing payments qualify as optional state supplement payments to the supplemental security income program under title XVI of the Social Security Act and confer categorical eligibility for medical assistance under the state plan for medical assistance. The amendments and repeals by Laws 1993, First Special Session chapter 1, article 8, sections 1 to 3, 8, 9, 13 to 17, 22, 23, 26, and 29, are effective July 1, 1994.~~

Sec. 20. [EFFECTIVE DATE.]

Sections 10 to 16, and 19 (256I.03, subdivisions 5 and 7; 256I.04, subdivision 2b, 256I.05, subdivisions 1 and 5; 256I.06, subdivisions 2 and 6; and Laws 1993 effective date) are effective the day following final enactment.

Sections 3 (256.73, subdivision 2), 17 (524.6-207), and 18 (550.37, subdivision 14) are effective August 1, 1995.

## ARTICLE 5

### HEALTH CARE POLICY

Section 1. Minnesota Statutes 1994, section 256.015, subdivision 1, is amended to read:

Subdivision 1. [STATE AGENCY HAS LIEN.] When the state agency provides, pays for, or becomes liable for medical care or furnishes subsistence or other payments to a person, the agency has a lien for the cost of the care and payments on all causes of action that accrue to the person to whom the care or payments were furnished, or to the person's legal representatives, as a result of the occurrence that necessitated the medical care, subsistence, or other payments. For purposes of this section, "state agency" includes authorized agents of the state agency.

Sec. 2. Minnesota Statutes 1994, section 256.015, subdivision 2, is amended to read:

Subd. 2. [PERFECTION; ENFORCEMENT.] The state agency may perfect and enforce its lien under sections 514.69, 514.70, and 514.71, and must file the verified lien statement with the appropriate court administrator in the county of financial responsibility. The verified lien statement must contain the following: the name and address of the person to whom medical care, subsistence, or other payment was furnished; the date of injury; the name and address of vendors furnishing medical care; the dates of the service or payment; the amount claimed to be due for the care or payment; and to the best of the state agency's knowledge, the names and addresses of all persons, firms, or corporations claimed to be liable for damages arising from the injuries.

This section does not affect the priority of any attorney's lien. The state agency is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is first received by it under subdivision 4, paragraph (c), even if the notice is untimely, or one year from the date medical bills are first paid by the state agency, whichever is later, to file its verified lien statement. The state agency may commence an action to enforce the lien within one year of (1) the date the notice required by subdivision 4, paragraph (c), is received, or (2) the date the person's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later.

Sec. 3. Minnesota Statutes 1994, section 256.9353, subdivision 8, is amended to read:

Subd. 8. [LIEN.] When the state agency provides, pays for, or becomes liable for covered health services, the agency shall have a lien for the cost of the covered health services upon any and all causes of action accruing to the enrollee, or to the enrollee's legal representatives, as a result of the occurrence that necessitated the payment for the covered health services. All liens under this section shall be subject to the provisions of section 256.015. For purposes of this subdivision, "state agency" includes authorized agents of the state agency.

Sec. 4. Minnesota Statutes 1994, section 256.969, subdivision 10, is amended to read:

Subd. 10. [SEPARATE BILLING BY CERTIFIED REGISTERED NURSE ANESTHETISTS.] Hospitals may exclude certified registered nurse anesthetist costs from the operating payment rate as allowed by section 256B.0625, subdivision 11. To be eligible, a hospital must notify the commissioner in writing by October 1 of the year preceding the rate year of the request to exclude certified registered nurse anesthetist costs. The hospital must agree that all hospital claims for the cost and charges of certified registered nurse anesthetist services will not be included as part of the rates for inpatient services provided during the rate year. In this case, the operating payment rate shall be adjusted to exclude the cost of certified registered nurse anesthetist services. ~~Payments made through separate claims for certified registered nurse anesthetist services shall not be paid directly through the hospital provider number or indirectly by the certified registered nurse anesthetist to the hospital or related organizations.~~

For admissions occurring on or after July 1, 1991, and until the expiration date of section 256.9695, subdivision 3, services of certified registered nurse anesthetists provided on an inpatient basis may be paid as allowed by section 256B.0625, subdivision 11, when the hospital's base year did not include the cost of these services. To be eligible, a hospital must notify the commissioner in writing by July 1, 1991, of the request and must comply with all other requirements of this subdivision.

Sec. 5. Minnesota Statutes 1994, section 256.969, subdivision 16, is amended to read:

Subd. 16. [INDIAN HEALTH SERVICE FACILITIES.] Indian health service facilities are exempt from the rate establishment methods required by this section and shall be reimbursed at charges as limited to the amount allowed under federal law. ~~This exemption is not effective for payments under general assistance medical care.~~

Sec. 6. Minnesota Statutes 1994, section 256B.042, subdivision 2, is amended to read:

Subd. 2. [LIEN ENFORCEMENT.] The state agency may perfect and enforce its lien by following the procedures set forth in sections 514.69, 514.70 and 514.71, and its verified lien statement shall be filed with the appropriate court administrator in the county of financial responsibility. The verified lien statement shall contain the following: the name and address of the person to whom medical care was furnished, the date of injury, the name and address of the vendor or vendors furnishing medical care, the dates of the service, the amount claimed to be due for the care, and, to the best of the state agency's knowledge, the names and addresses of all persons, firms, or corporations claimed to be liable for damages arising from the injuries. This section shall not affect the priority of any attorney's lien. The state agency is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is first received by it under subdivision 4, paragraph (c), even if the notice is untimely, or one year from the date medical bills are first paid by the state agency, whichever is later, to file its verified lien statement. The state agency may commence an action to enforce the lien within one year of (1) the date the notice required by subdivision 4, paragraph (c), is received or (2) the date the recipient's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later. For purposes of this section, "state agency" includes authorized agents of the state agency.

Sec. 7. Minnesota Statutes 1994, section 256B.056, subdivision 4, is amended to read:

Subd. 4. [INCOME.] To be eligible for medical assistance, a person must not have, or anticipate receiving, semiannual income in excess of 120 percent of the income standards by family size used in the aid to families with dependent children program, except that families and children may have an income up to 133-1/3 percent of the AFDC income standard. In computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Numbers 94-566,

section 503; 99-272; and 99-509. Veterans aid and attendance benefits are considered income to the recipient.

Sec. 8. Minnesota Statutes 1994, section 256B.0575, is amended to read:

**256B.0575 [AVAILABILITY OF INCOME FOR INSTITUTIONALIZED PERSONS.]**

When an institutionalized person is determined eligible for medical assistance, the income that exceeds the deductions in paragraphs (a) and (b) must be applied to the cost of institutional care.

(a) The following amounts must be deducted from the institutionalized person's income in the following order:

(1) the personal needs allowance under section 256B.35 or, for a veteran who does not have a spouse or child, or a surviving spouse of a veteran having no child, the amount of an improved pension received from the veteran's administration not exceeding \$90 per month;

(2) the personal allowance for disabled individuals under section 256B.36;

(3) if the institutionalized person has a legally appointed guardian or conservator, five percent of the recipient's gross monthly income up to \$100 as reimbursement for guardianship or conservatorship services;

(4) a monthly income allowance determined under section 256B.058, subdivision 2, but only to the extent income of the institutionalized spouse is made available to the community spouse;

(5) a monthly allowance for children under age 18 which, together with the net income of the children, would provide income equal to the medical assistance standard for families and children according to section 256B.056, subdivision 4, for a family size that includes only the minor children. This deduction applies only if the children do not live with the community spouse and only if the children resided with the institutionalized person immediately prior to admission;

(6) a monthly family allowance for other family members, equal to one-third of the difference between 122 percent of the federal poverty guidelines and the monthly income for that family member;

(7) reparations payments made by the Federal Republic of Germany and reparations payments made by the Netherlands for victims of Nazi persecution between 1940 and 1945; and

(8) amounts for reasonable expenses incurred for necessary medical or remedial care for the institutionalized spouse that are not medical assistance covered expenses and that are not subject to payment by a third party.

For purposes of clause (6), "other family member" means a person who resides with the community spouse and who is a minor or dependent child, dependent parent, or dependent sibling of either spouse. "Dependent" means a person who could be claimed as a dependent for federal income tax purposes under the Internal Revenue Code.

(b) Income shall be allocated to an institutionalized person for a period of up to three calendar months, in an amount equal to the medical assistance standard for a family size of one if:

(1) a physician certifies that the person is expected to reside in the long-term care facility for three calendar months or less;

(2) if the person has expenses of maintaining a residence in the community; and

(3) if one of the following circumstances apply:

(i) the person was not living together with a spouse or a family member as defined in paragraph

(a) when the person entered a long-term care facility; or

(ii) the person and the person's spouse become institutionalized on the same date, in which case the allocation shall be applied to the income of one of the spouses.

For purposes of this paragraph, a person is determined to be residing in a licensed nursing home,

regional treatment center, or medical institution if the person is expected to remain for a period of one full calendar month or more.

Sec. 9. Minnesota Statutes 1994, section 256B.059, subdivision 1, is amended to read:

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

(b) "Community spouse" means the spouse of an institutionalized ~~person~~ spouse.

(c) "Spousal share" means one-half of the total value of all assets, to the extent that either the institutionalized spouse or the community spouse had an ownership interest at the time of institutionalization.

(d) "Assets otherwise available to the community spouse" means assets individually or jointly owned by the community spouse, other than assets excluded by subdivision 5, paragraph (c).

(e) "Community spouse asset allowance" is the value of assets that can be transferred under subdivision 3.

(f) "Institutionalized spouse" means a person who is:

(1) in a hospital, nursing facility, or intermediate care facility for persons with mental retardation, or receiving home and community-based services under section 256B.0915, and is expected to remain in the facility or institution or receive the home and community-based services for at least 30 consecutive days; and

(2) married to a person who is not in a hospital, nursing facility, or intermediate care facility for persons with mental retardation, and is not receiving home and community-based services under section 256B.0915.

Sec. 10. Minnesota Statutes 1994, section 256B.059, subdivision 3, is amended to read:

Subd. 3. [COMMUNITY SPOUSE ASSET ALLOWANCE.] An institutionalized spouse may transfer assets to the community spouse solely for the benefit of the community spouse. Except for increased amounts allowable under subdivision 4, the maximum amount of assets allowed to be transferred is the amount which, when added to the assets otherwise available to the community spouse, is as follows:

(1) prior to July 1, 1994, the greater of:

(i) \$14,148;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse; and

(2) for persons who begin whose date of initial determination of eligibility for medical assistance following their first continuous period of institutionalization occurs on or after July 1, 1994, the greater of:

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse.

If the assets available to the community spouse are already at the limit permissible under this section, or the higher limit attributable to increases under subdivision 4, no assets may be transferred from the institutionalized spouse to the community spouse. The transfer must be made as soon as practicable after the date the institutionalized spouse is determined eligible for medical assistance, or within the amount of time needed for any court order required for the transfer. On January 1, 1994, and every January 1 thereafter, the limits in this subdivision shall be adjusted by the same percentage change in the consumer price index for all urban consumers (all items; United

States city average) between the two previous Septembers. These adjustments shall also be applied to the limits in subdivision 5.

Sec. 11. Minnesota Statutes 1994, section 256B.059, subdivision 5, is amended to read:

Subd. 5. [ASSET AVAILABILITY.] (a) At the time of ~~application~~ initial determination of eligibility for medical assistance benefits following the first continuous period of institutionalization, assets considered available to the institutionalized spouse shall be the total value of all assets in which either spouse has an ownership interest, reduced by the following:

(1) prior to July 1, 1994, the greater of:

(i) \$14,148;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse;

(2) for persons ~~who begin~~ whose date of initial determination of eligibility for medical assistance following their first continuous period of institutionalization occurs on or after July 1, 1994, the greater of:

(i) \$20,000;

(ii) the lesser of the spousal share or \$70,740; or

(iii) the amount required by court order to be paid to the community spouse. If the community spouse asset allowance has been increased under subdivision 4, then the assets considered available to the institutionalized spouse under this subdivision shall be further reduced by the value of additional amounts allowed under subdivision 4.

(b) An institutionalized spouse may be found eligible for medical assistance even though assets in excess of the allowable amount are found to be available under paragraph (a) if the assets are owned jointly or individually by the community spouse, and the institutionalized spouse cannot use those assets to pay for the cost of care without the consent of the community spouse, and if: (i) the institutionalized spouse assigns to the commissioner the right to support from the community spouse under section 256B.14, subdivision 3; (ii) the institutionalized spouse lacks the ability to execute an assignment due to a physical or mental impairment; or (iii) the denial of eligibility would cause an imminent threat to the institutionalized spouse's health and well-being.

(c) After the month in which the institutionalized spouse is determined eligible for medical assistance, during the continuous period of institutionalization, no assets of the community spouse are considered available to the institutionalized spouse, unless the institutionalized spouse has been found eligible under ~~clause~~ paragraph (b).

(d) Assets determined to be available to the institutionalized spouse under this section must be used for the health care or personal needs of the institutionalized spouse.

(e) For purposes of this section, assets do not include assets excluded under ~~section 256B.056, without regard to the limitations on total value in that section~~ the supplemental security income program.

Sec. 12. Minnesota Statutes 1994, section 256B.0595, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED TRANSFERS.] (a) For transfers of assets made on or before August 10, 1993, if a person or the person's spouse has given away, sold, or disposed of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under ~~section 256B.056, subdivision 3~~ the supplemental security income program, within 30 months before or any time after the date of institutionalization if the person has been determined eligible for medical assistance, or within 30 months before or any time after the date of the first approved application for medical assistance if the person has not yet been determined eligible for medical assistance, the person is ineligible for long-term care services for the period of time determined under subdivision 2.

(b) ~~Effective for transfers made on or after July 1, 1993, or upon federal approval, whichever is later August 10, 1993, a person, a person's spouse, or a person's authorized representative any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the person or person's spouse, may not give away, sell, or dispose of, for less than fair market value, any asset or interest therein, except assets other than the homestead that are excluded under the supplemental security income program, for the purpose of establishing or maintaining medical assistance eligibility. For purposes of determining eligibility for medical assistance long-term care services, any transfer of an asset such assets within 60 36 months preceding application before or any time after an institutionalized person applies for medical assistance or during the period of medical assistance eligibility, including assets excluded under section 256B.056, subdivision 3, or 36 months before or any time after a medical assistance recipient becomes institutionalized, for less than fair market value may be considered. Any such transfer for less than fair market value made within 60 months preceding application for medical assistance or during the period of medical assistance eligibility is presumed to have been made for the purpose of establishing or maintaining medical assistance eligibility and the person is ineligible for medical assistance long-term care services for the period of time determined under subdivision 2, unless the person furnishes convincing evidence to establish that the transaction was exclusively for another purpose, or unless the transfer is permitted under subdivisions subdivision 3 or 4. Notwithstanding the provisions of this paragraph, in the case of payments from a trust or portions of a trust that are considered transfers of assets under federal law, any transfers made within 60 months before or any time after an institutionalized person applies for medical assistance and within 60 months before or any time after a medical assistance recipient becomes institutionalized, may be considered.~~

(c) This section applies to transfers, for less than fair market value, of income or assets, including assets that are considered income in the month received, such as inheritances, court settlements, and retroactive benefit payments or income to which the person or the person's spouse is entitled but does not receive due to action by the person, the person's spouse, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the person or the person's spouse.

(d) This section applies to payments for care or personal services provided by a relative, unless the compensation was stipulated in a notarized, written agreement which was in existence when the service was performed, the care or services directly benefited the person, and the payments made represented reasonable compensation for the care or services provided. A notarized written agreement is not required if payment for the services was made within 60 days after the service was provided.

(e) This section applies to the portion of any asset or interest that a person or, a person's spouse transfers, or any person, court, or administrative body with legal authority to act in place of, on behalf of, at the direction of, or upon the request of the person or the person's spouse, to an irrevocable any trust, annuity, or other instrument, that exceeds the value of the benefit likely to be returned to the person or spouse while alive, based on estimated life expectancy using the life expectancy tables employed by the supplemental security income program to determine the value of an agreement for services for life. The commissioner may adopt rules reducing life expectancies based on the need for long-term care.

(f) For purposes of this section, long-term care services include services in a nursing facility, services that are eligible for payment according to section 256B.0625, subdivision 2, because they are provided in a swing bed, intermediate care facility for persons with mental retardation, and home and community-based services provided pursuant to section 256B.491 sections 256B.0915, 256B.092, and 256B.49. For purposes of this subdivision and subdivisions 2, 3, and 4, "institutionalized person" includes a person who is an inpatient in a nursing facility, or in a swing bed, or intermediate care facility for persons with mental retardation or who is receiving home and community-based services under section 256B.491 sections 256B.0915, 256B.092, and 256B.49.

Sec. 13. Minnesota Statutes 1994, section 256B.0595, subdivision 2, is amended to read:

Subd. 2. [PERIOD OF INELIGIBILITY.] (a) For any uncompensated transfer occurring on or before August 10, 1993, the number of months of ineligibility for long-term care services shall be the lesser of 30 months, or the uncompensated transfer amount divided by the average medical

assistance rate for nursing facility services in the state in effect on the date of application. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred. If the transfer was not reported to the local agency at the time of application, and the applicant received long-term care services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of long-term care services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.

~~(b) For uncompensated transfers made on or after July 1, August 10, 1993, or upon federal approval, whichever is later, the number of months of ineligibility, including partial months, for medical assistance long-term care services shall be the total uncompensated value of the resources transferred divided by the average medical assistance rate for nursing facility services in the state in effect on the date of application. If a calculation of a penalty period results in a partial month, payments for medical assistance services will be reduced in an amount equal to the fraction, except that in calculating the value of uncompensated transfers, uncompensated transfers not to exceed \$1,000 in total value per month shall be disregarded for each month prior to the month of application for medical assistance. The amount used to calculate the average medical assistance payment rate shall be adjusted each July 1 to reflect payment rates for the previous calendar year. The period of ineligibility begins with the month in which the assets were transferred except that if one or more uncompensated transfers are made during a period of ineligibility, the total assets transferred during the ineligibility period shall be combined and a penalty period calculated to begin in the month the first uncompensated transfer was made. The penalty in this paragraph shall not apply to uncompensated transfers of assets not to exceed a total of \$1,000 per month during a medical assistance eligibility certification period. If the transfer was not reported to the local agency at the time of application, and the applicant received medical assistance services during what would have been the period of ineligibility if the transfer had been reported, a cause of action exists against the transferee for the cost of medical assistance services provided during the period of ineligibility, or for the uncompensated amount of the transfer, whichever is less. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G. The uncompensated transfer amount is the fair market value of the asset at the time it was given away, sold, or disposed of, less the amount of compensation received.~~

~~(c) If the total value of all uncompensated transfers made in a month exceeds \$1,000, the disregards allowed under paragraph (b) do not apply. If a calculation of a penalty period results in a partial month, payments for long-term care services shall be reduced in an amount equal to the fraction, except that in calculating the value of uncompensated transfers, if the total value of all uncompensated transfers made in a month does not exceed \$1,000, then such transfers shall be disregarded for each month prior to the month of application for or during receipt of medical assistance.~~

Sec. 14. Minnesota Statutes 1994, section 256B.0595, subdivision 3, is amended to read:

Subd. 3. [HOMESTEAD EXCEPTION TO TRANSFER PROHIBITION.] (a) An institutionalized person is not ineligible for long-term care services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:

(1) title to the homestead was transferred to the individual's

(i) spouse;

(ii) child who is under age 21;

(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;

(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or



(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;

(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

(b) When a waiver is granted under paragraph (a), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of long-term care services granted within:

(1) 30 months of the a transfer made on or before August 10, 1993;

(2) 60 months if the homestead was transferred after August 10, 1993, to a trust or portion of a trust that is considered a transfer of assets under federal law; or

(3) 36 months if transferred in any other manner after August 10, 1993,

or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.

~~(c) Effective for transfers made on or after July 1, 1993, or upon federal approval, whichever is later, an institutionalized person is not ineligible for medical assistance services due to a transfer of assets for less than fair market value if the asset transferred was a homestead and:~~

~~(1) title to the homestead was transferred to the individual's~~

~~(i) spouse;~~

~~(ii) child who is under age 21;~~

~~(iii) blind or permanently and totally disabled child as defined in the supplemental security income program;~~

~~(iv) sibling who has equity interest in the home and who was residing in the home for a period of at least one year immediately before the date of the individual's admission to the facility; or~~

~~(v) son or daughter who was residing in the individual's home for a period of at least two years immediately before the date of the individual's admission to the facility, and who provided care to the individual that permitted the individual to reside at home rather than in an institution or facility;~~

~~(2) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or~~

~~(3) the local agency grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.~~

~~(d) When a waiver is granted under paragraph (c), clause (3), a cause of action exists against the person to whom the homestead was transferred for that portion of medical assistance services granted during the period of ineligibility under subdivision 2, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under chapter 256G.~~

Sec. 15. Minnesota Statutes 1994, section 256B.0595, subdivision 4, is amended to read:

Subd. 4. [OTHER EXCEPTIONS TO TRANSFER PROHIBITION.] (a) An institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for long-term care services if one of the following conditions applies:

(1) the assets were transferred to the ~~community individual's~~ spouse, ~~as defined in section 256B.059~~ or to another for the sole benefit of the spouse; or

(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or

(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or

(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or

(5) the local agency determines that denial of eligibility for long-term care services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of long-term care services granted within 30 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter; or

(6) for transfers occurring after August 10, 1993, the assets were transferred by the person or person's spouse: (i) into a trust established solely for the benefit of a son or daughter of any age who is blind or disabled as defined by the Supplemental Security Income program; or (ii) into a trust established solely for the benefit of an individual who is under 65 years of age who is disabled as defined by the Supplemental Security Income program.

~~(b) Effective for transfers made on or after July 1, 1993, or upon federal approval, whichever is later, an institutionalized person who has made, or whose spouse has made a transfer prohibited by subdivision 1, is not ineligible for medical assistance services if one of the following conditions applies:~~

~~(1) the assets were transferred to the community spouse, as defined in section 256B.059; or~~

~~(2) the institutionalized spouse, prior to being institutionalized, transferred assets to a spouse, provided that the spouse to whom the assets were transferred does not then transfer those assets to another person for less than fair market value. (At the time when one spouse is institutionalized, assets must be allocated between the spouses as provided under section 256B.059); or~~

~~(3) the assets were transferred to the individual's child who is blind or permanently and totally disabled as determined in the supplemental security income program; or~~

~~(4) a satisfactory showing is made that the individual intended to dispose of the assets either at fair market value or for other valuable consideration; or~~

~~(5) the local agency determines that denial of eligibility for medical assistance services would work an undue hardship and grants a waiver of excess assets. When a waiver is granted, a cause of action exists against the person to whom the assets were transferred for that portion of medical assistance services granted during the period of ineligibility determined under subdivision 2 or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the local agency responsible for providing medical assistance under this chapter.~~

Sec. 16. Minnesota Statutes 1994, section 256B.06, subdivision 4, is amended to read:

Subd. 4. [CITIZENSHIP REQUIREMENTS.] Eligibility for medical assistance is limited to citizens of the United States and aliens lawfully admitted for permanent residence or otherwise permanently residing in the United States under the color of law. Aliens who are seeking

legalization under the Immigration Reform and Control Act of 1986, Public Law Number 99-603, who are under age 18, over age 65, blind, disabled, or Cuban or Haitian, and who meet the eligibility requirements of medical assistance under subdivision 1 and sections 256B.055 to 256B.062 are eligible to receive medical assistance. Pregnant women who are aliens seeking legalization under the Immigration Reform and Control Act of 1986, Public Law Number 99-603, and who meet the eligibility requirements of medical assistance under subdivision 1 are eligible for payment of care and services through the period of pregnancy and six weeks postpartum. Payment shall also be made for care and services that are furnished to an alien, regardless of immigration status, who otherwise meets the eligibility requirements of this section if such care and services are necessary for the treatment of an emergency medical condition, except for organ transplants and related care and services. For purposes of this subdivision, the term "emergency medical condition" means a medical condition, including labor and delivery, that if not immediately treated could cause a person physical or mental disability, continuation of severe pain, or death.

Sec. 17. Minnesota Statutes 1994, section 256B.0625, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY MENTAL HEALTH CENTER SERVICES.] Medical assistance covers community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2 that meets the requirements in paragraphs (a) to (j).

(a) The provider is licensed under Minnesota Rules, parts 9520.0750 to 9520.0870.

(b) The provider provides mental health services under the clinical supervision of a mental health professional who is licensed for independent practice at the doctoral level or by a board-certified psychiatrist or a psychiatrist who is eligible for board certification. Clinical supervision has the meaning given in Minnesota Rules, part 9505.0323, subpart 1, item F.

(c) The provider must be a private nonprofit corporation or a governmental agency and have a community board of directors as specified by section 245.66.

(d) The provider must have a sliding fee scale that meets the requirements in Minnesota Rules, part 9550.0060, and agree to serve within the limits of its capacity, all individuals residing in its service delivery area.

(e) At a minimum, the provider must provide the following outpatient mental health services: diagnostic assessment; explanation of findings; family, group, and individual psychotherapy, including crisis intervention psychotherapy services, multiple family group psychotherapy, psychological testing, and medication management. In addition, the provider must provide or be capable of providing upon request of the local mental health authority day treatment services and professional home-based mental health services. The provider must have the capacity to provide such services to specialized populations such as the elderly, families with children, persons who are seriously and persistently mentally ill, and children who are seriously emotionally disturbed.

(f) The provider must be capable of providing the services specified in paragraph (e) to individuals who are diagnosed with both mental illness or emotional disturbance, and chemical dependency, and to individuals dually diagnosed with a mental illness or emotional disturbance and mental retardation or a related condition.

(g) The provider must provide 24-hour emergency care services or demonstrate the capacity to assist recipients in need of such services to access such services on a 24-hour basis.

(h) The provider must have a contract with the local mental health authority to provide one or more of the services specified in paragraph (e).

(i) The provider must agree, upon request of the local mental health authority, to enter into a contract with the county to provide mental health services not reimbursable under the medical assistance program.

(j) The provider may not be enrolled with the medical assistance program as both a hospital and a community mental health center. The community mental health center's administrative, organizational, and financial structure must be separate and distinct from that of the hospital.

Sec. 18. Minnesota Statutes 1994, section 256B.0625, subdivision 13a, is amended to read:

Subd. 13a. [DRUG UTILIZATION REVIEW BOARD.] A ~~12-member~~ nine-member drug utilization review board is established. The board is comprised of ~~six~~ at least three but no more than four licensed physicians actively engaged in the practice of medicine in Minnesota; ~~five~~ at least three licensed pharmacists actively engaged in the practice of pharmacy in Minnesota; and ~~one~~ one consumer representative; ~~the remainder to be made up of health care professionals who are licensed in their field and have recognized knowledge in the clinically appropriate prescribing, dispensing, and monitoring of covered outpatient drugs.~~ The board shall be staffed by an employee of the department who shall serve as an ex officio nonvoting member of the board. The members of the board shall be appointed by the commissioner and shall serve three-year terms. The ~~physician~~ members shall be selected from lists submitted by professional ~~medical~~ associations. ~~The pharmacist members shall be selected from lists submitted by professional pharmacist associations.~~ The commissioner shall appoint the initial members of the board for terms expiring as follows: ~~four~~ three members for terms expiring June 30, ~~1995~~ 1996; ~~four~~ three members for terms expiring June 30, ~~1994~~ 1997; and ~~four~~ three members for terms expiring June 30, ~~1993~~ 1998. Members may be reappointed once. The board shall annually elect a chair from among the members.

The commissioner shall, with the advice of the board:

- (1) implement a medical assistance retrospective and prospective drug utilization review program as required by United States Code, title 42, section 1396r-8(g)(3);
- (2) develop and implement the predetermined criteria and practice parameters for appropriate prescribing to be used in retrospective and prospective drug utilization review;
- (3) develop, select, implement, and assess interventions for physicians, pharmacists, and patients that are educational and not punitive in nature;
- (4) establish a grievance and appeals process for physicians and pharmacists under this section;
- (5) publish and disseminate educational information to physicians and pharmacists regarding the board and the review program;
- (6) adopt and implement procedures designed to ensure the confidentiality of any information collected, stored, retrieved, assessed, or analyzed by the board, staff to the board, or contractors to the review program that identifies individual physicians, pharmacists, or recipients;
- (7) establish and implement an ongoing process to (i) receive public comment regarding drug utilization review criteria and standards, and (ii) consider the comments along with other scientific and clinical information in order to revise criteria and standards on a timely basis; and
- (8) adopt any rules necessary to carry out this section.

The board may establish advisory committees. The commissioner may contract with appropriate organizations to assist the board in carrying out the board's duties. The commissioner may enter into contracts for services to develop and implement a retrospective and prospective review program.

The board shall report to the commissioner annually on ~~December 1~~ the date the Drug Utilization Review Annual Report is due to the Health Care Financing Administration. This report is to cover the preceding federal fiscal year. The commissioner shall make the report available to the public upon request. The report must include information on the activities of the board and the program; the effectiveness of implemented interventions; administrative costs; and any fiscal impact resulting from the program. An honorarium of \$50 per meeting shall be paid to each board member in attendance.

Sec. 19. Minnesota Statutes 1994, section 256B.0625, subdivision 18, is amended to read:

Subd. 18. [BUS OR TAXICAB TRANSPORTATION.] To the extent authorized by rule of the state agency, medical assistance covers costs of ~~bus or taxicab~~ the most appropriate and cost-effective form of transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care.

Sec. 20. Minnesota Statutes 1994, section 256B.0628, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The commissioner may contract with or employ qualified registered nurses and necessary support staff, or contract with qualified agencies, to provide home care prior authorization and review services for medical assistance recipients who are receiving home care services.

(b) Reimbursement for the prior authorization function shall be made through the medical assistance administrative authority. The state shall pay the nonfederal share. The functions will be to:

(1) assess the recipient's individual need for services required to be cared for safely in the community;

(2) ensure that a care plan that meets the recipient's needs is developed by the appropriate agency or individual;

(3) ensure cost-effectiveness of medical assistance home care services;

(4) recommend the approval or denial of the use of medical assistance funds to pay for home care services ~~when home care services exceed thresholds established by the commissioner under Minnesota Rules, parts 9505.0170 to 9505.0475;~~

(5) reassess the recipient's need for and level of home care services at a frequency determined by the commissioner; and

(6) conduct on-site assessments when determined necessary by the commissioner and recommend changes to care plans that will provide more efficient and appropriate home care.

(c) In addition, the commissioner or the commissioner's designee may:

(1) review care plans and reimbursement data for utilization of services that exceed community-based standards for home care, inappropriate home care services, medical necessity, home care services that do not meet quality of care standards, or unauthorized services and make appropriate referrals within the department or to other appropriate entities based on the findings;

(2) assist the recipient in obtaining services necessary to allow the recipient to remain safely in or return to the community;

(3) coordinate home care services with other medical assistance services under section 256B.0625;

(4) assist the recipient with problems related to the provision of home care services; and

(5) assure the quality of home care services.

(d) For the purposes of this section, "home care services" means medical assistance services defined under section 256B.0625, subdivisions 6a, 7, and 19a.

Sec. 21. Minnesota Statutes 1994, section 256B.0911, subdivision 2, is amended to read:

Subd. 2. [PERSONS REQUIRED TO BE SCREENED; EXEMPTIONS.] All applicants to Medicaid certified nursing facilities must be screened prior to admission, regardless of income, assets, or funding sources, except the following:

(1) patients who, having entered acute care facilities from certified nursing facilities, are returning to a certified nursing facility;

(2) residents transferred from other certified nursing facilities located within the state of Minnesota;

(3) individuals who have a contractual right to have their nursing facility care paid for indefinitely by the veteran's administration; or

(4) individuals who are enrolled in the Ebenezer/Group Health social health maintenance

organization project, or enrolled in a demonstration project under section 256B.69, subdivision 18, at the time of application to a nursing home; or

(5) individuals previously screened and currently being served under the alternative care program or under a home- and community-based services waiver authorized under section 1915(c) of the Social Security Act.

Regardless of the exemptions in clauses (2) to (4), persons who have a diagnosis or possible diagnosis of mental illness, mental retardation, or a related condition must be screened before admission unless the admission prior to screening is authorized by the local mental health authority or the local developmental disabilities case manager, or unless authorized by the county agency according to Public Law Number 101-508.

Before admission to a Medicaid certified nursing home or boarding care home, all persons must be screened and approved for admission through an assessment process. The nursing facility is authorized to conduct case mix assessments which are not conducted by the county public health nurse under Minnesota Rules, part 9549.0059. The designated county agency is responsible for distributing the quality assurance and review form for all new applicants to nursing homes.

Other persons who are not applicants to nursing facilities must be screened if a request is made for a screening.

Sec. 22. Minnesota Statutes 1994, section 256B.0911, subdivision 2a, is amended to read:

Subd. 2a. [SCREENING REQUIREMENTS.] Persons may be screened by telephone or in a face-to-face consultation. The screener will identify each individual's needs according to the following categories: (1) needs no face-to-face screening; (2) needs an immediate face-to-face screening interview; or (3) needs a face-to-face screening interview after admission to a certified nursing facility or after a return home. The screener shall confer with the screening team to assure that the health and social needs of the individual are assessed. Persons who are not admitted to a Medicaid certified nursing facility must be screened within ten working days after the date of referral. Persons admitted on a nonemergency basis to a Medicaid certified nursing facility must be screened prior to the certified nursing facility admission. Persons admitted to the Medicaid certified nursing facility from the community on an emergency basis or from an acute care facility on a nonworking day must be screened the first working day after admission and the reason for the emergency admission must be certified by the attending physician in the person's medical record.

Sec. 23. Minnesota Statutes 1994, section 256B.0911, subdivision 3, is amended to read:

Subd. 3. [PERSONS RESPONSIBLE FOR CONDUCTING THE PREADMISSION SCREENING.] (a) A local screening team shall be established by the county board of commissioners. Each local screening team shall consist of screeners who are a social worker and a public health nurse from their respective county agencies. If a county does not have a public health nurse available, it may request approval from the commissioner to assign a county registered nurse with at least one year experience in home care to participate on the team. The screening team members must confer regarding the most appropriate care for each individual screened. Two or more counties may collaborate to establish a joint local screening team or teams.

(b) In assessing a person's needs, screeners shall have a physician available for consultation and shall consider the assessment of the individual's attending physician, if any. The individual's physician shall be included if the physician chooses to participate. Other personnel may be included on the team as deemed appropriate by the county agencies.

Sec. 24. [256B.0912] [ALTERNATIVE CARE AND WAIVERED SERVICE PROGRAMS.]

Subdivision 1. [RESTRUCTURING PLAN.] By January 1, 1996, the commissioner shall present a plan to the legislature to restructure administration of the alternative care, elderly waiver, and disabled waiver programs. The plan must demonstrate cost neutrality and provide counties with the flexibility, authority, and accountability to administer home- and community-based service programs within predetermined fixed budgets. To support this local program administration, the commissioner shall explore options with the health care financing administration to assure flexibility to expand core services within the elderly and disabled waivers as long as cost neutrality is maintained.

Subd. 2. [WAIVER PROGRAM MODIFICATIONS.] The commissioner of human services shall make the following modifications in medical assistance waiver programs, effective for services rendered after June 30, 1995, or, if necessary, after federal approval is granted:

(a) The community alternatives for disabled individuals waiver shall:

(1) if medical supplies and equipment or adaptations are or will be purchased for a waiver services recipient, allow the prorating of costs on a monthly basis throughout the year in which they are purchased. If the monthly cost of a recipient's other waived services exceeds the monthly limit established in this paragraph, the annual cost of the waived services shall be determined. In this event, the annual cost of waived services shall not exceed 12 times the monthly limit calculated in this paragraph;

(2) require client reassessments once every 12 months;

(3) permit the purchase of supplies and equipment costing \$150 or less without prior approval of the commissioner of human services. A county is not required to contract with a provider of supplies and equipment if the monthly cost of supplies and equipment is less than \$250; and

(4) allow the implementation of care plans without the approval of the county of financial responsibility when the client receives services from another county.

(b) The traumatic brain injury waiver shall:

(1) require client reassessments once every 12 months;

(2) permit the purchase of supplies and equipment costing \$250 or less without having a contract with the supplier; and

(3) allow the implementation of care plans without the approval of the county of financial responsibility when the client receives services from another county.

Sec. 25. Minnesota Statutes 1994, section 256B.0913, subdivision 4, is amended to read:

Subd. 4. [ELIGIBILITY FOR FUNDING FOR SERVICES FOR NONMEDICAL ASSISTANCE RECIPIENTS.] (a) Funding for services under the alternative care program is available to persons who meet the following criteria:

(1) the person has been screened by the county screening team or, if previously screened and served under the alternative care program, assessed by the local county social worker or public health nurse;

(2) the person is age 65 or older;

(3) the person would be financially eligible for medical assistance within 180 days of admission to a nursing facility;

(4) the person meets the asset transfer requirements of the medical assistance program;

(5) the screening team would recommend nursing facility admission or continued stay for the person if alternative care services were not available;

(6) the person needs services that are not available at that time in the county through other county, state, or federal funding sources; and

(7) the monthly cost of the alternative care services funded by the program for this person does not exceed 75 percent of the statewide average monthly medical assistance payment for nursing facility care at the individual's case mix classification to which the individual would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. If medical supplies and equipment or adaptations are or will be purchased for an alternative care services recipient, the costs may be prorated on a monthly basis throughout the year in which they are purchased. If the monthly cost of a recipient's other alternative care services exceeds the monthly limit established in this paragraph, the annual cost of the alternative care services shall be determined. In this event, the annual cost of alternative care services shall not exceed 12 times the monthly limit calculated in this paragraph.

(b) Individuals who meet the criteria in paragraph (a) and who have been approved for alternative care funding are called 180-day eligible clients.

(c) The statewide average payment for nursing facility care is the statewide average monthly nursing facility rate in effect on July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing facility residents who are age 65 or older and who are medical assistance recipients in the month of March of the previous fiscal year. This monthly limit does not prohibit the 180-day eligible client from paying for additional services needed or desired.

(d) In determining the total costs of alternative care services for one month, the costs of all services funded by the alternative care program, including supplies and equipment, must be included.

(e) Alternative care funding under this subdivision is not available for a person who is a medical assistance recipient or who would be eligible for medical assistance without a spenddown if the person applied, unless authorized by the commissioner. A person whose application for medical assistance is being processed may be served under the alternative care program for a period up to 60 days. If the individual is found to be eligible for medical assistance, the county must bill medical assistance from the date the individual was found eligible for the medical assistance services provided that are reimbursable under the elderly waiver program.

(f) Alternative care funding is not available for a person who resides in a licensed nursing home or boarding care home, except for case management services which are being provided in support of the discharge planning process.

Sec. 26. Minnesota Statutes 1994, section 256B.0913, subdivision 5, is amended to read:

Subd. 5. [SERVICES COVERED UNDER ALTERNATIVE CARE.] (a) Alternative care funding may be used for payment of costs of:

- (1) adult foster care;
- (2) adult day care;
- (3) home health aide;
- (4) homemaker services;
- (5) personal care;
- (6) case management;
- (7) respite care;
- (8) assisted living;
- (9) residential care services;
- (10) care-related supplies and equipment;
- (11) meals delivered to the home;
- (12) transportation;
- (13) skilled nursing;
- (14) chore services;
- (15) companion services;
- (16) nutrition services; and
- (17) training for direct informal caregivers.



(b) The county agency must ensure that the funds are used only to supplement and not supplant services available through other public assistance or services programs.

(c) Unless specified in statute, the service standards for alternative care services shall be the same as the service standards defined in the elderly waiver. Persons or agencies must be employed by or under a contract with the county agency or the public health nursing agency of the local board of health in order to receive funding under the alternative care program.

(d) The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board. The adult foster care daily rate shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed 75 percent of the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, and it must allow for other alternative care services to be authorized by the case manager.

(e) Personal care services may be provided by a personal care provider organization. A county agency may contract with a relative of the client to provide personal care services, but must ensure nursing supervision. Covered personal care services defined in section 256B.0627, subdivision 4, must meet applicable standards in Minnesota Rules, part 9505.0335.

(f) Costs for supplies and equipment that exceed \$150 per item per month must have prior approval from the commissioner. A county may use alternative care funds to purchase supplies and equipment from a non-Medicaid certified vendor if the cost for the items is less than that of a Medicaid vendor. A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(g) For purposes of this section, residential care services are services which are provided to individuals living in residential care homes. Residential care homes are currently licensed as board and lodging establishments and are registered with the department of health as providing special services. Residential care services are defined as "supportive services" and "health-related services." "Supportive services" means the provision of up to 24-hour supervision and oversight. Supportive services includes: (1) transportation, when provided by the residential care center only; (2) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature; (3) assisting clients in setting up meetings and appointments; (4) assisting clients in setting up medical and social services; (5) providing assistance with personal laundry, such as carrying the client's laundry to the laundry room. Assistance with personal laundry does not include any laundry, such as bed linen, that is included in the room and board rate. Health-related services are limited to minimal assistance with dressing, grooming, and bathing and providing reminders to residents to take medications that are self-administered or providing storage for medications, if requested. Individuals receiving residential care services cannot receive both personal care services and residential care services.

(h) For the purposes of this section, "assisted living" refers to supportive services provided by a single vendor to clients who reside in the same apartment building of three or more units. Assisted living services are defined as up to 24-hour supervision, and oversight, supportive services as defined in clause (1), individualized home care aide tasks as defined in clause (2), and individualized home management tasks as defined in clause (3) provided to residents of a residential center living in their units or apartments with a full kitchen and bathroom. A full kitchen includes a stove, oven, refrigerator, food preparation counter space, and a kitchen utensil storage compartment. Assisted living services must be provided by the management of the residential center or by providers under contract with the management or with the county.

(1) Supportive services include:

(i) socialization, when socialization is part of the plan of care, has specific goals and outcomes established, and is not diversional or recreational in nature;

(ii) assisting clients in setting up meetings and appointments; and

(iii) providing transportation, when provided by the residential center only.

Individuals receiving assisted living services will not receive both assisted living services and

homemaking or personal care services. Individualized means services are chosen and designed specifically for each resident's needs, rather than provided or offered to all residents regardless of their illnesses, disabilities, or physical conditions.

(2) Home care aide tasks means:

- (i) preparing modified diets, such as diabetic or low sodium diets;
- (ii) reminding residents to take regularly scheduled medications or to perform exercises;
- (iii) household chores in the presence of technically sophisticated medical equipment or episodes of acute illness or infectious disease;
- (iv) household chores when the resident's care requires the prevention of exposure to infectious disease or containment of infectious disease; and
- (v) assisting with dressing, oral hygiene, hair care, grooming, and bathing, if the resident is ambulatory, and if the resident has no serious acute illness or infectious disease. Oral hygiene means care of teeth, gums, and oral prosthetic devices.

(3) Home management tasks means:

- (i) housekeeping;
- (ii) laundry;
- (iii) preparation of regular snacks and meals; and
- (iv) shopping.

~~A person's eligibility to reside in the building must not be contingent on the person's acceptance or use of the assisted living services.~~ Assisted living services as defined in this section shall not be authorized in boarding and lodging establishments licensed according to sections 157.01 to 157.031.

Reimbursement for assisted living services and residential care services shall be made by the lead agency to the vendor as a monthly rate negotiated with the county agency. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, except for alternative care assisted living projects established under Laws 1988, chapter 689, article 2, section 256, whose rates may not exceed 65 percent of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the 180-day eligible client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059. The rate may not cover rent and direct food costs.

(i) For purposes of this section, companion services are defined as nonmedical care, supervision and oversight, provided to a functionally impaired adult. Companions may assist the individual with such tasks as meal preparation, laundry and shopping, but do not perform these activities as discrete services. The provision of companion services does not entail hands-on medical care. Providers may also perform light housekeeping tasks which are incidental to the care and supervision of the recipient. This service must be approved by the case manager as part of the care plan. Companion services must be provided by individuals or nonprofit organizations who are under contract with the local agency to provide the service. Any person related to the waiver recipient by blood, marriage or adoption cannot be reimbursed under this service. Persons providing companion services will be monitored by the case manager.

(j) For purposes of this section, training for direct informal caregivers is defined as a classroom or home course of instruction which may include: transfer and lifting skills, nutrition, personal and physical cares, home safety in a home environment, stress reduction and management, behavioral management, long-term care decision making, care coordination and family dynamics. The training is provided to an informal unpaid caregiver of a 180-day eligible client which enables the

caregiver to deliver care in a home setting with high levels of quality. The training must be approved by the case manager as part of the individual care plan. Individuals, agencies, and educational facilities which provide caregiver training and education will be monitored by the case manager.

Sec. 27. Minnesota Statutes 1994, section 256B.0913, subdivision 8, is amended to read:

Subd. 8. [REQUIREMENTS FOR INDIVIDUAL CARE PLAN.] (a) The case manager shall implement the plan of care for each 180-day eligible client and ensure that a client's service needs and eligibility are reassessed at least every six 12 months. The plan shall include any services prescribed by the individual's attending physician as necessary to allow the individual to remain in a community setting. In developing the individual's care plan, the case manager should include the use of volunteers from families and neighbors, religious organizations, social clubs, and civic and service organizations to support the formal home care services. The county shall be held harmless for damages or injuries sustained through the use of volunteers under this subdivision including workers' compensation liability. The lead agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program. The lead agency shall provide documentation in each individual's plan of care and to the commissioner that the most cost-effective alternatives available have been offered to the individual and that the individual was free to choose among available qualified providers, both public and private. The case manager must give the individual a ten-day written notice of any decrease in or termination of alternative care services.

(b) If the county administering alternative care services is different than the county of financial responsibility, the care plan may be implemented without the approval of the county of financial responsibility.

Sec. 28. Minnesota Statutes 1994, section 256B.0913, subdivision 12, is amended to read:

Subd. 12. [CLIENT PREMIUMS.] (a) A premium is required for all 180-day eligible clients to help pay for the cost of participating in the program. The amount of the premium for the alternative care client shall be determined as follows:

(1) when the alternative care client's income less recurring and predictable medical expenses is greater than the medical assistance income standard but less than 150 percent of the federal poverty guideline, and total assets are less than \$6,000, the fee is zero;

(2) when the alternative care client's income less recurring and predictable medical expenses is greater than 150 percent of the federal poverty guideline and total assets are less than \$6,000, the fee is 25 percent of the cost of alternative care services or the difference between 150 percent of the federal poverty guideline and the client's income less recurring and predictable medical expenses, whichever is less; and

(3) when the alternative care client's total assets are greater than \$6,000, the fee is 25 percent of the cost of alternative care services.

For married persons, total assets are defined as the total marital assets less the estimated community spouse asset allowance, under section 256B.059, if applicable. For married persons, total income is defined as the client's income less the monthly spousal allotment, under section 256B.058.

All alternative care services except case management shall be included in the estimated costs for the purpose of determining 25 percent of the costs.

The monthly premium shall be calculated and be payable in the based on the cost of the first full month in which the of alternative care services begin and shall continue unaltered for six months until the semiannual reassessment unless the actual cost of services falls below the fee until the next reassessment is completed or at the end of 12 months, whichever comes first. Premiums are due and payable each month alternative care services are received unless the actual cost of the services is less than the premium.

(b) The fee shall be waived by the commissioner when:

- (1) a person who is residing in a nursing facility is receiving case management only;
- (2) a person is applying for medical assistance;
- (3) a married couple is requesting an asset assessment under the spousal impoverishment provisions;
- (4) a person is a medical assistance recipient, but has been approved for alternative care-funded assisted living services;
- (5) a person is found eligible for alternative care, but is not yet receiving alternative care services;
- (6) a person is an adult foster care resident for whom alternative care funds are being used to meet a portion of the person's medical assistance spenddown, as authorized in subdivision 4; and
- (7) a person's fee under paragraph (a) is less than \$25.

(c) The county agency must collect the premium from the client and forward the amounts collected to the commissioner in the manner and at the times prescribed by the commissioner. Money collected must be deposited in the general fund and is appropriated to the commissioner for the alternative care program. The client must supply the county with the client's social security number at the time of application. If a client fails or refuses to pay the premium due, the county shall supply the commissioner with the client's social security number and other information the commissioner requires to collect the premium from the client. The commissioner shall collect unpaid premiums using the revenue recapture act in chapter 270A and other methods available to the commissioner. The commissioner may require counties to inform clients of the collection procedures that may be used by the state if a premium is not paid.

(d) The commissioner shall begin to adopt emergency or permanent rules governing client premiums within 30 days after July 1, 1991, including criteria for determining when services to a client must be terminated due to failure to pay a premium.

Sec. 29. Minnesota Statutes 1994, section 256B.0913, subdivision 14, is amended to read:

Subd. 14. [REIMBURSEMENT AND RATE ADJUSTMENTS.] (a) Reimbursement for expenditures for the alternative care services as approved by the client's case manager shall be through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), ~~only with the approval of the client's case manager.~~ To receive reimbursement, the county or vendor must submit invoices within ~~120 days~~ 12 months following the month date of service. The county agency and its vendors under contract shall not be reimbursed for services which exceed the county allocation.

(b) If a county collects less than 50 percent of the client premiums due under subdivision 12, the commissioner may withhold up to three percent of the county's final alternative care program allocation determined under subdivisions 10 and 11.

(c) Beginning July 1, 1991, the state will reimburse counties, up to the limits of state appropriations, according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who would be eligible for medical assistance within 180 days of admission to a nursing home.

(d) For fiscal years beginning on or after July 1, 1993, the commissioner of human services shall not provide automatic annual inflation adjustments for alternative care services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11 annual adjustments in reimbursement rates for alternative care services based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set.

(e) The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or 60 percent of the maximum rate in fiscal year 1994 and 65 percent of the maximum rate in fiscal year 1995 for each alternative care service. Notwithstanding any other rule or statutory provision to the contrary, the commissioner shall not be authorized to increase rates by an annual inflation factor, unless so authorized by the legislature.

(f) On July 1, 1993, the commissioner shall increase the maximum rate for home delivered meals to \$4.50 per meal.

Sec. 30. Minnesota Statutes 1994, section 256B.0915, subdivision 3, is amended to read:

Subd. 3. [LIMITS OF CASES, RATES, REIMBURSEMENT, AND FORECASTING.] (a) The number of medical assistance waiver recipients that a county may serve must be allocated according to the number of medical assistance waiver cases open on July 1 of each fiscal year. Additional recipients may be served with the approval of the commissioner.

(b) The monthly limit for the cost of waived services to an individual waiver client shall be the statewide average payment rate of the case mix resident class to which the waiver client would be assigned under the medical assistance case mix reimbursement system. If medical supplies and equipment or adaptations are or will be purchased for an elderly waiver services recipient, the costs may be prorated on a monthly basis throughout the year in which they are purchased. If the monthly cost of a recipient's other waived services exceeds the monthly limit established in this paragraph, the annual cost of the waived services shall be determined. In this event, the annual cost of waived services shall not exceed 12 times the monthly limit calculated in this paragraph. The statewide average payment rate is calculated by determining the statewide average monthly nursing home rate, effective July 1 of the fiscal year in which the cost is incurred, less the statewide average monthly income of nursing home residents who are age 65 or older, and who are medical assistance recipients in the month of March of the previous state fiscal year. The annual cost divided by 12 of elderly or disabled waived services for a person who is a nursing facility resident at the time of requesting a determination of eligibility for elderly or disabled waived services shall not exceed the monthly payment for the resident class assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, for that resident in the nursing facility where the resident currently resides. The following costs must be included in determining the total monthly costs for the waiver client:

(1) cost of all waived services, including extended medical supplies and equipment; and

(2) cost of skilled nursing, home health aide, and personal care services reimbursable by medical assistance.

(c) Medical assistance funding for skilled nursing services, home health aide, and personal care services for waiver recipients must be approved by the case manager and included in the individual care plan.

(d) Expenditures for extended medical supplies and equipment that cost over \$150 per month for both the elderly waiver and the disabled waiver must have the commissioner's prior approval. A county is not required to contract with a provider of supplies and equipment if the monthly cost of the supplies and equipment is less than \$250.

(e) For the fiscal year beginning on July 1, 1993, and for subsequent fiscal years, the commissioner of human services shall not provide automatic annual inflation adjustments for home and community-based waived services. The commissioner of finance shall include as a budget change request in each biennial detailed expenditure budget submitted to the legislature under section 16A.11, annual adjustments in reimbursement rates for home and community-based waived services, based on the forecasted percentage change in the Home Health Agency Market Basket of Operating Costs, for the fiscal year beginning July 1, compared to the previous fiscal year, unless otherwise adjusted by statute. The Home Health Agency Market Basket of Operating Costs is published by Data Resources, Inc. The forecast to be used is the one published for the calendar quarter beginning January 1, six months prior to the beginning of the fiscal year for which rates are set. The adult foster care rate shall be considered a difficulty of care payment and shall not include room and board.

(f) The adult foster care daily rate for the elderly and disabled waivers shall be negotiated between the county agency and the foster care provider. The rate established under this section shall not exceed the state average monthly nursing home payment for the case mix classification to which the individual receiving foster care is assigned, ~~and it; the rate must allow for other waiver and medical assistance home care services to be authorized by the case manager.~~

(g) The assisted living and residential care service rates for elderly and ~~disabled community alternatives for disabled individuals (CADI)~~ waivers shall be made to the vendor as a monthly rate negotiated with the county agency. The rate shall not exceed the nonfederal share of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate of the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059, ~~except.~~ For alternative care assisted living projects established under Laws 1988, chapter 689, article 2, section 256, ~~whose monthly rates may not exceed 65 percent of the greater of either the statewide or any of the geographic groups' weighted average monthly medical assistance nursing facility payment rate for the case mix resident class to which the elderly or disabled client would be assigned under Minnesota Rules, parts 9549.0050 to 9549.0059.~~ The rate may not cover direct rent or food costs.

(h) The county shall negotiate individual rates with vendors and may be reimbursed for actual costs up to the greater of the county's current approved rate or 60 percent of the maximum rate in fiscal year 1994 and 65 percent of the maximum rate in fiscal year 1995 for each service within each program.

(i) On July 1, 1993, the commissioner shall increase the maximum rate for home-delivered meals to \$4.50 per meal.

(j) Reimbursement for the medical assistance recipients under the approved waiver shall be made from the medical assistance account through the invoice processing procedures of the department's Medicaid Management Information System (MMIS), only with the approval of the client's case manager. The budget for the state share of the Medicaid expenditures shall be forecasted with the medical assistance budget, and shall be consistent with the approved waiver.

(k) Beginning July 1, 1991, the state shall reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision on or after January 1, 1991, for individuals who are receiving medical assistance.

Sec. 31. Minnesota Statutes 1994, section 256B.0915, subdivision 5, is amended to read:

Subd. 5. [REASSESSMENTS FOR WAIVER CLIENTS.] A reassessment of a client served under the elderly or disabled waiver must be conducted at least every ~~six~~ 12 months and at other times when the case manager determines that there has been significant change in the client's functioning. This may include instances where the client is discharged from the hospital.

Sec. 32. Minnesota Statutes 1994, section 256B.0915, is amended by adding a subdivision to read:

Subd. 6. [IMPLEMENTATION OF CARE PLAN.] If the county administering waived services is different than the county of financial responsibility, the care plan may be implemented without the approval of the county of financial responsibility.

Sec. 33. Minnesota Statutes 1994, section 256B.093, subdivision 1, is amended to read:

Subdivision 1. [STATE TRAUMATIC BRAIN INJURY PROGRAM.] The commissioner of human services shall:

(1) ~~establish and maintain a~~ statewide traumatic brain injury program;

(2) designate a full-time position to supervise and coordinate services and policies for persons with traumatic brain injuries;

(3) contract with qualified agencies or employ staff to provide statewide administrative case management and consultation;

(4) ~~establish~~ maintain an advisory committee to provide recommendations in ~~a report~~ reports to the commissioner regarding program and service needs of persons with traumatic brain injuries. The advisory committee shall consist of no less than ten members and no more than 30 members. The commissioner shall appoint all advisory committee members to one- or two-year terms and appoint one member as chair; ~~and~~

(5) investigate the need for the development of rules or statutes for:

(i) the traumatic brain injury home and community-based services waiver; and

~~(ii) traumatic brain injury services not covered by any other statute or rule~~ (6) investigate present and potential models of service coordination which can be delivered at the local level.

Sec. 34. Minnesota Statutes 1994, section 256B.093, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for traumatic brain injury administrative case management and consultation must be eligible medical assistance recipients who have traumatic or certain acquired brain injury and:

(1) are at risk of institutionalization; ~~or~~

~~(2) exceed limits established by the commissioner in section 256B.0627, subdivision 5, paragraph (b).~~

Sec. 35. Minnesota Statutes 1994, section 256B.093, subdivision 3, is amended to read:

Subd. 3. [TRAUMATIC BRAIN INJURY PROGRAM DUTIES.] The department shall fund administrative case management under this subdivision using medical assistance administrative funds. The traumatic brain injury program duties include:

~~(1) assessing the person's individual needs for services required to prevent institutionalization;~~

~~(2) ensuring that a care plan that addresses the person's needs is developed, implemented, and monitored on an ongoing basis by the appropriate agency or individual;~~

~~(3) assisting the person in obtaining services necessary to allow the person to remain in the community;~~

~~(4) coordinating home care services with other medical assistance services under section 256B.0625;~~

~~(5) ensuring appropriate, accessible, and cost effective medical assistance services;~~

~~(6) recommending to the commissioner the approval or denial of the use of medical assistance funds to pay for home care services when home care services exceed thresholds established by the commissioner under section 256B.0627;~~

~~(7) assisting the person with problems related to the provision of home care services;~~

~~(8) ensuring the quality of home care services;~~

~~(9) reassessing the person's need for and level of home care services at a frequency determined by the commissioner;~~

(10) (1) recommending to the commissioner the approval or denial of medical assistance funds to pay for out-of-state placements for traumatic brain injury services and in-state traumatic brain injury services provided by designated Medicare long-term care hospitals;

(11) (2) coordinating the traumatic brain injury home and community-based waiver; ~~and~~

(12) (3) approving traumatic brain injury waiver eligibility or care plans or both;

(4) providing ongoing technical assistance and consultation to county and facility case managers to facilitate care plan development for appropriate, accessible, and cost-effective medical assistance services;

(5) providing technical assistance to promote statewide development of appropriate, accessible, and cost-effective medical assistance services and related policy;

(6) providing training and outreach to facilitate access to appropriate home and community-based services to prevent institutionalization;

(7) facilitating appropriate admissions, continued stay review, discharges, and utilization review for neurobehavioral hospitals and other specialized institutions;

(8) providing technical assistance on the use of prior authorization of home care services and coordination of these services with other medical assistance services;

(9) developing a system for identification of nursing facility and hospital residents with traumatic brain injury to assist in long-term planning for medical assistance services. Factors will include, but are not limited to, number of individuals served, length of stay, services received, and barriers to community placement; and

(10) providing information, referral, and case consultation to access medical assistance services for recipients without a county or facility case manager. Direct access to this assistance may be limited due to the regional structure of the program.

Sec. 36. Minnesota Statutes 1994, section 256B.093, is amended by adding a subdivision to read:

Subd. 3a. [TRAUMATIC BRAIN INJURY CASE MANAGEMENT SERVICES.] The annual appropriation established under section 171.29, subdivision 2, paragraph (b), clause (5), shall be used for traumatic brain injury program services that include, but are not limited to:

(1) collaborating with counties, providers, and other public and private organizations to expand and strengthen local capacity for delivering needed services and supports, including efforts to increase access to supportive residential housing options;

(2) participating in planning and accessing services not otherwise covered in subdivision 3 to allow individuals to attain and maintain community-based services;

(3) providing information, referral, and case consultation to access health and human services for persons with traumatic brain injury not eligible for medical assistance, though direct access to this assistance may be limited due to the regional structure of the program; and

(4) collaborating on injury prevention efforts.

Sec. 37. Minnesota Statutes 1994, section 256B.431, is amended by adding a subdivision to read:

Subd. 2s. [OPERATING COSTS AFTER JUNE 30, 1997.] (a) In general, the commissioner shall establish maximum standard rates for the prospective reimbursement of nursing facility costs. The maximum standard rates must take into account the level of reimbursement which is adequate to cover the base-level costs of economically operated nursing facilities. In determining the base-level costs, the commissioner shall consider geographic location, types of nursing facilities (Rule 80, short-length-of-stay, hospital attached, etc.), minimum nursing standards, case mix assessment of residents, and other factors as determined by the commissioner.

The commissioner shall also develop additional incentive-based payments which if achieved for specified outcomes will be added to the maximum standard rates. The specified outcomes must be measurable, and shall be based on criteria to be developed by the commissioner during fiscal year 1996. The commissioner may establish various levels of achievement within an outcome. Once the outcomes are established, the commissioner shall assign various levels of payment associated with achieving the outcome. In establishing the specified outcomes and the related criteria, the commissioner shall consider the following state policy objectives:

(1) a reduction in the number of case mix A admissions;

(2) a shortened length of stay;



- (3) improved results of a uniform consumer satisfaction survey;
- (4) the achievement of no major licensure or certification deficiencies;
- (5) the delicensure and decertification of a portion of the nursing facilities bed complement; or
- (6) any other outcomes the commissioner finds desirable.

(b) In developing the maximum standard rates and the incentive-based payments, desirable outcomes, and related criteria, the commissioner, in collaboration with the commissioner of health, shall form an advisory committee. The membership of the advisory committee shall consist of:

- (1) three representatives from consumer advocacy groups;
- (2) three representatives from the nursing facility trade associations;
- (3) the commissioner of finance;
- (4) four representatives from the legislature, two each from the house and senate; and
- (5) others the commissioners find appropriate.

(c) Beginning July 1, 1996, the commissioner shall collect the data from nursing facilities, the department of health, or others as necessary to determine the extent to which a nursing facility has met any of the outcomes and related criteria. Payment rates under this subdivision shall be effective July 1, 1997.

(d) The commissioner shall report to the legislature on the progress of the advisory committee by January 31, 1996, any necessary changes to the reimbursement methodology proposed under this subdivision. By January 15, 1997, the commissioner shall recommend to the legislature legislation which will implement this reimbursement methodology for rate years beginning on or after the proposed effective date of July 1, 1997.

Sec. 38. Minnesota Statutes 1994, section 256B.431, subdivision 15, is amended to read:

Subd. 15. [CAPITAL REPAIR AND REPLACEMENT COST REPORTING AND RATE CALCULATION.] For rate years beginning after June 30, 1993, a nursing facility's capital repair and replacement payment rate shall be established annually as provided in paragraphs (a) to ~~(d)~~ (e).

(a) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the costs of ~~acquiring~~ any of the following items ~~not included in the equity incentive computations under subdivision 16 or reported as a capital asset addition under subdivision 18, paragraph (b), including cash payment for equity investment and principal and interest expense for debt financing, shall~~ must be reported in the capital repair and replacement cost category ~~when the cost of the item exceeds \$500:~~

- (1) wall coverings;
- (2) paint;
- (3) floor coverings;
- (4) window coverings;
- (5) roof repair; and
- (6) heating or cooling system repair or replacement;
- (7) window repair or replacement;

~~(8) initiatives designed to reduce energy usage by the facility if accompanied by an energy audit prepared by a professional engineer or architect registered in Minnesota, or by an auditor certified under Minnesota Rules, part 7635.0130, to do energy audits and the energy audit identifies the initiative as a conservation measure; and~~

~~(9) repair or replacement of capital assets not included in the equity incentive computations under subdivision 16.~~

(b) Notwithstanding Minnesota Rules, part 9549.0060, subpart 12, the repair or replacement of a capital asset not included in the equity incentive computations under subdivision 16 or reported as a capital asset addition under subdivision 18, paragraph (b), must be reported under this subdivision when the cost of the item exceeds \$500, or in the plant operations and maintenance cost category when the cost of the item is equal to or less than \$500.

(c) To compute the capital repair and replacement payment rate, the allowable annual repair and replacement costs for the reporting year must be divided by actual resident days for the reporting year. The annual allowable capital repair and replacement costs shall not exceed \$150 per licensed bed. The excess of the allowed capital repair and replacement costs over the capital repair and replacement limit shall be a cost carryover to succeeding cost reporting periods, except that sale of a facility, under subdivision 14, shall terminate the carryover of all costs except those incurred in the most recent cost reporting year. The termination of the carryover shall have effect on the capital repair and replacement rate on the same date as provided in subdivision 14, paragraph (f), for the sale. For rate years beginning after June 30, 1994, the capital repair and replacement limit shall be subject to the index provided in subdivision 3f, paragraph (a). For purposes of this subdivision, the number of licensed beds shall be the number used to calculate the nursing facility's capacity days. The capital repair and replacement rate must be added to the nursing facility's total payment rate.

(e) (d) Capital repair and replacement costs under this subdivision shall not be counted as either care-related or other operating costs, nor subject to care-related or other operating limits.

(d) (e) If costs otherwise allowable under this subdivision are incurred as the result of a project approved under the moratorium exception process in section 144A.073, or in connection with an addition to or replacement of buildings, attached fixtures, or land improvements for which the total historical cost of these assets exceeds the lesser of \$150,000 or ten percent of the nursing facility's appraised value, these costs must be claimed under subdivision 16 or 17, as appropriate.

Sec. 39. Minnesota Statutes 1994, section 256B.432, subdivision 1, is amended to read:

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

(a) "Management agreement" means an agreement in which one or more of the following criteria exist:

(1) the central, affiliated, or corporate office has or is authorized to assume day-to-day operational control of the ~~long-term-care~~ nursing facility for any six-month period within a 24-month period. "Day-to-day operational control" means that the central, affiliated, or corporate office has the authority to require, mandate, direct, or compel the employees of the ~~long-term-care~~ nursing facility to perform or refrain from performing certain acts, or to supplant or take the place of the top management of the ~~long-term-care~~ nursing facility. "Day-to-day operational control" includes the authority to hire or terminate employees or to provide an employee of the central, affiliated, or corporate office to serve as administrator of the ~~long-term-care~~ nursing facility;

(2) the central, affiliated, or corporate office performs or is authorized to perform two or more of the following: the execution of contracts; authorization of purchase orders; signature authority for checks, notes, or other financial instruments; requiring the ~~long-term-care~~ nursing facility to use the group or volume purchasing services of the central, affiliated, or corporate office; or the authority to make annual capital expenditures for the ~~long-term-care~~ nursing facility exceeding \$50,000, or \$500 per licensed bed, whichever is less, without first securing the approval of the ~~long-term-care~~ nursing facility board of directors;

(3) the central, affiliated, or corporate office becomes or is required to become the licensee under applicable state law;

(4) the agreement provides that the compensation for services provided under the agreement is directly related to any profits made by the ~~long-term-care~~ nursing facility; or

(5) the ~~long-term care~~ nursing facility entering into the agreement is governed by a governing body that meets fewer than four times a year, that does not publish notice of its meetings, or that does not keep formal records of its proceedings.

(b) "Consulting agreement" means any agreement the purpose of which is for a central, affiliated, or corporate office to advise, counsel, recommend, or suggest to the owner or operator of the nonrelated ~~long-term care~~ nursing facility measures and methods for improving the operations of the ~~long-term care~~ nursing facility.

(c) "~~Long-term care~~ Nursing facility" means a nursing facility whose medical assistance rates are determined according to section 256B.431 ~~or an intermediate care facility for persons with mental retardation and related conditions whose medical assistance rates are determined according to section 256B.501.~~

Sec. 40. Minnesota Statutes 1994, section 256B.432, subdivision 2, is amended to read:

Subd. 2. [EFFECTIVE DATE.] For rate years beginning on or after July 1, 1990, the central, affiliated, or corporate office cost allocations in subdivisions 3 to 6 must be used when determining medical assistance rates under sections 256B.431 and ~~256B.501~~ 256B.50.

Sec. 41. Minnesota Statutes 1994, section 256B.432, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION; DIRECT IDENTIFICATION OF COSTS OF ~~LONG-TERM CARE~~ NURSING FACILITIES; MANAGEMENT AGREEMENT.] All costs that can be directly identified with a specific ~~long-term care~~ nursing facility that is a related organization to the central, affiliated, or corporate office, or that is controlled by the central, affiliated, or corporate office under a management agreement, must be allocated to that ~~long-term care~~ nursing facility.

Sec. 42. Minnesota Statutes 1994, section 256B.432, subdivision 5, is amended to read:

Subd. 5. [ALLOCATION OF REMAINING COSTS; ALLOCATION RATIO.] (a) After the costs that can be directly identified according to subdivisions 3 and 4 have been allocated, the remaining central, affiliated, or corporate office costs must be allocated between the ~~long-term care~~ nursing facility operations and the other activities or facilities unrelated to the ~~long-term care~~ nursing facility operations based on the ratio of total operating costs.

(b) For purposes of allocating these remaining central, affiliated, or corporate office costs, the numerator for the allocation ratio shall be determined as follows:

(1) for ~~long-term care~~ nursing facilities that are related organizations or are controlled by a central, affiliated, or corporate office under a management agreement, the numerator of the allocation ratio shall be equal to the sum of the total operating costs incurred by each related organization or controlled ~~long-term care~~ nursing facility;

(2) for a central, affiliated, or corporate office providing goods or services to related organizations that are not ~~long-term care~~ nursing facilities, the numerator of the allocation ratio shall be equal to the sum of the total operating costs incurred by the ~~non-long-term care~~ nonnursing facility related organizations;

(3) for a central, affiliated, or corporate office providing goods or services to unrelated ~~long-term care~~ nursing facilities under a consulting agreement, the numerator of the allocation ratio shall be equal to the greater of directly identified central, affiliated, or corporate costs or the contracted amount; or

(4) for business activities that involve the providing of goods or services to unrelated parties which are not ~~long-term care~~ nursing facilities, the numerator of the allocation ratio shall be equal to the greater of directly identified costs or revenues generated by the activity or function.

(c) The denominator for the allocation ratio is the sum of the numerators in paragraph (b), clauses (1) to (4).

Sec. 43. Minnesota Statutes 1994, section 256B.432, subdivision 6, is amended to read:

Subd. 6. [COST ALLOCATION BETWEEN LONG-TERM CARE NURSING FACILITIES.]

(a) Those ~~long-term care nursing~~ operations that have ~~long-term care nursing~~ facilities both in Minnesota and comparable facilities outside of Minnesota must allocate the ~~long-term care nursing~~ operation's central, affiliated, or corporate office costs identified in subdivision 5 to Minnesota based on the ratio of total resident days in Minnesota ~~long-term care nursing~~ facilities to the total resident days in all facilities.

(b) The Minnesota ~~long-term care nursing~~ operation's central, affiliated, or corporate office costs identified in paragraph (a) must be allocated to each Minnesota ~~long-term care nursing~~ facility on the basis of resident days.

Sec. 44. Minnesota Statutes 1994, section 256B.501, subdivision 1, is amended to read:

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

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

(b) "Facility" means a facility licensed as a mental retardation residential facility under section 252.28, licensed as a supervised living facility under chapter 144, and certified as an intermediate care facility for persons with mental retardation or related conditions. The term does not include a state regional treatment center.

(c) "Waivered service" means home or community-based service authorized under United States Code, title 42, section 1396n(c), as amended through December 31, 1987, and defined in the Minnesota state plan for the provision of medical assistance services. Waivered services include, at a minimum, case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation services.

Sec. 45. Minnesota Statutes 1994, section 256B.501, subdivision 3g, is amended to read:

Subd. 3g. [ASSESSMENT OF RESIDENTS CLIENTS.] (a) To establish the service characteristics of residents clients, the ~~quality assurance and review teams in the department of health~~ Minnesota department of health case mix review program shall assess all residents clients annually ~~beginning January 1, 1989, using a uniform assessment instrument developed by the commissioner. This instrument shall include assessment of the services identified as needed and provided to each client to address behavioral needs, integration into the community, ability to perform activities of daily living, medical and therapeutic needs, and other relevant factors determined by the commissioner. By January 30, 1994, the commissioner shall report to the legislature on:~~

~~(1) the assessment process and scoring system utilized;~~

~~(2) possible utilization of assessment information by facilities for management purposes; and~~

~~(3) possible application of the assessment for purposes of adjusting the operating cost rates of facilities based on a comparison of client services characteristics, resource needs, and costs. The facility's qualified mental retardation professional (QMRP) with primary responsibility for the client's individual program plan, in conjunction with the interdisciplinary team, shall assess each client who is newly admitted to a facility. This assessment must occur within 30 days from the date of admission during the interdisciplinary team meeting.~~

(b) All client assessments must be conducted as set forth in the manual, Minnesota ICF/MR Client Assessment Manual, February 1995, hereinafter referred to in this subdivision as the manual. Client assessments completed by the case mix review program and the facility QMRP must be recorded on assessment forms developed by the commissioner of health. The facility QMRP must complete the assessment form, submit it to the case mix review program, and mail a copy to the client's case manager within ten working days following the interdisciplinary team meeting.

(c) The case mix review program shall score assessments according to attachment E of the manual in the assessment domains of personal interaction, independence, and integration,

challenging behaviors and preventive practice, activities of daily living, and special treatments. Scores must be based on information from the assessment form. A client's score from each assessment domain shall be used to determine that client's classification.

(d) The commissioner of health shall determine and assign classifications for each client using the procedures specified in attachment F of the manual. The commissioner of health shall assign the client classification within 15 working days after receiving the completed assessment form submitted by the case mix review program team or the facility QMRP. The classification for a newly admitted client is effective retroactive to the date of the client's admission. If a facility QMRP submits an incomplete assessment form, the case mix review program shall inform the facility QMRP of the need to submit additional information necessary for assigning a classification. The facility QMRP must mail the additional information to the case mix review program no later than five working days after receiving the request for the information. If a facility QMRP fails to submit a completed client assessment for a client who is newly admitted to the facility, that client's first assessment in the facility conducted by the case mix review program shall be used to establish a client classification retroactive to the date of the client's admission. Any change in classification due to annual assessment by the case mix review program will be effective on the first day of the month following completion of the case mix review program's annual assessment of all the facility's clients. A client who has resided in the facility less than 30 days must be assessed by the case mix review program during the annual assessment, but must not have a client classification assigned based on the case mix review program's assessment unless the facility QMRP fails to submit a completed client assessment and the client goes on to reside in the facility for more than 30 days.

(e) The facility QMRP may request a reclassification for a client by completing a new client assessment if the facility QMRP believes that the client's status has changed since the case mix review program's annual assessment and that these changes will result in a change in the client's classification. Client assessments for purposes of reclassification will be governed by the following:

(1) The facility QMRP that requests reclassification of a client must provide the case mix review program with evidence to determine a change in the client's classification. Evidence must include photocopies of documentation from the client's record, as specified in the documentation requirements sections of the manual.

(2) A reclassification assessment must occur between the third and the ninth month following the case mix review program's annual assessment of the client. The facility QMRP can request only one reclassification for each client annually.

(3) Any change in classification approved by the case mix review program shall be effective on the first day of the month following the date when the facility QMRP assessed the client for the reclassification.

(4) The case mix review program shall determine reclassification based on the documentation submitted by the facility QMRP. If there is not sufficient information submitted to justify a change to a higher classification, the case mix review program may request additional information necessary to complete a reclassification.

(5) If the facility QMRP does not provide sufficient documentation to support a change in classification, the classification shall remain at the level assessed by the case mix review program at the last inspection of care.

(f) The case mix review program shall conduct desk audits or on-site audits of assessments performed by facility QMRPs. Case mix review program staff shall conduct desk audits of any assessment believed to be inaccurate. The case mix review program may request the facility to submit additional information needed to conduct a desk audit. The facility shall mail the requested information within five working days after receiving the request.

(g) The case mix review program may conduct on-site audits of at least ten percent of the total assessments submitted by facility QMRPs in the previous year and may also conduct special audits if it determines that circumstances exist that could change or affect the validity of assigned classifications. The facility shall grant the case mix review program staff access to the client

records during regular business hours for the purpose of conducting an audit. For assessments submitted for new clients, the case mix review program shall consider documentation in the client's record up to and including the date the client was assessed by the facility QMRP. For audits of reclassification assessments, the case mix review program shall consider documentation in the client's record from three months preceding the assessment up to and including the date the client was assessed by the facility QMRP. If the audit reveals that the facility's assessment does not accurately reflect the client's status for the time period and the appropriate supporting documentation cannot be produced by the facility, the case mix review program shall change the classification so that it is consistent with the results of the audit. Any change in client classification that results from an audit must be retroactive to the effective date of the client assessment that was audited. Case mix review program staff shall not discuss preliminary audit findings with the facility's staff. Within 15 working days after completing the audit, the case mix review program shall mail a notice of the results of the audit to the facility.

(h) Requests for reconsideration of client classifications shall be made under section 144.0723 and must be submitted according to section IV of the manual. A reconsideration must be reviewed by case mix review program staff not involved in completing the assessment that established the disputed classification. The reconsideration must be based upon the information provided to the case mix review program. Within 15 working days after receiving the request for reconsideration, the case mix review program shall affirm or modify the original classification. The original classification must be modified if the case mix review program determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. The department of health's decision on reconsiderations is the final administrative decision of the department. The classification assigned by the department of health must be the classification that applies to the client while the request for reconsideration is pending. A change in a classification resulting from a reconsideration must be retroactive to the effective date of the client assessment for which a reconsideration was requested.

(i) The commissioner of human services shall assign weights to each client's classification according to the following table:

<u>Classification</u>	<u>Classification Weight</u>
1S	1.00
1I	1.04
2S	1.36
2I	1.52
3S	1.58
3I	1.68
4S	1.87
4I	2.02
5S	2.09
5I	2.26
6S	2.26
6I	2.52
7S	2.10
7I	2.37
8S	2.26
8I	2.52

Sec. 46. Minnesota Statutes 1994, section 256B.501, is amended by adding a subdivision to read:

Subd. 5c. [OPERATING COSTS AFTER SEPTEMBER 30, 1997.] (a) In general, the commissioner shall establish maximum standard rates for the prospective reimbursement of facility costs. The maximum standard rates must take into account the level of reimbursement which is adequate to cover the base-level costs of economically operated facilities. In determining the base-level costs, the commissioner shall consider geographic location, types of facilities (class A or class B), minimum staffing standards, resident assessment under subdivision 3g, and other factors as determined by the commissioner.

(b) The commissioner shall also develop additional incentive-based payments which, if achieved for specified outcomes, will be added to the maximum standard rates. The specified outcomes must be measurable and shall be based on criteria to be developed by the commissioner during fiscal year 1996. The commissioner may establish various levels of achievement within an outcome. Once the outcomes are established, the commissioner shall assign various levels of payment associated with achieving the outcome. In establishing the specified outcomes and the related criteria, the commissioner shall consider the following state policy objectives: (1) resident transitioned into cost-effective community alternatives; (2) the results of a uniform consumer satisfaction survey; (3) the achievement of no major licensure or certification deficiencies; or (4) any other outcomes the commissioner finds desirable.

(c) In developing the maximum standard rates and the incentive-based payments, desirable outcomes, and related criteria, the commissioner, in collaboration with the commissioner of health, shall form an advisory committee. The membership of the advisory committee shall include representation from the consumers advocacy groups (3), the two facility trade associations (3 each), counties (3), commissioner of finance (1), the legislature (2 each from both the house and senate), and others the commissioner finds appropriate. By February 1, 1997, the commissioner shall recommend to the legislature changes to facility reimbursement laws and rules which respond to the provisions of this subdivision.

(d) Beginning July 1, 1996, the commissioner shall collect the data from the facilities, the department of health, or others as necessary to determine the extent to which a facility has met any of the outcomes and related criteria. Payment rates under this subdivision shall be effective October 1, 1997.

(e) The commissioner shall report to the legislature on the progress of the advisory committee by January 31, 1996, any necessary changes to the reimbursement methodology proposed under this subdivision. By January 15, 1997, the commissioner shall recommend to the legislature legislation which will implement this reimbursement methodology for rate years beginning on or after the proposed effective date of October 1, 1997.

Sec. 47. Minnesota Statutes 1994, section 256B.69, subdivision 4, is amended to read:

Subd. 4. [LIMITATION OF CHOICE.] The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6. The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice: (1) persons eligible for medical assistance according to section 256B.055, subdivision 1, and children under age 21 who are in foster placement; (2) persons eligible for medical assistance due to blindness or disability as determined by the social security administration or the state medical review team, unless they are 65 years of age or older; (3) recipients who currently have private coverage through a health maintenance organization; and (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense. The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state. Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.

Sec. 48. [256B.691] [RISK-BASED TRANSPORTATION PAYMENTS.]

Any contract with a prepaid health plan under the medical assistance, general assistance medical care, or MinnesotaCare program that requires the health plan to cover transportation services for obtaining medical care for eligible individuals who are ambulatory must provide for payment for those services on a risk basis.

Sec. 49. Minnesota Statutes 1994, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section 256B.056, subdivision 5, and:

(1) who is receiving assistance under section 256D.05 or 256D.051, or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; or

(2)(i) who is a resident of Minnesota; and whose equity in assets is not in excess of \$1,000 per assistance unit. No asset test shall be applied to children and their parents living in the same household. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; and

(ii) who has countable income not in excess of the assistance standards established in section 256B.056, subdivision 4, or whose excess income is spent down pursuant to section 256B.056, subdivision 5, using a six-month budget period, except that a one-month budget period must be used for recipients residing in a long-term care facility. The method for calculating earned income disregards and deductions for a person who resides with a dependent child under age 21 shall be as specified in section 256.74, subdivision 1. However, if a disregard of \$30 and one-third of the remainder described in section 256.74, subdivision 1, clause (4), has been applied to the wage earner's income, the disregard shall not be applied again until the wage earner's income has not been considered in an eligibility determination for general assistance, general assistance medical care, medical assistance, or aid to families with dependent children for 12 consecutive months. The earned income and work expense deductions for a person who does not reside with a dependent child under age 21 shall be the same as the method used to determine eligibility for a person under section 256D.06, subdivision 1, except the disregard of the first \$50 of earned income is not allowed; or

(3) who would be eligible for medical assistance except that the person resides in a facility that is determined by the commissioner or the federal health care financing administration to be an institution for mental diseases.

(b) Eligibility is available for the month of application, and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

(c) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.

(d) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

(e) In determining the amount of assets of an individual, there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 30 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months,



and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

(f)(1) Beginning October 1, 1993, an undocumented alien or a nonimmigrant is ineligible for general assistance medical care other than emergency services. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented alien is an individual who resides in the United States without the approval or acquiescence of the Immigration and Naturalization Service.

(2) This subdivision does not apply to a child under age 18, to a Cuban or Haitian entrant as defined in Public Law Number 96-422, section 501(e)(1) or (2)(a), or to an alien who is aged, blind, or disabled as defined in United States Code, title 42, section 1382c(a)(1).

(3) For purposes of paragraph (f), "emergency services" has the meaning given in Code of Federal Regulations, title 42, section 440.255(b)(1).

#### Sec. 50. [ICF/MR RULE REVISION RECORD KEEPING.]

The commissioner shall consider various time record and time distribution record keeping requirements when developing rule revisions for cost allocation regarding intermediate care facilities for persons with mental retardation or related conditions. The commissioner shall consider information from the public, including providers, provider associations, advocates, and counties when developing rule amendments in the area of cost allocation.

From July 1, 1995, until June 30, 1996, all employees and consultants of ICFs/MR, including any individual for whom any portion of that individual's compensation is reported for reimbursement under Minnesota Rules, parts 9553.0010 to 9553.0080, shall document their service to all sites according to paragraphs (a) to (c). For this purpose, and for paragraphs (a) to (c), employee means an individual who is compensated by a facility or provider group for necessary services on any hourly or salaried basis. Employees and consultants for whom no portion of that individual's total compensation is reported for reimbursement in Minnesota Rules, parts 9553.0010 to 9553.0080, are exempt from the record keeping requirements set forth in paragraphs (a) to (c).

(a) Time and attendance records are required for all employees and consultants as set forth in Minnesota Statutes, section 256B.432, subdivision 8.

(b) Employees and consultants shall keep time records on a daily basis showing the actual time spent on various activities, as required by Minnesota Rules, part 9553.0030, except that employees with multiple duties must not use a sampling method.

(c) All employees and consultants who work for the benefit of more than one site shall keep a record of where work is performed. This record must specify the time in which work performed at a site solely benefits that site. The amount of time reported for work performed at a site for the sole benefit of that site does not need to be adjusted for brief, infrequent telephone interruptions, time spent away from the site when accompanying clients from that site, and time away from the site for shopping or errands if the shopping or errands benefit solely that site.

For record keeping purposes, site means a Minnesota ICF/MR, waived services location, semi-independent living service arrangement, day training and habilitation operation, or similar out-of-state service operation for persons with developmental disabilities. Site also means any nondevelopmental disability service location or any business operation owned or operated by a provider group, either in or outside of Minnesota, whether or not that operation provides a service to persons with developmental disabilities.

#### Sec. 51. [ADVISORY TASK FORCE TO STANDARDIZE SUPPORTING DOCUMENTATION FOR PRIOR AUTHORIZATION.]

Subdivision 1. [COMPOSITION OF TASK FORCE.] A six-member advisory task force on prior authorization for physical therapy, occupational therapy, speech therapy, or related services

supporting documentation shall be established. The task force shall be comprised of one licensed physiatrist, one licensed physical therapist, one licensed occupational therapist, one licensed speech therapist, one licensed rehabilitation nurse, and one consumer representative. All licensed task force members must be actively engaged in the practice of their profession in Minnesota. The members of the task force shall be appointed by the commissioner of human services. No more than three members may be of one gender. All licensed professional members shall be selected from lists submitted to the commissioner by the appropriate professional associations. Task force members who are licensed professionals shall not be compensated for their service. The consumer representative member must be compensated for time spent on task force activities as specified in Minnesota Statutes, section 15.059, subdivision 3. The task force shall expire on December 31, 1996.

Subd. 2. [DUTIES OF COMMISSIONER AND TASK FORCE.] The task force shall study the lists of items, specified in the issue of the medical assistance and general assistance medical care provider manual which is in effect as of the effective date of this act, that are required to be submitted by each category of provider along with the provider's request for prior authorization. The task force shall recommend to the commissioner any amendments or refinements needed to clarify the lists. The commissioner shall use the recommendations of the task force to develop standardized documentation which a provider must submit with a prior authorization request. If the commissioner intends to depart from the recommendations of the task force, the commissioner shall inform the task force of the intended departure, provide a written explanation of the reasons for the departure, and give the task force an opportunity to comment on the intended departure.

**Sec. 52. [PRIOR AUTHORIZATION ALTERNATIVES; REPORT REQUIRED.]**

The commissioner shall report on alternative methods, other than prior authorization, to achieve utilization review of the therapy services provided by an entity that operates a Medicare certified comprehensive outpatient rehabilitation facility which was certified prior to January 1, 1993, and that is a facility licensed under Minnesota Rules, parts 9570.2000 to 9570.3600, when these services are provided within the comprehensive outpatient rehabilitation facility and not provided in a nursing facility other than the entity's own, and by facilities licensed under Minnesota Rules, parts 9570.2000 to 9570.3600, which provide residential services for persons with physical handicaps. The commissioner must consult with these facilities to develop recommendations for alternative methods of utilization review. By February 1, 1996, the commissioner must submit the report to the health and human services committee of the house of representatives, the health care committee of the senate, and the legislative commission to review administrative rules.

**Sec. 53. [CONTINUATION OF PILOT PROJECTS.]**

The alternative care pilot projects authorized in Laws 1993, First Special Session chapter 1, article 5, section 133, shall not expire on June 30, 1995, but shall continue until June 30, 1997, except that the three percent rate increases authorized in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 4, shall be incorporated in average monthly cost effective July 1, 1995. The commissioner shall allow additional counties at their option to implement the alternative care program within the parameters established in Laws 1993, First Special Session chapter 1, article 5, section 133. If more than five counties exercise this option, the commissioner may require counties to make this change on a phased schedule if necessary in order to implement this provision within the limit of available resources. For newly participating counties, the previous fiscal year shall be the base year.

**Sec. 54. [PREADMISSION SCREENING RATES FOR 1996.]**

The preadmission screening payment to a county for fiscal year 1996 shall be the rate in effect for fiscal year 1995.

**Sec. 55. [RATE CONSOLIDATION PLAN.]**

The commissioner of human services, in cooperation with counties, shall prepare an implementation plan to consolidate payment rates for alternative care services, elderly waiver services, community alternatives for disabled individuals services, traumatic brain injury services, and comparable medical assistance services provided after June 30, 1996, that establishes a statewide rate cap for each individual service that is equal to the highest rate cap in any program for that service. The plan must be submitted to the legislature by October 1, 1995.

## Sec. 56. [STUDY OF VENDORS.]

The commissioner shall study the feasibility of grouping vendors of similar size, location, direct service staffing needs or performance outcomes to establish payment rate limits that define cost-effective service. Based on the conclusions of the feasibility study the department shall consider developing a method to redistribute dollars from less cost effective to more cost-effective services based on vendor achievement of performance outcomes. The department shall report to the legislature by March 1, 1996, with results of the study and recommendations for further action. The department shall consult with an advisory committee representing counties, service consumers, vendors, and the legislature.

## Sec. 57. [EFFECTIVE DATE.]

Sections 12 to 15 (256B.0595, subdivisions 1, 2, 3, and 4) are effective retroactive to October 1, 1993, except that the portion of section 13 amending Minnesota Statutes, section 256B.0595, subdivision 2, paragraph (c), is effective retroactive to transfers of income or assets made on or after September 1994.

Sections 20, 21, 25, 30, and 33 to 35 (256B.0628, subdivision 2; 256B.0911, subdivision 2; 256B.0913, subdivision 14; 256B.0915, subdivision 3; 256B.093, subdivisions 1, 2, and 3) are effective the day following final enactment.

## ARTICLE 6

## COMMUNITY MENTAL HEALTH AND STATE-OPERATED SERVICES POLICY

Section 1. Minnesota Statutes 1994, section 246.56, is amended by adding a subdivision to read:

Subd. 3. The commissioner of human services is not required to include indirect costs as defined in section 16A.127 in work activity contracts for patients of the regional treatment centers, and is not required to reimburse the general fund for indirect costs related to work activity programs.

Sec. 2. Minnesota Statutes 1994, section 256B.501, subdivision 8, is amended to read:

Subd. 8. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS.] The commissioner shall establish by December 31, 1983, procedures to be followed by the counties to seek authorization from the commissioner for medical assistance reimbursement for very dependent persons with special needs in an amount in excess of the rates allowed pursuant to subdivision 2, including rates established under section 252.46 when they apply to services provided to residents of intermediate care facilities for persons with mental retardation or related conditions, and procedures to be followed for rate limitation exemptions for intermediate care facilities for persons with mental retardation or related conditions. Rate payments under subdivision 8a are eligible for a rate exception under this subdivision. No excess payment approved by the commissioner after June 30, 1991, shall be authorized unless:

(1) the need for specific level of service is documented in the individual service plan of the person to be served;

(2) the level of service needed can be provided within the rates established under section 252.46 and Minnesota Rules, parts 9553.0010 to 9553.0080, without a rate exception within 12 months;

(3) staff hours beyond those available under the rates established under section 252.46 and Minnesota Rules, parts 9553.0010 to 9553.0080, necessary to deliver services do not exceed 1,440 hours within 12 months;

(4) there is a basis for the estimated cost of services;

(5) the provider requesting the exception documents that current per diem rates are insufficient to support needed services;

(6) estimated costs, when added to the costs of current medical assistance-funded residential

and day training and habilitation services and calculated as a per diem, do not exceed the per diem established for the regional treatment centers for persons with mental retardation and related conditions on July 1, 1990, indexed annually by the urban consumer price index, all items, as forecasted by Data Resources Inc., for the next fiscal year over the current fiscal year;

(7) any contingencies for an approval as outlined in writing by the commissioner are met; and

(8) any commissioner orders for use of preferred providers are met.

The commissioner shall evaluate the services provided pursuant to this subdivision through program and fiscal audits.

The commissioner may terminate the rate exception at any time under any of the conditions outlined in Minnesota Rules, part 9510.1120, subpart 3, for county termination, or by reason of information obtained through program and fiscal audits which indicate the criteria outlined in this subdivision have not been, or are no longer being, met.

The commissioner may approve no more than one rate exception, up to 12 months duration, for an eligible client.

Sec. 3. Minnesota Statutes 1994, section 256B.501, is amended by adding a subdivision to read:

Subd. 8a. [PAYMENT FOR PERSONS WITH SPECIAL NEEDS FOR CRISIS INTERVENTION SERVICES.] State-operated, community-based crisis services provided in accordance with sections 7 and 9 to a resident of an intermediate care facility for persons with mental retardation (ICF/MR) reimbursed under this section shall be paid by medical assistance in accordance with the paragraphs in this subdivision.

(a) "Crisis services" means the specialized services listed in clauses (1) to (3) provided to prevent the recipient from requiring placement in a more restrictive institutional setting such as an inpatient hospital or regional treatment center and to maintain the recipient in his or her present community setting.

(1) The crisis services provider shall assess the recipient's behavior and environment to identify factors contributing to the crisis.

(2) The crisis services provider shall develop a recipient-specific intervention plan in coordination with the service planning team and provide recommendations for revisions to the individual service plan if necessary to prevent or minimize the likelihood of future crisis situations. The intervention plan shall include a transition plan to aid the recipient in returning to the community-based ICF/MR if the recipient is receiving residential crisis services.

(3) The crisis services provider shall consult with and provide training and ongoing technical assistance to the recipient's service providers to aid in the implementation of the intervention plan and revisions to the individual service plan.

(b) "Residential crisis services" means crisis services that are provided to a recipient admitted to the crisis services foster care setting because the ICF/MR receiving reimbursement under this section is not able, as determined by the commissioner, to provide the intervention and protection of the recipient and others living with the recipient that are necessary to prevent the recipient from requiring placement in a more restrictive institutional setting.

(c) Crisis services providers must be licensed by the commissioner under section 245A.03 to provide foster care, must exclusively provide short-term crisis intervention, and must not be located in a private residence.

(d) Payment rates are determined annually for each crisis services provider based on cost of care for each provider as defined in section 246.50. Interim payment rates are calculated on a per diem basis by dividing the projected cost of providing care by the projected number of contact days for the fiscal year, as estimated by the commissioner. Final payment rates are calculated by dividing the actual cost of providing care by the actual number of contact days in the applicable fiscal year.

(e) Payment shall be made for each contact day. "Contact day" means any day in which the crisis services provider has face-to-face contact with the recipient or any of the recipient's medical assistance service providers for the purpose of providing crisis services as defined in paragraph (c).

(f) Payment for residential crisis services is limited to 21 days, unless an additional period is authorized by the commissioner. The additional period may not exceed 21 days.

(g) Payment for crisis services shall be made only for services provided while the ICF/MR receiving reimbursement under this section:

(1) has a shared services agreement with the crisis services provider in effect in accordance with section 246.57;

(2) has reassigned payment for the provision of the crisis services under this subdivision to the commissioner in accordance with Code of Federal Regulations, title 42, section 447.10(e); and

(3) has executed a cooperative agreement with the crisis services provider to implement the intervention plan and revisions to the individual service plan as necessary to prevent or minimize the likelihood of future crisis situations, to maintain the recipient in his or her present community setting, and to prevent the recipient from requiring a more restrictive institutional setting.

(h) Payment to the ICF/MR receiving reimbursement under this section shall be made for up to 18 therapeutic leave days during which the recipient is receiving residential crisis services, if the ICF/MR is otherwise eligible to receive payment for a therapeutic leave day under Minnesota Rules, part 9505.0415. Payment under this paragraph shall be terminated if the commissioner determines that the ICF/MR is not meeting the terms of the cooperative agreement under paragraph (g) or that the recipient will not return to the ICF/MR.

## ARTICLE 7

### DEPARTMENT OF HEALTH POLICY

Section 1. Minnesota Statutes 1994, section 144B.01, subdivision 5, is amended to read:

Subd. 5. [RESIDENTIAL CARE HOME OR HOME.] "Residential care home" or "home" means an establishment with a minimum of five beds, where adult residents are provided sleeping accommodations and three or more meals per day and where at least two or more supportive services or at least one health-related service are provided or offered to all residents by the home. A residential care home is not required to offer every supportive or health-related service. A "residential care home" does not include:

(1) a board and lodging establishment licensed under chapter 157 and the provisions of Minnesota Rules, parts 9530.4100 to 9530.4450;

(2) a boarding care home or a supervised living facility licensed under chapter 144;

(3) a home care provider licensed under chapter 144A;

(4) any housing arrangement which consists of apartments containing a separate kitchen or kitchen equipment that will allow residents to prepare meals and where supportive services may be provided, on an individual basis, to residents in their living units either by the management of the residential care home or by home care providers under contract with the home's management; and

(5) a board or lodging establishment which serves as a shelter for battered women or other similar purpose; and

(6) an elderly housing with services establishment registered under chapter 144D.

Sec. 2. [144D.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 144D.01 to 144D.06, the following terms have the meanings given them.

Subd. 2. [ADULT.] "Adult" means a natural person who has attained the age of 18 years.

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

Subd. 4. [ELDERLY HOUSING WITH SERVICES ESTABLISHMENT OR ESTABLISHMENT.] "Elderly housing with services establishment" or "establishment" means an establishment providing sleeping accommodations to one or more adult residents, at least 80 percent of which are 55 years of age or older, and offering or providing, for a fee, one or more health-related or supportive service, whether offered or provided directly by the establishment or by another entity arranged for by the establishment.

Elderly housing with services establishment does not include:

(1) a nursing home licensed under chapter 144A;

(2) a hospital, boarding care home, or supervised living facility licensed under sections 144.50 to 144.56;

(3) a board and lodging establishment licensed under chapter 157 and Minnesota Rules, parts 9520.0500 to 9520.0670, 9525.0215 to 9525.0355, 9525.0500 to 9525.0660, or 9530.4100 to 9530.4450;

(4) a board and lodging establishment which serves as a shelter for battered women or other similar purpose;

(5) a family adult foster care home licensed under Minnesota Rules, parts 9543.0010 to 9543.0150; or

(6) private homes in which the residents are related by kinship, law, or affinity with the providers of services.

Subd. 5. [SUPPORTIVE SERVICES.] "Supportive services" means arranging for medical services, health-related services, social services, transportation, help with personal laundry, or handling or assisting with personal funds of residents.

Subd. 6. [HEALTH-RELATED SERVICES.] "Health-related services" include professional nursing services, home health aide tasks, and home care aide tasks identified in Minnesota Rules, parts 4668.0100, subparts 1 and 2; and 4668.0110, subpart 1, or the central storage of medication for residents under section 144A.485, subdivision 2, clause (6).

Sec. 3. [144D.02] [REGISTRATION REQUIRED.]

No entity may establish, operate, conduct, or maintain an elderly housing with services establishment in this state without registering and operating as required in sections 144D.01 to 144D.06.

Sec. 4. [144D.04] [ELDERLY HOUSING WITH SERVICES CONTRACTS.]

Subdivision 1. [CONTRACT REQUIRED.] No elderly housing with services establishment may operate in this state unless a written elderly housing with services contract, as defined in subdivision 2, is executed between the establishment and each resident or resident's representative and unless the establishment operates in accordance with the terms of the contract. The resident or the resident's representative shall be given a complete copy of the contract and all supporting documents and attachments and any changes whenever changes are made.

Subd. 2. [CONTENTS OF CONTRACT.] An elderly housing with services contract, which need not be entitled as such to comply with this section, shall include at least the following elements in itself or through supporting documents or attachments:

(1) name, street address, and mailing address of the establishment;

(2) the name and mailing address of the owner or owners of the establishment and, if the owner or owners is not a natural person, identification of the type of business entity of the owner or owners;

(3) the name and mailing address of the managing agent, through management agreement or lease agreement, of the establishment, if different from the owner or owners;

(4) the name and address of at least one natural person who is authorized to accept service on behalf of the owner or owners and managing agent;

(5) statement describing the registration and licensure status of the establishment and any provider providing health-related or supportive services under an arrangement with the establishment;

(6) term of the contract;

(7) description of the services to be provided to the resident in the base rate to be paid by resident;

(8) description of any additional services available for an additional fee from the establishment directly or through arrangements with the establishment;

(9) fee schedules outlining the cost of any additional services;

(10) description of the process through which the contract may be modified, amended, or terminated;

(11) description of the establishment's complaint resolution process available to residents;

(12) the resident's designated representative, if any;

(13) the establishment's referral procedures if the contract is terminated;

(14) criteria used by the establishment to determine who may continue to reside in the elderly housing with services establishment;

(15) billing and payment procedures and requirements;

(16) statement regarding the ability of residents to receive services from service providers with whom the establishment does not have an arrangement; and

(17) statement regarding the availability of public funds for payment for residence or services in the establishment.

Subd. 3. [CONTRACTS IN PERMANENT FILES.] Elderly housing with services contracts and related documents executed by each resident or resident's representative shall be maintained by the establishment in files from the date of execution until three years after the contract is terminated. The contracts shall be made available for on-site inspection by the commissioner upon request at any time.

#### Sec. 5. [144D.05] [AUTHORITY OF COMMISSIONER.]

The commissioner shall, upon receipt of information which may indicate the failure of the elderly housing with services establishment, a resident, a resident's representative, or a service provider to comply with a legal requirement to which one or more of them may be subject, make appropriate referrals to other governmental agencies and entities having jurisdiction over the subject matter. The commissioner may also make referrals to any public or private agency the commissioner considers available for appropriate assistance to those involved.

The commissioner shall have standing to bring an action for injunctive relief in the district court in the district in which an establishment is located to compel the elderly housing with services establishment to meet the requirements of this chapter or other requirements of the state or of any county or local governmental unit to which the establishment is otherwise subject. Proceedings for securing an injunction may be brought by the commissioner through the attorney general or through the appropriate county attorney. The sanctions in this section do not restrict the availability of other sanctions.

#### Sec. 6. [144D.06] [OTHER LAWS.]

An elderly housing with services establishment shall obtain and maintain all other licenses, permits, registrations, or other governmental approvals required of it in addition to registration under this chapter, except that an establishment registered under this chapter is exempt, at its option, from the requirement of obtaining and maintaining an adult foster care license under Minnesota Rules, parts 9543.0010 to 9543.0150, or a lodging license under chapter 157. An elderly housing with services establishment which is also described in section 157.031 is exempt from the requirements of that section while it is registered under this chapter.

#### Sec. 7. [REPORT.]

The commissioner of health shall submit a report to the legislature by March 1, 1996, regarding the registration program for elderly housing with services establishments and recommendations for appropriate level of home care licensure for housing with services establishments. The commissioner shall also include in the report recommendations as to whether home sharing arrangements should be excluded from the registration program.

#### Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 6 are effective August 1, 1996. Section 7 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to human services; authorizing the commissioner of public safety to issue certain cards to program clients; authorizing therapy providers to represent clients at agency hearings; changing the state share of certain program costs; authorizing assistance transaction card fees; modifying ICF/MR client classification requirements; authorizing an hourly job-coach rate for day training services; modifying the chemical dependency treatment fund allocation; establishing an Indian elders coordinator position; authorizing mental retardation waived services in an unlicensed facility under certain conditions; authorizing children's mental health transition services to persons over 18 years of age under certain conditions; modifying allocation procedures for the child care funds; establishing a local match percentage for child care funds; establishing a public assistance lien under certain circumstances; making Minnesota family investment plan participants subject to fraud statutes; modifying program disqualification requirements; strengthening lien enforcement provisions; modifying income and asset allowance provisions and other provisions relating to medical assistance; requiring a plan to restructure alternative care and otherwise modifying alternative care and waived service programs; modifying the traumatic brain injury program; making technical modifications in nursing facility reimbursement and reporting; requiring recommendations on a new ICF/MR reimbursement system; modifying asset allowances under general assistance medical care; requiring various studies and reports; providing MA payment for persons with special needs in state operated services; providing elderly housing with supportive services; amending Minnesota Statutes 1994, sections 16B.08, subdivision 5; 144.0723, subdivisions 1, 2, 3, 4, and 6; 144B.01, subdivision 5; 171.07, by adding a subdivision; 245.4871, by adding a subdivision; 245.4875, by adding a subdivision; 246.56, by adding a subdivision; 252.27, subdivision 1a; 252.275, subdivisions 3, 4, and 8; 252.46, subdivisions 1, 3, and 17; 254B.02, subdivision 1; 254B.05, subdivision 1; 256.014, subdivision 1; 256.015, subdivisions 1 and 2; 256.034, subdivision 1; 256.045, subdivisions 3, 4, and 5; 256.73, subdivision 2; 256.736, subdivision 13; 256.9353, subdivision 8; 256.969, subdivisions 10 and 16; 256.975, by adding a subdivision; 256.98, subdivisions 1 and 8; 256B.042, subdivision 2; 256B.056, subdivision 4; 256B.0575; 256B.059, subdivisions 1, 3, and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.06, subdivision 4; 256B.0625, subdivisions 5, 13a, and 18; 256B.0628, subdivision 2; 256B.0911, subdivisions 2, 2a, and 3; 256B.0913, subdivisions 4, 5, 8, 12, and 14; 256B.0915, subdivisions 3, 5, and by adding a subdivision; 256B.092, by adding a subdivision; 256B.093, subdivisions 1, 2, 3, and by adding a subdivision; 256B.431, subdivision 15, and by adding a subdivision; 256B.432, subdivisions 1, 2, 3, 5, and 6; 256B.501, subdivisions 1, 3g, 8, and by adding subdivisions; 256B.69, subdivision 4; 256D.03, subdivision 3; 256D.05, subdivision 7; 256D.46, subdivisions 1 and 2; 256D.48, subdivision 1; 256F.09; 256H.01, subdivisions 9 and 12; 256H.02; 256H.03, subdivisions 1, 2a, 6, and by adding a subdivision; 256H.08; 256H.11, subdivision 1; 256H.12, subdivision 1, and by adding a subdivision; 256H.15, subdivision 1; 256H.18; 256I.03, subdivision 5, and by adding a subdivision; 256I.04, subdivision 2b; 256I.05, subdivisions 1 and 5; 256I.06, subdivisions 2 and 6;



524.6-207; and 550.37, subdivision 14; 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; proposing coding for new law as Minnesota Statutes, chapter 144D; repealing Minnesota Statutes 1994, sections 144.0723, subdivision 5; 252.275, subdivisions 4a and 10; and 256H.03, subdivisions 2 and 5."

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

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

**S.F. No. 1402:** A bill for an act relating to state government; asking state employees to submit suggestions to improve the efficiency and effectiveness of state government.

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

Page 1, line 12, delete "government efficiency and oversight division" and insert "ways and means committee"

Page 1, line 13, delete everything after "the" and insert "committee on governmental operations and veterans"

Page 2, line 7, delete "can" and insert "may" and before the period, insert "if the committees so decide"

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

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

**S.F. No. 1135:** A bill for an act relating to ice arenas; providing the Minnesota amateur sports commission with additional authority; authorizing use of county capital improvement bonds; exempting issuance of certain debt from the election requirements; providing a sales tax exemption; authorizing use of subdivision dedication for certain facilities; appropriating money; amending Minnesota Statutes 1994, sections 240A.09; 240A.10; 297A.25, by adding a subdivision; 373.40, subdivision 1; 462.358, subdivision 2b; 471.16, subdivision 1; and 475.58, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 373.

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

Page 2, line 15, strike "and" and insert a comma

Page 2, line 16, before the period, insert ", and must accommodate noncompetitive family and community skating for all ages"

Page 7, line 25, delete "subdivision" and insert "section"

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

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

**Messrs. Pogemiller and Stumpf from the Committee on Education, to which was referred**

**S.F. No. 1103:** A bill for an act relating to children's services; establishing the department of children, families, and learning; making related changes; amending Minnesota Statutes 1994, section 256F.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 1994, sections 121.02, subdivisions 1, 2a, and 3; 121.03; and 121.04, subdivision 2.

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

Page 4, delete lines 10 to 12

Page 4, line 30, after the semicolon, insert "and"

Page 4, line 32, delete the semicolon and insert a period

Page 4, delete lines 33 to 35

Page 5, delete lines 10 to 18

Page 5, delete line 25

Renumber the clauses in sequence

Page 5, after line 27, insert:

"Subd. 3. [DEPARTMENT OF ECONOMIC SECURITY.] The powers and duties of the department of economic security with respect to the Head Start program, including Project Cornerstone, under sections 268.912 to 268.916, are transferred to the department of children, families, and learning under section 15.039 on July 1, 1997."

Page 5, line 28, delete "3" and insert "4"

Page 6, line 5, delete "4" and insert "5"

Page 6, line 10, delete "5" and insert "6"

Page 8, after line 20, insert:

"Subd. 5a. [MULTIAGENCY PLAN.] Money appropriated for learning readiness programs under section 121.821, early childhood family education programs under section 121.882, and Head Start programs, including Project Cornerstone, under sections 268.912 to 268.916, shall not be expended until the local school district or school districts and the Head Start grantee agree to a plan for coordinating local services under these programs."

Page 14, delete section 9

Page 16, line 3, delete everything after the period

Page 16, delete lines 4 to 10

Page 17, line 4, delete the first comma and insert "and" and delete ", and the state board"

Page 17, line 5, delete "of education"

Page 17, line 9, delete "the state board of education or"

Page 17, line 12, delete "both"

Page 17, line 13, delete "and the state board of education"

Page 17, line 24, delete "15" and insert "13"

Page 17, delete section 14

Page 17, line 32, delete "13" and insert "12"

Page 17, line 33, delete "Sections" and insert "Section"

Page 17, line 34, delete "and 14 (Repealer) are" and insert "is"

Page 17, line 35, delete "11" and insert "10"

Page 17, line 36, delete "12" and insert "11"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete from "; repealing" through page 1, line 8, to "2"

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

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

**Mr. Metzen from the Committee on Governmental Operations and Veterans**, to which were referred the following appointments as reported in the Journal for February 16, 1995:

DEPARTMENT OF EMPLOYEE RELATIONS  
COMMISSIONER

Bruce Johnson

DEPARTMENT OF VETERANS AFFAIRS  
COMMISSIONER

Bernard R. Melter

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**Mr. Metzen from the Committee on Governmental Operations and Veterans**, to which was referred the following appointment as reported in the Journal for March 2, 1995:

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

James H. Main

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**Mr. Metzen from the Committee on Governmental Operations and Veterans**, to which was referred the following appointment as reported in the Journal for February 23, 1995:

DEPARTMENT OF ADMINISTRATION  
COMMISSIONER

Elaine Hansen

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**Mr. Metzen from the Committee on Governmental Operations and Veterans**, to which was referred the following appointment as reported in the Journal for March 2, 1995:

MINNESOTA VETERANS HOMES BOARD OF DIRECTORS

Wayne M. Sletten

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1112, 867, 1250, 1583, 1073, 1076, 529, 1075, 1417, 1572, 375 and 1402 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 990, 1018, 733 and 354 were read the second time.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Mondale moved that S.F. No. 467 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Finance. The motion prevailed.

Mr. Neuville moved that S.F. No. 1146, No. 1 on the Consent Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

**Mr. Larson introduced--**

**S.F. No. 1651:** A bill for an act relating to local government; authorizing the city of Sauk Centre to determine the number of members of the public utilities commission.

Referred to the Committee on Metropolitan and Local Government.

**Mr. Solon introduced--**

**S.F. No. 1652:** A bill for an act relating to capital improvements; appropriating money to the commissioner of the pollution control agency for grants for certain sewage treatment works and systems; authorizing the sale of state bonds.

Referred to the Committee on Environment and Natural Resources.

**Mr. Beckman introduced--**

**S.F. No. 1653:** A bill for an act relating to the organization and operation of state government; appropriating money for state courts, public safety, public defense, corrections, and related purposes; providing for the transfer of certain money in the state treasury; amending Minnesota Statutes 1994, sections 16A.285; 243.51, subdivisions 1 and 3; and 626.861, subdivision 4.

Referred to the Committee on Crime Prevention.

**Ms. Flynn, Messrs. Hottinger and Cohen introduced--**

**S.F. No. 1654:** A bill for an act relating to taxation; property tax; allowing improvements to be excluded from valuation on certain property; amending Minnesota Statutes 1994, section 273.11, subdivision 16.

Referred to the Committee on Taxes and Tax Laws.

**Ms. Johnson, J.B. introduced--**

**S.F. No. 1655:** A bill for an act relating to local government; requiring a sustainable development planning guide and a model ordinance to be developed for local government use by the office of strategic and long-range planning; proposing coding for new law in Minnesota Statutes, chapter 4A.

Referred to the Committee on Metropolitan and Local Government.

### **MEMBERS EXCUSED**

Mr. Stumpf was excused from the Session of today. Mr. Price was excused from the Session of today from 11:00 to 11:20 a.m. Ms. Wiener was excused from the Session of today from 11:40 a.m. to 12:05 p.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:30 a.m., Tuesday, April 11, 1995. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate

